

GREEN LOCAL SCHOOL DISTRICT  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2001





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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The Board of Education  
Green Local School District  
Smithville, Ohio 44272

We have reviewed the Independent Auditor's Report of the Green Local School District, Wayne County, prepared by Rea & Associates, Inc., for the audit period July 1, 2000 to June 30, 2001. 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 Green Local School District is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

October 30, 2001

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**GREEN LOCAL SCHOOL DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2001**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 20, 2001

The Board of Education  
Green Local School District  
Smithville, Ohio 44272

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the Green Local School District as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Green Local School District as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types 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 September 20, 2001, on our consideration of the Green Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Rea & Associates, Inc.*

**GREEN LOCAL SCHOOL DISTRICT**

*Combined Balance Sheet*

**All Fund Types and Account Groups**

June 30, 2001

<b>Governmental Fund Types</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents - Unrestricted	\$ 338,274	\$ 206,159	\$ 0
Cash and Cash Equivalents - Restricted	217,614	0	0
Receivables:			
Taxes	2,602,779	613,755	0
Accounts	28	1,128	0
Interfund	0	0	0
Prepaid Items	13,061	0	0
Inventory Held For Resale	0	0	0
Materials and Supplies Inventory	38,176	0	0
Fixed Assets (Net, where applicable of Accumulated Depreciation)	0	0	0
<b><u>Other Debits</u></b>			
Amount to be Provided from General Government Resources	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$ 3,209,932</b>	<b>\$ 821,042</b>	<b>\$ 0</b>

**Liabilities, Fund Equity, and Other Credits**

<b><u>Liabilities</u></b>			
Accounts Payable	\$ 11,258	\$ 1,355	\$ 0
Accrued Wages and Benefits	575,879	7,913	0
Compensated Absences Payable	0	0	0
Interfund Payable	1,149	0	0
Intergovernmental Payable	142,550	3,270	0
Deferred Revenue	2,190,345	516,500	0
Undistributed Monies	0	0	0
Notes Payable	0	0	0
Early Retirement Incentive Payable	0	0	0
General Obligation Bonds Payable	0	0	0
<b>Total Liabilities</b>	<b>2,921,181</b>	<b>529,038</b>	<b>0</b>
<b><u>Fund Equity and Other Credits</u></b>			
Investment in General Fixed Assets	0	0	0
Retained Earnings:			
Unreserved	0	0	0
Fund Balance:			
Reserved for Encumbrances	155,388	15,855	0
Reserved for Inventory	38,176	0	0
Reserved for Prepaid Items	13,061	0	0
Reserved for Tax Revenue Unavailable for Appropriations	412,434	97,255	0
Reserved for Budget	217,614	0	0
Unreserved:			
Undesignated	(547,922)	178,894	0
<b>Total Fund Equity and Other Credits</b>	<b>288,751</b>	<b>292,004</b>	<b>0</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 3,209,932</b>	<b>\$ 821,042</b>	<b>\$ 0</b>

See accompanying notes to the general purpose financial statements.



Capital Projects	Proprietary Fund Type		Fiduciary Fund Type		Account Groups		Totals (Memorandum Only)
	Enterprise		Trust and Agency		General Fixed Assets	General Long-Term Obligations	
\$ 18,873	\$ 13,467	\$ 98,115	\$ 0	\$ 0	\$ 0	\$ 674,888	
0	0	0	0	0	0	217,614	
94,257	0	0	0	0	0	3,310,791	
0	0	0	0	0	0	1,156	
1,149	0	0	0	0	0	1,149	
0	0	0	0	0	0	13,061	
0	15,873	0	0	0	0	15,873	
0	0	0	0	0	0	38,176	
0	13,778	0	7,028,227	0	0	7,042,005	
0	0	0	0	0	1,424,165	1,424,165	
\$ 114,279	\$ 43,118	\$ 98,115	\$ 7,028,227	\$ 1,424,165	\$ 12,738,878		

\$ 1,391	\$ 197	\$ 547	\$ 0	\$ 0	\$ 0	\$ 14,748
0	0	0	0	0	0	583,792
0	11,884	0	0	636,733	0	648,617
0	0	0	0	0	0	1,149
0	6,351	0	0	66,815	0	218,986
79,321	13,581	0	0	0	0	2,799,747
0	0	55,308	0	0	0	55,308
0	0	0	0	298,886	0	298,886
0	0	0	0	26,731	0	26,731
0	0	0	0	395,000	0	395,000
80,712	32,013	55,855	0	1,424,165	0	5,042,964
0	0	0	7,028,227	0	0	7,028,227
0	11,105	0	0	0	0	11,105
2,963	0	0	0	0	0	174,206
0	0	0	0	0	0	38,176
0	0	0	0	0	0	13,061
14,936	0	0	0	0	0	524,625
0	0	0	0	0	0	217,614
15,668	0	42,260	0	0	0	(311,100)
33,567	11,105	42,260	7,028,227	0	0	7,695,914
\$ 114,279	\$ 43,118	\$ 98,115	\$ 7,028,227	\$ 1,424,165	\$ 12,738,878	

**GREEN LOCAL SCHOOL DISTRICT**

*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances*

**All Governmental Fund Types and Expendable Trust Funds**

For the Year Ended June 30, 2001

	<b>Governmental Fund Type</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Revenues</b>				
Taxes	\$ 2,786,351	\$ 625,757	\$ 0	\$ 94,182
Intergovernmental	4,599,924	344,378	0	19,729
Investment Income	66,331	0	0	490
Tuition and Fees	367,246	6,578	0	0
Extracurricular Activities	0	270,106	0	0
Miscellaneous	38,466	100,242	0	0
<b>Total Revenues</b>	<b>7,858,318</b>	<b>1,347,061</b>	<b>0</b>	<b>114,401</b>
<b>Expenditures</b>				
Current:				
Instruction				
Regular	3,331,387	734,409	0	52,137
Special	648,005	152,665	0	0
Vocational	203,034	0	0	0
Other	152,856	0	0	0
Support Services:				
Pupils	232,931	28,635	0	0
Instructional Staff	293,870	23,576	0	0
Board of Education	28,512	0	0	0
Administration	769,919	19,793	0	0
Fiscal	210,735	8,973	0	1,378
Operation and Maintenance of Plant	796,796	0	0	6,350
Pupil Transportation	474,614	3,086	0	0
Central	76,765	5,387	0	0
Operation of Non-Instructional Services	3,035	0	0	0
Extracurricular Activities	176,342	270,237	0	0
Capital Outlay	6,297	0	0	70,556
Debt Service:				
Principal Retirement	0	0	99,869	0
Interest and Fiscal Charges	0	0	45,718	0
<b>Total Expenditures</b>	<b>7,405,098</b>	<b>1,246,761</b>	<b>145,587</b>	<b>130,421</b>
Excess of Revenues Over (Under) Expenditures	453,220	100,300	(145,587)	(16,020)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sales of Fixed Assets	562	0	0	0
Operating Transfers In	26,290	954	145,587	2,853
Operating Transfers Out	(107,393)	(954)	0	(67,337)
<b>Total Other Financing Sources (Uses)</b>	<b>(80,541)</b>	<b>0</b>	<b>145,587</b>	<b>(64,484)</b>
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	372,679	100,300	0	(80,504)
Fund Balance (Deficit) at Beginning Of Year	(82,609)	191,704	0	114,071
Decrease in Reserve for Inventory	(1,319)	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 288,751</b>	<b>\$ 292,004</b>	<b>\$ 0</b>	<b>\$ 33,567</b>

See accompanying notes to the general purpose financial statements.

<b>Fiduciary Fund Type</b>			
<b>Expendable Trust</b>		<b>Totals (Memorandum Only)</b>	
\$	0	\$	3,506,290
	0		4,964,031
	2,015		68,836
	0		373,824
	0		270,106
	5,100		143,808
	7,115		9,326,895
	0		4,117,933
	0		800,670
	0		203,034
	0		152,856
	0		261,566
	0		317,446
	7,400		35,912
	0		789,712
	0		221,086
	0		803,146
	0		477,700
	0		82,152
	0		3,035
	0		446,579
	0		76,853
	0		99,869
	0		45,718
	7,400		8,935,267
	(285)		391,628
	0		562
	0		175,684
	0		(175,684)
	0		562
	(285)		392,190
	42,545		265,711
	0		(1,319)
\$	42,260	\$	656,582

**GREEN LOCAL SCHOOL DISTRICT**

*Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual*  
**All Governmental Fund Types and Expendable Trust Funds**  
(Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2001

<b>GENERAL FUND</b>			
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b><u>Revenues</u></b>			
Taxes	\$ 2,154,999	\$ 2,368,693	\$ 213,694
Intergovernmental	4,827,094	4,599,925	(227,169)
Investment Income	50,000	66,331	16,331
Tuition and Fees	231,240	367,246	136,006
Extracurricular Activities	0	0	0
Rentals	2,500	6,839	4,339
Miscellaneous	10,000	34,116	24,116
<b>Total Revenues</b>	<b>7,275,833</b>	<b>7,443,150</b>	<b>167,317</b>
<b><u>Expenditures</u></b>			
<b>Current</b>			
Instruction	4,301,815	4,326,064	(24,249)
Support Services			
Pupils	264,647	225,694	38,953
Instructional Staff	272,908	298,289	(25,381)
Board of Education	41,350	35,480	5,870
Administration	755,231	768,949	(13,718)
Fiscal	233,400	210,712	22,688
Operation and Maintenance of Plant	843,857	823,692	20,165
Pupil Transportation	564,877	560,002	4,875
Central	89,315	80,095	9,220
Operation of Non-Instructional Services	5,000	3,035	1,965
Extracurricular Activities	147,317	172,365	(25,048)
Capital Outlay	7,700	7,230	470
Debt Service			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>7,527,417</b>	<b>7,511,607</b>	<b>15,810</b>
Excess of Revenues Over (Under) Expenditures	(251,584)	(68,457)	183,127
<b><u>Other Financing Sources (Uses)</u></b>			
Refund of Prior Year Expenditures	67,000	57,806	(9,194)
Other Financing Sources	200	561	361
Advances In	44,000	55,000	11,000
Advances Out	(54,500)	(55,000)	(500)
Operating Transfers In	5,000	26,290	21,290
Operating Transfers Out	(108,500)	(107,392)	1,108
<b>Total Other Financing Sources (Uses)</b>	<b>(46,800)</b>	<b>(22,735)</b>	<b>24,065</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(298,384)	(91,192)	207,192
Fund Balance (Deficit) at Beginning of Year	413,984	413,984	0
Prior Year Encumbrances Appropriated	68,006	68,006	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 183,606</b>	<b>\$ 390,798</b>	<b>\$ 207,192</b>

See accompanying notes to the general purpose financial statements.

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 554,000	\$ 540,926	\$ (13,074)	\$ 0	\$ 0	\$ 0
338,781	342,168	3,387	0	0	0
0	0	0	0	0	0
7,095	6,578	(517)	0	0	0
211,430	270,106	58,676	0	0	0
0	0	0	0	0	0
82,630	99,694	17,064	0	0	0
1,193,936	1,259,472	65,536	0	0	0
862,314	882,383	(20,069)	0	0	0
30,097	29,772	325	0	0	0
27,313	28,446	(1,133)	0	0	0
0	0	0	0	0	0
27,087	19,793	7,294	0	0	0
0	8,973	(8,973)	0	0	0
0	0	0	0	0	0
6,843	3,086	3,757	0	0	0
3,833	5,387	(1,554)	0	0	0
0	0	0	0	0	0
283,906	274,652	9,254	0	0	0
0	0	0	0	0	0
0	0	0	99,869	99,869	0
0	0	0	45,718	45,718	0
1,241,393	1,252,492	(11,099)	145,587	145,587	0
(47,457)	6,980	54,437	(145,587)	(145,587)	0
0	686	686	0	0	0
0	2,211	2,211	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,000	954	(1,046)	145,587	145,587	0
0	(954)	(954)	0	0	0
2,000	2,897	897	145,587	145,587	0
(45,457)	9,877	55,334	0	0	0
174,230	174,230	0	0	0	0
6,199	6,199	0	0	0	0
\$ 134,972	\$ 190,306	\$ 55,334	\$ 0	\$ 0	\$ 0

(continued)

**GREEN LOCAL SCHOOL DISTRICT**

*Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual*  
**All Governmental Fund Types and Expendable Trust Funds**  
 (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2001

<b>CAPITAL PROJECTS FUND</b>			
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b><u>Revenues</u></b>			
Taxes	\$ 80,000	\$ 81,042	\$ 1,042
Intergovernmental	7,500	19,729	12,229
Investment Income	0	490	490
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>87,500</b>	<b>101,261</b>	<b>13,761</b>
<b><u>Expenditures</u></b>			
<b>Current</b>			
Instruction	53,332	53,710	(378)
Support Services			
Pupils	0	0	0
Instructional Staff	3,000	0	3,000
Board of Education	0	0	0
Administration	0	0	0
Fiscal	1,500	1,378	122
Operation and Maintenance of Plant	6,350	6,350	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	71,543	70,557	986
Debt Service			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>135,725</b>	<b>131,995</b>	<b>3,730</b>
Excess of Revenues Over (Under) Expenditures	(48,225)	(30,734)	17,491
<b><u>Other Financing Sources (Uses)</u></b>			
Refund of Prior Year Expenditures	0	0	0
Other Financing Sources	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	2,853	2,853
Operating Transfers Out	(52,458)	(67,337)	(14,879)
<b>Total Other Financing Sources (Uses)</b>	<b>(52,458)</b>	<b>(64,484)</b>	<b>(12,026)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(100,683)	(95,218)	5,465
Fund Balance (Deficit) at Beginning of Year	68,070	68,070	0
Prior Year Encumbrances Appropriated	43,058	43,058	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 10,445</b>	<b>\$ 15,910</b>	<b>\$ 5,465</b>

See accompanying notes to the general purpose financial statements.

EXPENDABLE TRUST FUNDS				TOTALS (MEMORANDUM ONLY)			
Revised Budget	Actual	Variance Favorable (Unfavorable)		Revised Budget	Actual	Variance Favorable (Unfavorable)	
\$ 0	\$ 0	\$ 0		\$ 2,788,999	\$ 2,990,661	\$ 201,662	
0	0	0		5,173,375	4,961,822	(211,553)	
0	2,015	2,015		50,000	68,836	18,836	
0	0	0		238,335	373,824	135,489	
0	0	0		211,430	270,106	58,676	
0	0	0		2,500	6,839	4,339	
0	5,600	5,600		92,630	139,410	46,780	
0	7,615	7,615		8,557,269	8,811,498	254,229	
0	0	0		5,217,461	5,262,157	(44,696)	
0	0	0		294,744	255,466	39,278	
0	0	0		303,221	326,735	(23,514)	
8,350	7,800	550		49,700	43,280	6,420	
0	0	0		782,318	788,742	(6,424)	
0	0	0		234,900	221,063	13,837	
0	0	0		850,207	830,042	20,165	
0	0	0		571,720	563,088	8,632	
0	0	0		93,148	85,482	7,666	
0	0	0		5,000	3,035	1,965	
0	0	0		431,223	447,017	(15,794)	
0	0	0		79,243	77,787	1,456	
0	0	0		99,869	99,869	0	
0	0	0		45,718	45,718	0	
8,350	7,800	550		9,058,472	9,049,481	8,991	
(8,350)	(185)	8,165		(501,203)	(237,983)	263,220	
0	400	400		67,000	58,892	(8,108)	
0	(400)	(400)		200	2,372	2,172	
0	0	0		44,000	55,000	11,000	
0	0	0		(54,500)	(55,000)	(500)	
0	0	0		152,587	175,684	23,097	
0	0	0		(160,958)	(175,683)	(14,725)	
0	0	0		48,329	61,265	12,936	
(8,350)	(185)	8,165		(452,874)	(176,718)	276,156	
42,044	42,044	0		698,328	698,328	0	
0	0	0		117,263	117,263	0	
\$ 33,694	\$ 41,859	\$ 8,165		362,717	\$ 638,873	\$ 276,156	

**GREEN LOCAL SCHOOL DISTRICT**

*Combined Statement of Revenues,  
Expenses, and Changes in Fund Equity  
All Proprietary Fund Types*

For the Year Ended June 30, 2001

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	<b>Enterprise</b>
<hr/>	
<b><u>Operating Revenues</u></b>	
Sales	\$ 309,586
<i><b>Total Operating Revenues</b></i>	<u>309,586</u>
<b><u>Operating Expenses</u></b>	
Salaries	131,206
Fringe Benefits	55,930
Purchased Services	1,773
Materials and Supplies	209,703
Depreciation	5,000
Maintenance	8,711
<i><b>Total Operating Expenses</b></i>	<u>412,323</u>
Operating Income (Loss)	<u>(102,737)</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Operating Grants	79,242
Other Non-Operating Revenue	1,711
Interest	948
<i><b>Total Non-Operating Revenues (Expenses)</b></i>	<u>81,901</u>
Net Income (Loss)	(20,836)
Retained Earnings/Fund Balance at Beginning of Year	<u>31,941</u>
<b>Total Fund Equity at End of Year</b>	<u><u>\$ 11,105</u></u>

See accompanying notes to the general purpose financial statements.



**GREEN LOCAL SCHOOL DISTRICT**

*Combined Statement of Cash Flows*  
**All Proprietary Fund Types**

For the Year Ended June 30, 2001

	<b>Enterprise</b>
<hr/>	
<b><u>Cash Flows From Operating Activities</u></b>	
Cash Received from Customers	\$ 309,970
Cash Paid for Goods and Services	(218,149)
Cash Paid to Employees	<u>(185,655)</u>
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>(93,834)</u>
<b><u>Cash Flows From Non-Capital Financing Activities</u></b>	
Grants	79,242
Other Non-Operating Revenues	<u>2,659</u>
<b>Net Cash Provided By (Used For) Non-Capital Activities</b>	<u>81,901</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,933)
Cash and Cash Equivalents at Beginning of Year	<u>25,400</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 13,467</u></u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u></b>	
Operating Income (Loss)	\$ (102,737)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b>	
Depreciation	5,000
(Increase) Decrease in Accounts Receivable	384
Increase (Decrease) in Accounts Payable	197
Increase (Decrease) in Compensated Absences Payable	1,481
Increase (Decrease) in Intergovernmental Payable	<u>1,841</u>
<b>Total Adjustments</b>	<u>8,903</u>
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u><u>\$ (93,834)</u></u>

See accompanying notes to the general purpose financial statements.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Green Local School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.04 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 2000, was 1,395. The District employs 102 certificated and 60 non-certificated employees.

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

Management believes the financial statements included in the report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The accounts of the Green Local School District are organized and operated on the basis of fund and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Green Local School District has the following fund types and account groups:

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Governmental Fund Types

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

*Deferred Revenue* – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue.

Under the modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue

*Expenditures* – Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the current available financial resources. Allocations of costs, such as

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

Proprietary Fund Types

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Unused donated commodities are reported as deferred revenue. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the board of education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations unless they contradict/conflict with GASB pronouncements. Proprietary funds include the following fund types:

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

Fiduciary Fund Types

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

Agency Fund - custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Account Groups

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired principally for general purposes other than those accounted for in proprietary or trust funds.

General Long-term Debt Account Group - used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

B. DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The District pools its cash for investment and administration purposes. Deposit and investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments and other cash equivalents are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Investment income is recorded in the general fund, as permitted by the Ohio Revised Code. Investments are stated at cost which approximates market value at year-end. Cash deposits are reported as carrying amounts, which reasonably estimates fair value.

C. RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget reserve. A fund balance reserve has also been established.

D. RECEIVABLES

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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E. INVENTORIES AND SUPPLIES

The costs of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

Reported inventories in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

F. PREPAID EXPENSES

The District uses the consumption method to account for prepaid expenses. Under the consumption method the prepaid items are recorded as an expenditure when used.

G. FIXED ASSETS AND DEPRECIATION

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets which are used in proprietary fund type activities are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Depreciation is computed using the straight-line method based on the estimated life of assets. Estimated useful lives of the various classes of depreciable assets consist of: buildings, 30 to 50 years; improvements, 30 to 50 years; equipment, including vehicles, 5 to 20 years.

H. LONG-TERM LIABILITIES

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term debt account group.

I. UNPAID COMPENSATED ABSENCES

The entire estimated amount of unpaid compensated absences, including sick pay and vacation pay, of the proprietary type funds is reflected as a liability in the respective funds. The portion of unpaid compensated absences related to governmental fund type operations is reflected in the general long-term debt account group.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

J. FUND EQUITY

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

K. TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Budgetary modifications may only be made by resolution of the Board of Education.

B. BUDGETARY BASIS

Tax Budget

A budget of estimated revenue and expenditures is submitted to the Wayne County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 2001 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types", represent the final appropriation amounts including all amendments and modifications.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective funds from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.



GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balance for subsequent-year expenditures.

Budgetary Reporting

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

- 1.) Revenues are recorded when received (budget basis) as opposed to when susceptible to accrual (GAAP Basis).
- 2.) Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP Basis).
- 3.) Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP Basis).
- 4.) For proprietary funds, the acquisitions and construction of capital assets are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP Basis).
- 5.) Proceeds from and principal payments on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP Basis).

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

- 6.) The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP Basis. Debt Service fund resources used to pay both principal and interest have been allocated accordingly.

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)  
Reconciliation of Budget Basis to GAAP Basis

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Expendable Trust Fund</u>
Budget Basis	\$ (91,192)	\$ 9,877	\$ 0	\$ (95,218)	\$ (185)
Adjustments, increase (decrease)					
Revenue accruals	302,363	84,693	0	13,140	(100)
Expenditures accruals	(3,576)	(10,125)	0	(1,389)	0
Encumbrances	<u>165,084</u>	<u>15,855</u>	<u>0</u>	<u>2,963</u>	<u>0</u>
GAAP basis, as reported	<u>\$ 372,679</u>	<u>\$ 100,300</u>	<u>\$ 0</u>	<u>\$ (80,504)</u>	<u>\$ (285)</u>

C. COMPLIANCE AND ACCOUNTABILITY

Total expenditures of the Lunchroom and Permanent Improvement Funds exceeded appropriations.

NOTE 4 DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

State statutes classify monies held by the District into three categories:

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

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

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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Interim deposits 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.

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

Interim monies can be deposited or invested in the following securities:

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities 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 issuance's of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily with the term of the agreement not exceeding thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investments pool (STAR Ohio);
- (7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- (8) Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of Green Local School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**B. DEPOSITS AND CASH**

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements."

At year-end, the carrying amount of the Green Local School District deposits was \$73,607, the bank balance was \$187,835 of which \$100,000 was covered by federal depository insurance, \$87,835, by collateral held by the Green Local School District, or by collateral held by a qualified third party trustee in the name of Green Local School District.

**C. INVESTMENTS**

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name. The carrying value of deposits and investments are presented in the combined balance sheet as equity in pooled cash and cash equivalents. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Statutory provisions require that all securities acquired by the District be held by the District treasurer or deposited with a qualified trustee. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterpart is a designated depository of the District for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

	Category			Carrying value	Market value
	1	2	3		
Investment in State Treasurer's Pool Fund	\$ 0	\$ 0	\$ 0	\$ 818,895	\$ 818,895
Total Investments				\$ 818,895	\$ 818,895

NOTE 5 FIXED ASSETS AND ACCUMULATED DEPRECIATION

A. GENERAL FIXED ASSETS ACCOUNT GROUP

The changes in general fixed assets during the year consisted of:

	Balance		Disposals	Balance
	July 1, 2000	Additions		June 30, 2001
Land and improvements	\$ 305,669	\$ 0	\$ 0	\$ 305,669
Buildings	3,355,166	31,937	0	3,387,103
Furniture and Equipment	1,710,856	100,941	12,957	1,798,840
Educational media	796,878	0	0	796,878
Vehicles	732,617	47,864	40,744	739,737
	<u>\$ 6,901,186</u>	<u>\$ 180,742</u>	<u>\$ 53,701</u>	<u>\$ 7,028,227</u>

B. PROPRIETARY FUND TYPE FIXED ASSETS

Proprietary fund type fixed assets and accumulated depreciation at year-end consisted of:

	Balance
<u>Enterprise</u>	<u>June 30, 2001</u>
Equipment	\$ 181,711
Less: accumulated depreciation	167,933
Net fixed asset	<u>\$ 13,778</u>

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 6 GENERAL LONG-TERM OBLIGATIONS

	<u>Outstanding June 30, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 2001</u>
General Obligation Bonds at 6.5 %, matures on 2005	\$ 480,000	\$ 0	\$ 85,000	\$ 395,000
Permanent Improvement Tax Anticipation Notes at 5.75%	313,755	0	14,869	298,886
Early Retirement Incentive	0	26,731	0	26,731
Accrued SERS	60,960	66,815	60,960	66,815
Accrued vacation pay	23,422	24,535	23,422	24,535
Accrued sick leave benefits	<u>555,724</u>	<u>612,198</u>	<u>555,724</u>	<u>612,198</u>
	<u>\$ 1,433,861</u>	<u>\$ 730,279</u>	<u>\$ 739,975</u>	<u>\$ 1,424,165</u>

Outstanding general obligation bonds consist of school building construction issues.

General obligation bonds are direct obligations of the District for which it's full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the District.

The annual requirements to amortize all debt outstanding as of June 30, 2001, including interest payments of \$189,436 are as follows:

Year Ending June 30,	<u>General Obligation Bonds</u>
2002	\$ 145,785
2003	145,655
2004	145,145
2005	149,195
2006	32,595
Thereafter	<u>264,947</u>
Total	<u>\$ 883,322</u>

NOTE 7 PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the District. The Wayne County Auditor is responsible for assessing and remitting these property taxes to the District.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

Real property taxes are based on assessed value equal to thirty-five percent of appraisal value. The Wayne County Auditor reappraises real property every six years with a triennial update, the last update for Wayne County was 1999. Real property tax, which becomes a lien on the applicable real property, becomes due annually on December 31. However, in Wayne County, real property taxes are billed semi-annually, one year in arrears. The tax rate applied to real property collected in 2000 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$50.85 per \$1,000 of valuation for Wayne County. The effective rate applied after adjustment for inflationary increases in property values was \$32.14 per \$1,000 of assessed valuation for residential and agricultural real property, and \$36.10 per \$1,000 of assessed valuation for other real property.

Tangible personal property used in business is required to be reported by its owners by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the current year ended December 31, 1999 was \$50.85 per \$1,000.

The property valuation consisted of:

Real Property - 2000		
Residential/Agricultural	\$	77,175,470
Commercial/Agricultural		7,847,630
Public Utilities		66,860
Manufactured Homes		160,650
Tangible Personal Property - 2000		
General		5,582,502
Public Utilities		7,050,880
Total valuation	\$	<u>97,883,992</u>

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable at June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amount available to the District as an advance at June 30, 2001, was \$524,625.

NOTE 8 INTERFUND TRANSACTIONS

Interfund balances at June 30, 2001, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 0	\$ 1,149
Capital Projects	1,149	0
	<u>\$ 1,149</u>	<u>\$ 1,149</u>

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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NOTE 9 PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Green Local School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer public employee retirement defined benefit pension plan. SERS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and Green Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Green Local School District are established and may be amended by the SERS Board of Trustees. The School District's contributions to SERS for the years ending June 30, 2001, 2000, and 1999 were \$147,966, \$131,495, and \$123,382, respectively; 65.81 percent has been contributed for fiscal year 2001, and 100 percent for the fiscal years 2000 and 1999. The amount representing the unpaid contribution for fiscal year 2001, \$76,884 is recorded as a liability within the respective funds and the general long-term obligations account group.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The Green Local School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple-employer public employee retirement defined benefit pension plan operated by the State of Ohio. STRS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and Green Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Green Local School District are established and may be amended by the STRS Board of Trustees. The School District's contributions to STRS for the years ending June 30, 2001, 2000 and 1999 were \$608,952, \$565,781, and \$545,582, respectively; 85.17 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. The amount representing the unpaid contribution for fiscal year 2001, \$105,996 is recorded as a liability within the respective funds.



GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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NOTE 10 POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Ohio Revised Code gives SERS the discretionary authority to provide post-retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service. credit, disability, and survivor benefit recipients.

Members retiring on or after August 1, 1989, with less than twenty-five years of service credit, must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2000, (the latest information available) the allocation rate was 6.3%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2000, the minimum pay has been established as \$12,400.

Health care benefits are financed on a pay-as-you-go basis.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, the Retirement System's net assets available for payment of health care benefits were \$252.3 million, at cost. The number of participants currently receiving health care benefits is approximately 50,000. The portion employer contributions that were used to fund postemployment benefits were approximately \$116,352.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipient and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 million at June 30, 2000, (the latest information available). For the year ended June 30, 2000, the net health care costs paid by STRS were \$283,137,000. There were 99,011 eligible benefit recipients.

NOTE 11 SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains enterprise funds to account for the operation of school food service and uniform school supplies. Segment information related to these follows:

	<u>Food Services</u>	<u>Uniform Supplies</u>	<u>High School Athletic Resale</u>	<u>Girls/Boys Locker Room</u>	<u>Total</u>
Operating revenues	\$ 261,180	\$ 48,503	\$ 0	\$ (97)	\$ 309,586
Operating expenses					
Salaries and wages	131,206	0	0	0	131,206
Fringe benefits	55,930	0	0	0	55,930
Contractual services	1,773	0	0	0	1,773
Materials and supplies	163,333	45,731	588	51	209,703
Other expenses	8,711	0	0	0	8,711
Depreciation	5,000	0	0	0	5,000
Total operating expenses	<u>365,953</u>	<u>45,731</u>	<u>588</u>	<u>51</u>	<u>412,323</u>
Operating income (loss)	(104,773)	2,772	(588)	(148)	(102,737)
Non-operating revenues, net	80,540	0	1,075	286	81,901
Income (loss) before operating transfers	<u>(24,233)</u>	<u>2,772</u>	<u>487</u>	<u>138</u>	<u>(20,836)</u>
Net income (loss)	<u>\$ (24,233)</u>	<u>\$ 2,772</u>	<u>\$ 487</u>	<u>\$ 138</u>	<u>\$ (20,836)</u>
Other information:					
Net working capital	<u>\$ (12,939)</u>	<u>\$ 10,762</u>	<u>\$ 735</u>	<u>\$ (1,231)</u>	<u>\$ (2,673)</u>
Fixed assets, net	<u>\$ 13,778</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,778</u>
Total assets	<u>\$ 32,655</u>	<u>\$ 10,959</u>	<u>\$ 735</u>	<u>\$ (1,231)</u>	<u>\$ 43,118</u>
Total equity	<u>\$ 839</u>	<u>\$ 10,762</u>	<u>\$ 735</u>	<u>\$ (1,231)</u>	<u>\$ 11,105</u>

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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NOTE 12 JOINTLY GOVERNED ORGANIZATIONS

A. TRI-COUNTY COMPUTER SERVICE ASSOCIATION (TCCSA)

The Tri-County Computer Services Association (TCCSA) is a jointly governed organization comprised of 22 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports TCCSA based upon a per pupil charge dependent upon the software package utilized. The TCCSA council of governments consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. TCCSA is governed by an executive committee chosen from the general membership of the TCCSA council of governments. The executive committee consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Ashland - Wayne County Education Services Center, which serves as fiscal agent, located at 2534 Burbank Road, Wooster, Ohio 44691. During the year ended June 30, 2001, the District paid approximately \$20,370 to TCCSA for basic service charges.

NOTE 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has a comprehensive property and casualty policy, with Nationwide Insurance Company. The deductible is \$1,000 per incident on property and \$250 per incident on equipment. All vehicles are also insured with Nationwide Insurance Company and have a \$250 deductible. All board members, administrators, and employees are covered under a school district liability policy with Nationwide Insurance Company. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 per aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. All the board members and the superintendent have a \$20,000 position bond with the Nationwide Insurance Company.

The Treasurer is covered under a surety bond in the amount of \$20,000. This bond is provided by the Nationwide Insurance Company.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System. This rate is calculated based on accident history and administrative costs. The group presently consists of over 400 school districts.

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

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NOTE 14 OTHER MATTERS

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of September 20, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

GREEN LOCAL SCHOOL DISTRICT

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2001

NOTE 15 STATUTORY RESERVES

Substitute House Bill 412, as amended, required the District to “set aside” certain percentages of defined revenues for (1) textbook and instructional materials purchases and (2) capital and maintenance expenditures. As of April 10, 2001, any money on hand in a School District’s budget reserve set-aside account may at the discretion of the Board be left in the account and used by the Board to offset any budget deficit the District may experience in future years. The amendment places special conditions on any refunds or rebates from the Bureau of Workers’ Compensation. These monies are to be used to offset a budget deficit; for school facility construction, renovation or repair; for textbooks or instructional materials; for purchases of school buses; or for teachers’ professional development. It also required five-year budget projections, amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and amended “spending reserve” provisions. During the fiscal year June 30, 2001, the reserve activity (GAAP-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Maintenance Reserve</u>	<u>Budget Reserve</u>	<u>Total</u>
Balance 7/1/00	\$ 0	\$ 0	\$ 159,808	\$ 159,808
Required Set-Aside	178,671	178,671	0	357,342
Additional Set-Asides	0	0	57,806	57,806
Qualifying Expenditures	<u>(246,270)</u>	<u>(231,854)</u>	<u>0</u>	<u>(478,124)</u>
Total	<u>\$ (67,599)</u>	<u>\$ (53,183)</u>	<u>\$ 217,614</u>	<u>\$ 96,832</u>
Cash Balance Carried Forward FY 2001	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 217,614</u>	
Amount Restricted for Set-Asides				<u>\$ 217,614</u>
Total Restricted Assets				<u>\$ 217,614</u>

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 20, 2001

The Board of Education  
Green Local School District  
Smithville, Ohio 44272

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

We have audited the general purpose financial statements of Green Local School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 20, 2001. We conducted our audit in accordance with auditing standards accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Green Local School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Green Local School District in a separate letter dated September 20, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Green Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Green Local School District in a separate letter dated September 20, 2001.

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

*Rea & Associates, Inc.*

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 20, 2001

The Board of Education  
Green Local School District  
Smithville, Ohio 44272

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

### **Compliance**

We have audited the compliance of Green Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. Green Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Green Local School District's management. Our responsibility is to express an opinion on Green Local School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards 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 Circulars 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 Green Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Green Local School District's compliance with those requirements.

In our opinion, Green Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.



**Internal Control Over Compliance**

The management of Green Local School 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 Green Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

**Schedule of Expenditures of Federal Awards - Non GAAP Budgetary Basis**

We have audited the general purpose financial statements of Green Local School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 20, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Green Local School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, others within the District, 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.

*Kea & Associates, Inc.*

**GREEN LOCAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - NON-GAAP BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Program Amount	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
<b>U. S. Department of Education</b>						
(Passed Through State Department of Education):						
Title 1	84.010	C1-S1-01	\$ 112,871	\$ 112,871	\$ 100,380	\$ 0
Title 1	84.010	C1-S1-00	112,871	0	9,905	0
<i>Total Title 1</i>				112,871	110,285	0
Title VI-B	84.027	6B-SF-01P	82,732	82,732	63,346	0
Title VI-B	84.027	6B-SF-00P	80,842	0	4,890	0
<i>Total Title VI-B</i>				82,732	68,236	0
Title VI	84.298	C2-S1-01	6,780	6,780	6,780	0
Eisenhower Grant	84.281	MS-S1-01	4,886	4,860	4,860	0
Drug Free	84.186	DR-S1-01	5,681	5,681	5,681	0
Title VI-R	84.340	CR-S1-01	21,643	21,643	21,643	0
<b>Total U.S. Department of Education</b>				234,567	217,485	0
<b>U. S. Department of Agriculture</b>						
(Passed Through State Department of Education):						
Nutrition Cluster:						
Food Distribution Program (A)	10.550			33,566	0	32,799
National School Lunch Program (B)	10.555			74,132	74,132	0
Special Milk Program (B)	10.556			1,914	1,914	0
<b>Total U.S. Department of Agriculture: Nutrition Cluster</b>				109,612	76,046	32,799
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				\$ 344,179	\$ 293,531	\$ 32,799

(A) Government commodities are reported at the fair market value of the commodities received and disbursed.

(B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

**GREEN LOCAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 , Section .505  
JUNE 30, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Title I, CFDA #84.010
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None were noted





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**GREEN LOCAL SCHOOL DISTRICT**

**WAYNE 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  
NOVEMBER 8, 2001**