

Greeneview Local School District
Greene County, Ohio

Basic Financial Statements

June 30, 2008

(with Independent Auditors' Report)



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Greeneview Local School District, Greene County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 14, 2009

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District as of June 30, 2008, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 23, 2008

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(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, 2008. 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 2008 are as follows:

In total, net assets increased \$1,322,948, which represents a 29 percent increase from 2007.

General revenues accounted for \$12,358,595 in revenue or 87 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, interest and contributions accounted for \$1,818,819 or 13 percent of total revenues of \$14,177,414.

Total assets of governmental activities increased by \$600,849 as cash and cash equivalents increased by \$977,296, receivables decreased by \$99,896, and capital assets decreased by \$332,777.

The School District had \$12,854,466 in expenses; only \$1,818,819 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$12,358,595.

Among major funds, the general fund had \$11,974,918 in revenues and \$10,933,546 in expenditures. The general fund's balance increased \$1,043,772 from 2007.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2008 compared to 2007:

Table 1
Net Assets

	2008	Restated 2007
Assets:		
Current and Other Assets	\$8,696,969	\$7,763,343
Capital Assets	10,544,748	10,877,525
Total Assets	19,241,717	18,640,868
Liabilities:		
Long-Term Liabilities	8,515,324	9,073,594
Other Liabilities	4,900,560	5,064,389
Total Liabilities	13,415,884	14,137,983
Net Assets:		
Invested in Capital Assets, Net of Related Debt	2,870,413	2,688,480
Restricted	541,547	597,325
Unrestricted	2,413,873	1,217,080
Total Net Assets	\$5,825,833	\$4,502,885

Total assets of governmental activities increased by \$600,849, as cash and cash equivalents increased by \$977,296, receivables decreased by \$99,896 and capital assets decreased by \$332,777. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$1,196,793.

Table 2 shows the changes in net assets for fiscal year 2008. A comparative analysis of district-wide data is being presented, as follows:

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Table 2
Changes in Net Assets

	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$1,103,464	\$1,051,824
Operating Grants, Interest and Contributions	715,355	711,420
Capital Grants and Contributions	0	12,977
Total Program Revenues	<u>1,818,819</u>	<u>1,776,221</u>
General Revenues:		
Property Taxes	3,929,292	4,064,541
Income Tax	1,762,406	1,683,621
Grants and Entitlements	6,394,736	6,282,568
Investment Earnings	155,436	159,225
Other	116,725	108,377
Total General Revenues	<u>12,358,595</u>	<u>12,298,332</u>
Total Revenues	<u>14,177,414</u>	<u>14,074,553</u>
Program Expenses		
Instruction	6,465,818	6,027,822
Support Services:		
Pupils and Instructional Staff	1,887,256	1,744,962
Board of Education, Administration, Fiscal and Business	1,670,862	1,591,152
Operation and Maintenance of Plant	849,448	1,264,360
Pupil Transportation	820,653	829,946
Operation of Non-Instructional Services	391,317	369,291
Extracurricular Activities	412,490	424,578
Interest and Fiscal Charges	356,622	451,153
Total Expenses	<u>12,854,466</u>	<u>12,703,264</u>
Increase in Net Assets	<u><u>\$1,322,948</u></u>	<u><u>\$1,371,289</u></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 40 percent of revenues for governmental activities for the Greeneview Local School District for fiscal year 2008.

Instruction comprises 50 percent of district expenses. Support services expenses make up 41 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Table 3
Cost of Services

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Instruction	\$6,465,818	\$5,555,678	\$6,027,822	\$5,213,594
Support Services:				
Pupils and Instructional Staff	1,887,256	1,582,212	1,744,962	1,404,088
Board of Education, Administration, Fiscal and Business	1,670,862	1,589,252	1,591,152	1,498,856
Operation and Maintenance of Plant	849,448	841,066	1,264,360	1,264,360
Pupil Transportation	820,653	813,146	829,946	816,969
Operation of Non-Instructional Services	391,317	43,010	369,291	31,280
Extracurricular Activities	412,490	254,661	424,578	246,743
Interest and Fiscal Charges	356,622	356,622	451,153	451,153
Total Expenses	<u>\$12,854,466</u>	<u>\$11,035,647</u>	<u>\$12,703,264</u>	<u>\$10,927,043</u>

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. The decrease in this function from fiscal year 2007 to fiscal year 2008 is a result of paying off the school improvement lease purchase in August 2007.

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.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District. The decrease in interest and fiscal charges is due to the debt refunding that was done, as well as the early payoff of the capital lease obligations during the year. For more information on the debt refunding, see Note 16 of the Basic Financial Statements.

The dependence upon tax revenues is apparent. Nearly 86 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 85.85 percent. The community, as a whole, is the primary support for the Greeneview Local School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$11,974,918 and total expenditures of \$10,933,546. The debt service major fund had total revenues of \$665,552 and total expenditures of \$692,985. The net change in the fund balance for the general fund was an increase of \$1,043,772, and the net change in fund balance for the debt service fund was an increase of \$61,588.

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 2008, the School District amended its general fund budget one time. 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 revenue and other financing sources estimate was \$11,561,642. The original budgeted estimate was \$11,370,922.

During fiscal year 2008, the School District budgeted and received \$3,034,231 and \$3,155,077, respectively in property and other taxes while it budgeted and received \$6,159,110 and \$6,290,700, respectively, in intergovernmental revenues.

Capital Assets

At the end of the fiscal year 2008, the School District had \$10,544,748 invested in capital assets.

Table 4 shows fiscal 2008 balances compared to 2007.

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

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

	2008	Restated 2007
Land	\$350,000	\$350,000
Land Improvements	688,781	759,827
Buildings and Improvements	9,121,064	9,325,498
Furniture and Equipment	371,840	408,100
Vehicles	13,063	15,438
Educational Media	0	18,662
Totals	\$10,544,748	\$10,877,525

Overall capital assets decreased \$332,777 from fiscal year 2008 to fiscal year 2007. Increases in capital assets (primarily improvements, equipment and vehicles) were not enough to offset the depreciation expense for the year.

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

Debt Administration

On August 22, 2007, the School District issued \$5,045,000 of General Obligation Refunding Bonds and \$250,000 in Capital Appreciation Refunding Bonds for a total of \$5,295,000 to provide resources to purchase United States Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded bonds. The School District used the new bonds, previously funded debt service payments, plus \$274,470 to defease the outstanding liability.

The original debt was issued May 1, 1999. This project built a new high school for the District. Both of the lease purchase agreements that the School District had outstanding at June 30, 2007, were paid off during fiscal year 2008.

Table 5
Outstanding Debt at June 30,

	2008	2007
School Improvement Bonds	\$2,360,000	\$7,890,000
General Obligation Refunding Bonds	\$4,980,000	0
Capital Appreciation Refunding Bonds	\$250,000	0
Bus Purchase Lease	0	93,000
School Improvement Lease Purchase	0	231,000
Totals	\$7,590,000	\$8,214,000

Greeneview Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

At June 30, 2008, the School District's overall legal debt limitation was \$6,920,669, and the unvoted debt margin was \$158,058.

For more information on the School District's debt, see Note 16 of the Basic Financial Statements.

Current Financial Issues and Concerns

The statewide budget cuts implemented by Governor Strickland are of major concern to the district. Unfunded mandates are an on going concern to the School District as well as the unresolved school funding formula.

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 gv_jgibson@mveca.org.

GREENVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2008

	GOVERNMENTAL ACTIVITIES
Assets:	
Cash and Cash Equivalents	\$3,770,816
Cash and Cash Equivalents with Fiscal Agents	437
Inventory of Supplies and Materials	11,944
Accrued Interest Receivable	4,881
Accounts Receivable	34,888
Intergovernmental Receivable	37,247
Income Tax Receivable	779,277
Property Taxes Receivable	3,973,143
Deferred Charges	84,336
Depreciable Capital Assets, Net	10,194,748
Land	350,000
Total Assets	19,241,717
Liabilities:	
Accounts Payable	29,402
Accrued Wages and Benefits Payable	893,537
Intergovernmental Payable	313,011
Accrued Interest Payable	27,859
Accrued Vacation Leave Payable	15,181
Unearned Revenue	3,621,570
Long Term Liabilities:	
Due Within One Year	433,461
Due In More Than One Year	8,081,863
Total Liabilities	13,415,884
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,870,413
Restricted for:	
Debt Service	155,387
Capital Projects	212,590
Other Purposes	173,570
Unrestricted	2,413,873
Total Net Assets	\$5,825,833

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants, Interest and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$5,440,392	\$517,262	\$100,775	(\$4,822,355)
Special	912,030	78,238	203,102	(630,690)
Vocational	93,203	9,771	0	(83,432)
Other	20,193	992	0	(19,201)
Support Services:				
Pupils	1,142,751	0	2,245	(1,140,506)
Instructional Staff	744,505	0	302,799	(441,706)
Board of Education	78,933	0	0	(78,933)
Administration	1,207,772	75,684	2,853	(1,129,235)
Fiscal	383,810	0	3,073	(380,737)
Business	347	0	0	(347)
Operation and Maintenance of Plant	849,448	8,382	0	(841,066)
Pupil Transportation	820,653	0	7,507	(813,146)
Operation of Non-Instructional Services	391,317	255,306	93,001	(43,010)
Extracurricular Activities	412,490	157,829	0	(254,661)
Interest and Fiscal Charges	356,622	0	0	(356,622)
Total Governmental Activities	<u>\$12,854,466</u>	<u>\$1,103,464</u>	<u>\$715,355</u>	<u>(11,035,647)</u>
General Revenues:				
Property Taxes Levied for:				
General Purposes				3,156,428
Debt Service				578,306
Capital Outlay				194,558
Income Taxes Levied for General Purposes				1,762,406
Grants and Entitlements not Restricted to Specific Programs				6,394,736
Gifts and Donations				22,840
Investment Earnings				155,436
Miscellaneous				93,885
Total General Revenues				<u>12,358,595</u>
Change in Net Assets				1,322,948
Net Assets Beginning of Year - Restated				<u>4,502,885</u>
Net Assets End of Year				<u>\$5,825,833</u>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	\$3,078,780	\$259,570	\$356,228	\$3,694,578
Cash and Cash Equivalents with Fiscal Agents	0	0	437	437
Receivables:				
Property Taxes	3,350,167	622,976	0	3,973,143
Income Taxes	779,277	0	0	779,277
Accrued Interest	4,881	0	0	4,881
Accounts	34,521	0	367	34,888
Intergovernmental	0	0	37,247	37,247
Interfund	13,000	0	0	13,000
Inventory of Supplies and Materials	0	0	11,944	11,944
Restricted Assets:				
Cash and Cash Equivalents	76,238	0	0	76,238
Total Assets	<u>\$7,336,864</u>	<u>\$882,546</u>	<u>\$406,223</u>	<u>\$8,625,633</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$15,665	\$0	\$13,737	\$29,402
Accrued Wages and Benefits Payable	854,699	0	38,838	893,537
Interfund Payable	0	0	13,000	13,000
Intergovernmental Payable	303,484	0	9,527	313,011
Deferred Revenue	3,355,982	597,061	37,247	3,990,290
Total Liabilities	<u>4,529,830</u>	<u>597,061</u>	<u>112,349</u>	<u>5,239,240</u>
Fund Balances:				
Reserved for Encumbrances	59,062	0	7,797	66,859
Reserved for Property Taxes	146,370	25,915	0	172,285
Reserved for Budget Stabilization	76,238	0	0	76,238
Designated for Budget Stabilization	134,347	0	0	134,347
Unreserved, Undesignated, Reported in:				
General Fund	2,391,017	0	0	2,391,017
Special Revenue Funds	0	0	73,487	73,487
Debt Service Fund	0	259,570	0	259,570
Capital Projects Funds	0	0	212,590	212,590
Total Fund Balances	<u>2,807,034</u>	<u>285,485</u>	<u>293,874</u>	<u>3,386,393</u>
Total Liabilities and Fund Balances	<u>\$7,336,864</u>	<u>\$882,546</u>	<u>\$406,223</u>	<u>\$8,625,633</u>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2008

Total Governmental Fund Balance		\$3,386,393
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds.		84,336
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets		
Land	350,000	
Land Improvements	1,338,186	
Building and Improvements	13,387,898	
Furniture, Fixtures and Equipment	1,412,264	
Vehicles	1,181,727	
Educational Media	424,852	
Accumulated Depreciation	<u>(7,550,179)</u>	
Total Capital Assets		10,544,748
Other long-term assets are not available to pay for the current period's expenditures and therefore are deferred in the funds.		
Property Taxes Receivable	179,288	
Intergovernmental Receivable	37,247	
Accounts Receivable	34,150	
Income Taxes Receivable	<u>118,035</u>	
		368,720
Unamortized Premium on Bonds Issued during the fiscal year.		(260,024)
Unamortized Deferred Loss on Refunding		175,689
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	(27,859)	
Accrued Vacation Leave Payable	(15,181)	
Compensated Absences	(818,182)	
Bonds Payable	<u>(7,612,807)</u>	
Total Liabilities		<u>(8,474,029)</u>
Net Assets of Governmental Activities		<u><u>\$5,825,833</u></u>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
Property and Other Taxes	\$3,172,150	\$586,746	\$227,765	\$3,986,661
Income Tax	1,709,702	0	0	1,709,702
Tuition and Fees	620,373	0	0	620,373
Interest	153,781	0	1,655	155,436
Intergovernmental	6,290,700	78,806	753,701	7,123,207
Extracurricular Activities	0	0	208,519	208,519
Charges for Services	0	0	255,306	255,306
Gifts and Donations	228	0	22,612	22,840
Rent	8,382	0	0	8,382
Miscellaneous	19,602	0	9,125	28,727
Total Revenues	<u>11,974,918</u>	<u>665,552</u>	<u>1,478,683</u>	<u>14,119,153</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,883,205	0	117,611	5,000,816
Special	727,021	0	196,461	923,482
Vocational	90,853	0	0	90,853
Other	9,312	0	10,881	20,193
Support Services:				
Pupils	1,116,288	0	4,936	1,121,224
Instructional Staff	456,810	0	286,954	743,764
Board of Education	80,775	0	2,405	83,180
Administration	1,104,953	0	106,062	1,211,015
Fiscal	375,729	99,370	7,393	482,492
Operation and Maintenance of Plant	936,429	0	5,299	941,728
Pupil Transportation	813,154	0	0	813,154
Operation of Non-Instructional Services	8,084	0	373,691	381,775
Extracurricular Activities	232,992	0	171,550	404,542
Capital Outlay	0	0	82,901	82,901
Debt Service:				
Principal Retirement	93,000	300,000	231,000	624,000
Interest and Fiscal Charges	4,941	293,615	911	299,467
Total Expenditures	<u>10,933,546</u>	<u>692,985</u>	<u>1,598,055</u>	<u>13,224,586</u>
Excess of Revenues Over (Under) Expenditures	<u>1,041,372</u>	<u>(27,433)</u>	<u>(119,372)</u>	<u>894,567</u>
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	5,295,000	0	5,295,000
Premium on Refunded Bonds	0	274,470	0	274,470
Payment to Refunded Bond Escrow Agent	0	(5,480,449)	0	(5,480,449)
Proceeds from Sale of Capital Assets	2,400	0	48,312	50,712
Total Other Financing Sources (Uses)	<u>2,400</u>	<u>89,021</u>	<u>48,312</u>	<u>139,733</u>
Net Change in Fund Balances	1,043,772	61,588	(71,060)	1,034,300
Fund Balances at Beginning of Year	<u>1,763,262</u>	<u>223,897</u>	<u>364,934</u>	<u>2,352,093</u>
Fund Balances at End of Year	<u>\$2,807,034</u>	<u>\$285,485</u>	<u>\$293,874</u>	<u>\$3,386,393</u>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$1,034,300

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 Asset Additions	203,814	
Current Year Depreciation	(498,972)	
Loss on Disposal of Capital Assets	(37,619)	
		(332,777)

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

Property Taxes	(57,369)	
Accounts	10,884	
Income Taxes	52,704	
Intergovernmental	(13,116)	
		(6,897)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of bond principal and capital lease principal payments of \$624,000, as well as debt refunding of \$5,295,000 paid through payment made to refunded bond escrow agent.

5,919,000

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from the Issuance of Refunding Bonds	(5,295,000)	
Deferred Amount on Refunding	185,449	
Current Year Impact of Issuance Costs	89,021	
Current Year Impact of Long-Term Debt Premium	(274,470)	
		(5,295,000)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.

5,052

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:

Amortization of Bond Issuance Costs	(29,640)	
Amortization of Bond Premium	14,446	
Amortization of Deferred Amount on Refunding	(9,760)	
Interest Accreted on Capital Appreciation Bonds	(22,807)	
Accrued Vacation Leave Payable	5,619	
Compensated Absences Payable	41,412	
		(730)

Change in Net Assets of Governmental Activities

\$1,322,948

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property and Other Taxes	\$2,843,511	\$3,034,231	\$3,155,077	\$120,846
Income Tax	1,633,190	1,633,190	1,712,483	79,293
Tuition and Fees	525,822	525,822	571,608	45,786
Interest	138,621	138,621	153,779	15,158
Intergovernmental	6,159,110	6,159,110	6,290,700	131,590
Gifts and Donations	7,216	7,216	228	(6,988)
Rent	2,504	2,504	8,482	5,978
Miscellaneous	27,256	27,256	21,854	(5,402)
Total Revenues	<u>11,337,230</u>	<u>11,527,950</u>	<u>11,914,211</u>	<u>386,261</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,258,540	5,263,714	4,886,813	376,901
Special	1,077,704	1,077,704	755,997	321,707
Vocational	81,000	81,000	90,718	(9,718)
Other	34,301	34,301	9,107	25,194
Support Services:				
Pupils	1,005,504	1,005,504	1,086,968	(81,464)
Instructional Staff	414,216	414,717	437,721	(23,004)
Board of Education	93,246	93,246	102,097	(8,851)
Administration	1,085,043	1,085,419	1,112,033	(26,614)
Fiscal	381,040	381,040	377,192	3,848
Operation and Maintenance of Plant	953,698	953,698	953,893	(195)
Pupil Transportation	814,752	814,752	838,266	(23,514)
Operation of Non-Instructional Services	10,688	10,688	8,084	2,604
Extracurricular Activities	232,900	232,900	239,944	(7,044)
Capital Outlay	17,193	17,193	0	17,193
Debt Service:				
Principal Retirement	93,000	93,000	93,000	0
Interest and Fiscal Charges	4,941	4,941	4,941	0
Total Expenditures	<u>11,557,766</u>	<u>11,563,817</u>	<u>10,996,774</u>	<u>567,043</u>
Excess of Revenues Over (Under) Expenditures	(220,536)	(35,867)	917,437	953,304
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	24,861	24,861	49,204	24,343
Proceeds from Sale of Capital Assets	0	0	2,400	2,400
Advances - In	8,831	8,831	24,831	16,000
Advances - Out	(10,000)	(10,000)	(13,000)	(3,000)
Total Other Financing Sources (Uses)	<u>23,692</u>	<u>23,692</u>	<u>63,435</u>	<u>39,743</u>
Net Increase (Decrease) in Fund Balances	(196,844)	(12,175)	980,872	993,047
Fund Balances at Beginning of Year	1,991,468	1,991,468	1,991,468	0
Prior Year Encumbrances Appropriated	108,045	108,045	108,045	0
Fund Balances at End of Year	<u>\$1,902,669</u>	<u>\$2,087,338</u>	<u>\$3,080,385</u>	<u>\$993,047</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2008

	PRIVATE PURPOSE TRUST	
	SCHOLARSHIP	AGENCY
Assets:		
Cash and Cash Equivalents	\$549,155	\$39,348
	\$549,155	\$39,348
Liabilities:		
Deposits Held and Due to Students	0	39,348
Total Liabilities	0	\$39,348
Net Assets:		
Held in Trust for Scholarships	\$549,155	

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	PRIVATE PURPOSE TRUST
	SCHOLARSHIP
Additions:	
Interest	\$20,823
Gifts and Donations	55,876
Total Additions	76,699
Deletions:	
Scholarships Awarded	31,100
Change in Net Assets	45,599
Net Assets Beginning of Year	503,556
Net Assets End of Year	\$549,155

See Accompanying Notes to the Basic Financial Statements

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. It is staffed by 67 non-certified employees, 87 certified full time teaching personnel, including 8 administrators, who provide services to 1,439 students and other community members. The School District currently operates 3 instructional/support facilities.

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

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

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

Jointly Governed Organizations:

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

Insurance Purchasing Pools:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

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

Governmental Funds:

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

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

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

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

Fiduciary Fund Types:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements:

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

Fund Financial Statements

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Unearned/Deferred Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008.

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled, with the exception of cash and cash equivalents held by fiscal agents. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "cash and cash equivalents." During fiscal year 2008, the School District's investments were limited to a repurchase agreement and a money market account.

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

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$153,781, which includes \$42,131 assigned from other funds. Interest revenue of \$1,655 and \$20,823 was posted to non-major governmental and private purpose trust funds, 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 assets.

H. Inventory

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Restricted Assets

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

J. Capital Assets and Depreciation

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

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

All reported capital assets except for land 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	25-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	8 years
Educational Media	6-15 years

K. Accrued Liabilities and Long-Term Obligations

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Compensated Absences

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

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

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the funds from which the employees will be paid. During fiscal year 2008, there were no "compensated absences payable" reported as fund liabilities.

M. Interfund Transactions

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

N. Fund Balance Reserves and Designation

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

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2008 none of the \$541,547 restricted net assets reported on the Statement of Net Assets were restricted by enabling legislation.

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

P. Estimates

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

Q. Issuance Costs

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

NOTE 3 – PRIOR PERIOD ADJUSTMENT

During fiscal year 2008, it was determined that capital assets of the School District were overstated from the prior year due to a reappraisal that the School District had done. As a result, the ending net assets for governmental activities previously reported were overstated by \$1,029,243. Therefore, the beginning net assets of governmental activities have been restated as of July 1, 2007 from the \$5,532,128 previously reported, to \$4,502,885.

NOTE 4 – FUND DEFICITS

At June 30, 2008, the Lunchroom, IDEA-part B and Title I non-major special revenue funds had deficit fund balances of \$16,599, \$545 and \$43, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$1,043,772
Net Adjustment for Revenue Accruals	(11,503)
Net Adjustment for Expenditure Accruals	11,387
Advances	11,831
Adjustment for Encumbrances	(74,615)
Budget Basis	<u><u>\$980,872</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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

Cash on Hand: At fiscal year end, the School District had \$100 in undeposited 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 fiscal agents” of \$437 shown in the special revenue funds is maintained by the Greene County Educational Service Center.

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, \$25,912 of the District’s bank balance of \$180,195 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution’s trust department, but not in the name of the School District. Although the securities serving as collateral were held by the pledging institution in the pledging institution’s name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

B. Investments

At June 30, 2008, the entire investment portfolio of the School District consisted of \$4,331,105 invested in money market mutual funds. All of the money market mutual funds have average investment maturities of less than one year and are unrated.

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

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

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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.

NOTE 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 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 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.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value listed as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 7 - PROPERTY TAXES (continued)

The School District receives property taxes from Greene 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, 2008, are available to finance fiscal year 2008 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, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2008, was \$146,370 in the general fund and \$25,915 in the debt service fund.

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

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$146,597,440	94%	\$150,440,250	94%
Public Utility	0	0	0	0
Tangible Personal Property	9,789,739	6	8,648,947	6
Total Assessed Value	<u>\$156,387,179</u>	<u>100%</u>	<u>\$159,089,197</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$37.90		\$37.90	

NOTE 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 2007, the voters of the School District renewed this income tax levy for an additional five-year period. This was effective January 2007 and will be in effect through December 2011. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund. Income tax revenue credited to the general fund for fiscal year 2008 was \$1,709,702.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 - RECEIVABLES

Receivables at June 30, 2008, consisted of property and income taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental grants and interfund.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Nonmajor Funds	
Title I	\$10,902
Title II-A	26,345
Total Intergovernmental Receivables	\$37,247

NOTE 10 - CAPITAL ASSETS

Capital asset activity of the governmental activities for the fiscal year ended June 30, 2008, was as follows:

	Restated Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
Capital Assets, not Being Depreciated:				
Land	\$350,000	\$0	\$0	\$350,000
Total Capital Assets, Not Being Depreciated	350,000	0	0	350,000
Capital Assets, Being Depreciated:				
Land Improvements	1,406,742	0	(68,556)	1,338,186
Buildings and Improvements	13,599,621	183,823	(395,546)	13,387,898
Furniture, Fixtures and Equipment	1,399,271	19,991	(6,998)	1,412,264
Vehicles	1,240,230	0	(58,503)	1,181,727
Educational Media	424,852	0	0	424,852
Total Capital Assets, Being Depreciated	18,070,716	203,814	(529,603)	17,744,927
Less Accumulated Depreciation:				
Land Improvements	(646,915)	(58,115)	55,625	(649,405)
Buildings and Improvements	(4,274,123)	(365,369)	372,658	(4,266,834)
Furniture, Fixtures and Equipment	(991,171)	(54,451)	5,198	(1,040,424)
Vehicles	(1,224,792)	(2,375)	58,503	(1,168,664)
Educational Media	(406,190)	(18,662)	0	(424,852)
Total Accumulated Depreciation	(7,543,191)	(498,972)*	491,984	(7,550,179)
Capital Assets, Being Depreciated, Net	10,527,525	(295,158)	(37,619)	10,194,748
Governmental Activities Capital Assets, Net	\$10,877,525	(\$295,158)	(\$37,619)	\$10,544,748

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$433,347
Special	607
Vocational	1,527
Support Services:	
Instructional Staff	13,149
Board of Education	1,438
Administration	10,712
Fiscal	2,351
Business	347
Operation and Maintenance of Plant	2,284
Transportation	5,260
Operation of Non-Instructional Services	11,500
Extracurricular Activities	16,450
Total Depreciation Expense	<u>\$498,972</u>

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Marsh Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$5,000,000 aggregate. Property is also protected by the Marsh Insurance Company and holds a \$1,000 deductible.

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

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

For fiscal year 2008, the School District participated in the Southwest Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund."

NOTE 11 - RISK MANAGEMENT (continued)

This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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 and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006, were \$128,778, \$157,557 and \$135,691 respectively; 42.54 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio DB Plan for the fiscal years ended June 30, 2008, 2007, and 2006 were \$656,703, \$595,685, and \$630,067 respectively; 83.64 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 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 2008, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$89,215, \$72,655, and \$65,251, respectively; 42.54 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2006 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal year ended June 30, 2008 was \$9,279; 42.54 percent has been contributed for fiscal year 2008.

B. State Teachers Retirement System

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

NOTE 13 - POSTEMPLOYMENT 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 2008, 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, 2008, 2007, and 2006, are \$50,516, \$45,822, and \$48,467, respectively; 83.64 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2006 and 2007.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 255 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 63.25 days.

B. Health Insurance

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

NOTE 15 – CAPITAL LEASES – LESSEE DISCLOSURE

In prior years, the School District entered into a lease-purchase agreement for school buses and various building improvements. This lease agreement meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program/function expenditures on a budgetary basis. The debt service for the school buses is being repaid by the general fund while the debt service for the building improvements is being repaid by the capital improvement fund.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 15 – CAPITAL LEASES – LESSEE DISCLOSURE (continued)

Capital assets acquired by lease have been capitalized in the statement of net assets for governmental activities in the amount of \$1,209,000, which is equal to the present value of the minimum lease payments at the time of acquisition. During fiscal year 2008, the School District made principal payments totaling \$324,000 on the lease agreements that eliminated the capital lease liabilities at June 30, 2008.

NOTE 16 - LONG-TERM OBLIGATIONS

The changes in the School District’s long-term obligations during fiscal year 2008 were as follows:

	Amount Outstanding 6/30/2007	Additions	Deductions	Amount Outstanding 6/30/2008	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
School Improvement Bonds					
1999 - 3.4 to 5.75%	\$7,890,000	\$0	(\$5,530,000)	\$2,360,000	\$245,000
2007 Refunding GO Bonds 3.7% to 4.25% 18 Years	0	5,045,000	(65,000)	4,980,000	50,000
2007 Refunding Capital Appreciation Bonds 4.35% to 4.38% 22 Years	0	250,000	0	250,000	0
	<u>7,890,000</u>	<u>5,295,000</u>	<u>(5,595,000)</u>	<u>7,590,000</u>	<u>295,000</u>
Accretion on Capital Appreciation Bonds	0	22,807	0	22,807	0
Deferred Amounts:					
Add: Bond Premium	0	274,470	(14,446)	260,024	0
Less: Deferred Refunding Amount	0	(185,449)	9,760	(175,689)	0
Total General Obligation Bonds	<u>7,890,000</u>	<u>5,406,828</u>	<u>(5,599,686)</u>	<u>7,697,142</u>	<u>295,000</u>
Capital Leases	324,000	0	(324,000)	0	0
Compensated Absences	<u>859,594</u>	<u>57,731</u>	<u>(99,143)</u>	<u>818,182</u>	<u>138,461</u>
Total Governmental Activities					
Long – Term Liabilities	<u>\$9,073,594</u>	<u>\$5,464,559</u>	<u>(\$6,022,829)</u>	<u>\$8,515,324</u>	<u>\$433,461</u>

School Improvement Bonds

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

These bonds were partially refunded in fiscal year 2008. The non-refunded portion matures on December 1, 2015.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

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 2008, the capital appreciation bonds were accreted \$22,807.

The refunding bonds were issued for the purpose of advance refunding \$5,295,000 of the 1999 school improvement bonds. The net proceeds of \$5,480,449 (after payments of \$89,021 in underwriting fees, insurance and other issuance costs) were used to purchase United States Government Securities. Those securities were deposited into an irrevocable trust with the Bank of New York (now called the Bank of New York Mellon), the escrow agent, to provide for all future debt service payments on the portion of the 1999 school improvement bonds refunded. As a result, \$5,295,000 of the 1999 school improvement bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements.

The refunding resulted in a difference of \$185,449 between the net carrying amount of the old debt and the acquisition price. This difference, reported in the accompanying financial statements as a decrease to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The unamortized amount of the difference at June 30, 2008 was \$175,689. Total debt service payments decreased by \$282,468 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and the new debt service payments) of \$192,060.

At June 30, 2008, \$5,295,000 of the 1999 school improvement bonds considered defeased, remain unmatured and unpaid.

Principal and interest requirements to retire all the debt outstanding at June 30, 2008, are as follows:

<u>1999 GO Bonds</u>			
Fiscal Year			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$245,000	\$122,486	\$367,486
2010	255,000	111,548	366,548
2011	270,000	98,310	368,310
2012	285,000	82,631	367,631
2013	300,000	66,105	366,105
2014-2016	<u>1,005,000</u>	<u>88,903</u>	<u>1,093,903</u>
Total	<u>\$2,360,000</u>	<u>\$569,983</u>	<u>\$2,929,983</u>

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

2007 Serial Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$50,000	\$205,494	\$255,494
2010	50,000	203,569	253,569
2011	50,000	201,644	251,644
2012	50,000	199,644	249,644
2013	50,000	197,644	247,644
2014-2018	1,025,000	927,719	1,952,719
2019-2023	1,455,000	689,841	2,144,841
2024-2027	2,250,000	196,562	2,446,562
Total	<u>\$4,980,000</u>	<u>\$2,822,117</u>	<u>\$7,802,117</u>

2007 Capital Appreciation Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$0	\$32,533	\$32,533
2010	0	36,416	36,416
2011	0	40,759	40,759
2012	0	45,618	45,618
2013	0	51,056	51,056
2014-2018	0	362,553	362,553
2019-2020	250,000	98,258	348,258
Total	<u>\$250,000</u>	<u>\$667,193</u>	<u>\$917,193</u>

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 debt service fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

At June 30, 2008, the School District's overall legal debt limitation was \$6,920,669, and the unvoted debt margin was \$158,058.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association (MVECA) - The School District is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA \$47,164 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 nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the 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 2008, the School District paid \$897 to SWEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Dr., Vandalia, OH 45377.

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 2008 fiscal year.

NOTE 18 - INSURANCE PURCHASING POOLS

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

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 18 - INSURANCE PURCHASING POOLS (continued)

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

Each district pays a monthly premium to the Trust fund for insurance coverage which is provided by Anthem Blue Cross Blue Shield or United Healthcare. Districts may also contribute monthly to the Trust fund for dental benefits provided through a dental plan administered by CoreSource. The plan is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating member districts. Financial information can be obtained from Barbara Coriell, who serves as administrator, at EPC Benefits Office, 303 Corporate Center Dr., Vandalia, OH 45377.

NOTE 19 - SET-ASIDE CALCULATIONS

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

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

	Budget Stabilization	Textbooks/ Instructional Materials	Capital Improvements
Set-aside Reserve Balance as of June 30, 2007	\$76,238	\$0	\$0
Current Year Set-aside Requirement	0	214,939	214,939
Carryover from Prior Year	0	(2,177,617)	0
Qualifying Disbursements	0	(296,299)	(442,109)
Current Year Offsets	0	0	(253,300)
Set-aside Reserve Balance as of June 30, 2008	<u>\$76,238</u>	<u>(\$2,258,977)</u>	<u>(\$480,470)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$76,238</u>	<u>(\$2,258,977)</u>	<u>\$0</u>

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 19 - SET-ASIDE CALCULATIONS (continued)

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

NOTE 20 - INTERFUND ASSETS/LIABILITIES

The general fund had an interfund receivable at June 30, 2008 of \$13,000, while all other funds had interfund payables of \$13,000.

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

NOTE 21 - CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2008, the School District has implemented GASB Statement No. 45, *“Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other than Pension Plans”*, GASB Statement No. 48, *“Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues”*, and GASB Statement No. 50, *“Pension Disclosures”*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and the STRS post-employment healthcare plans. The implementation of this Statement did not result in any change to the financial statements.

Greeneview Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this Statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this Statement did not result in any change to the financial statements.

Greeneview Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Award Receipts</u>	<u>Award Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Ohio Department of Education:</i>				
Food Donations	10.550	NN-N1	\$ 9,172	\$ 9,172
National School Lunch Program	10.555	LL-P4	<u>106,226</u>	<u>106,226</u>
Total U.S. Department of Agriculture			<u>115,398</u>	<u>115,398</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education Grants to States	84.027	6B-SF	343,765	343,765
Special Education - Preschool Grants	84.173	(1)	<u>18,820</u>	<u>19,159</u>
Total Special Education Cluster			362,585	362,924
Title I Grants to Local Education Agencies	84.010	C1-S1	171,102	153,510
Safe and Drug Free Schools and Communities	84.186	DR-S1	4,590	4,590
State Grants for Innovative Programs	84.298	C2-S1	3,347	-
Education Technology State Grants	84.318	TJ-S1	1,595	-
Improving Teacher Quality State Grants	84.367	TRS1	<u>74,502</u>	<u>57,748</u>
Total U.S. Department of Education			<u>617,721</u>	<u>578,772</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>\$ 733,119</u>	<u>\$ 694,170</u>

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

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

Greeneview Local School District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

1. Significant Accounting Policies:

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

2. U.S. Department of Agriculture Programs:

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2008 the District had no significant food commodities in inventory.

3. Matching Requirements:

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2008-001 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 23, 2008.

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

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



Springfield, Ohio
December 23, 2008

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

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

Compliance

We have audited the compliance of the Greeneview Local School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

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A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 23, 2008

Greeneview Local School District
 Schedule of Findings And Questioned Costs
 Fiscal Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted
Identification of major programs:	
CFDA 84.010 – Title I Grant	
CFDA 10.555 – National School Lunch Program	
<i>Special Education Cluster:</i>	
CFDA 84.027 – Special Education Grants to States	
CFDA 84.173 – Special Education – Preschool Grants	
Dollar threshold to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2008-001: Audit Adjustments

During the course of our audit, we identified misstatement in the financial statements for the year under audit that was not initially identified by the District’s internal control. A description of the adjustments needed follows:

- Recording of Debt Refunding Transaction – The entries made to the trial balance to account for the debt refunding transaction were not correct. Audit adjustments were necessary to record the deferred amount on refunding and current year accretion of interest on capital appreciation bonds, as well as to correct the amount of long-term debt being included in the calculation of net assets invested in capital assets, net of related debt. Changes to note disclosures were also necessary.

- Income Taxes Receivable – An adjustment was necessary to correct the estimate used by the District to determine the income tax receivable associated with amounts collected by the Ohio Department of Taxation in June 2008 but not remitted to the District prior to year end.
- Capital Asset Additions – Certain capital expenditures meeting the District's capitalization threshold were not capitalized in its annual financial statements or reported in the year-end capital assets records.

The District should closely review the annual financial report prepared to ensure all transactions and account balances are accurately reported.

Management Response: The District was made aware of, and agrees with, the adjustments discovered during the audit. The financial statements were changed based on those adjustments and we will take corrective action to ensure similar issues are not present in subsequent years.

Section III – Federal Awards Findings and Questioned Costs

None noted

Finding 2007-001: Audit Adjustments

During the course of our audit, we identified misstatement in the financial statements for the year under audit that was not initially identified by the District's internal control. A description of the adjustments needed follows:

- Recognition of Principal Payments - During the fiscal year, the School District made debt service principal payments totaling \$470,000 related to the school improvement capital lease, however only the scheduled principal payment of \$85,000 was initially reported with the remaining \$385,000 of excess principal payments being reported as a functional expense.
- Account Payable - Additional accounts and intergovernmental payables were identified during the audit which totaled \$116,420 and \$31,592, respectively.

In addition to the adjustments described above, the beginning net assets balance of governmental activities required restatement due to an error discovered in the prior period.

Status: Not corrected – audit adjustments were required for current year.

Finding 2007-002: Capital Asset Records

The District utilizes an outside appraisal firm to update its capital asset records based on information provided by the District regarding current year additions and deletions. Over time, the differences in the value of total capital assets reported by the capital asset records prepared by the appraisal firm and the amount reported by the District in its financial statement has increased due to audit adjustments, changes in the estimated historical cost utilized by the appraisal firm and deletions not properly accounted for. The amounts reported in the financial statements for capital assets should agree with the underlying supporting documentation.

Status: Corrected



Mary Taylor, CPA
Auditor of State

GREENEVUE LOCAL SCHOOL DISTRICT
GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 27, 2009