



**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2000**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Mad River Green Local School District
Clark County
1215 Old Mill Road
Springfield, Ohio 45506

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Mad River Green Local School District, Clark County, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Mad River Green Local School District, Clark County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

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

Jim Petro
Auditor of State

January 9, 2001

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**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,134,567	\$253,896	\$396,809	\$877,901
Cash and Cash Equivalents:				
In Segregated Accounts	0	2,228	0	0
With Fiscal Agents	0	714	1,832	0
With Escrow Agents	0	0	0	1,812
Receivables:				
Taxes	4,967,861	0	192,112	488,293
Accounts	31,650	380	0	0
Intergovernmental	2,000	4,658	0	0
Interfund Receivable	11,024	0	0	0
Prepaid Items	7,248	0	0	0
Inventory of Supplies and Materials	5,081	0	0	0
Inventory Held for Resale	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	204,979	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service				
Fund for Retirement of General Long-Term Obligations	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	\$7,364,410	\$261,876	\$590,753	\$1,368,006
Liabilities, Fund Equity and Other Credits				
Liabilities:				
Accounts Payable	\$30,964	\$1,936	\$0	\$1,882
Contracts Payable	0	1,725	0	222,230
Retainage Payable	0	0	0	33,753
Accrued Salaries Payable	920,296	18,615	0	0
Intergovernmental Payable	194,569	3,760	0	0
Interfund Payable	0	11,024	0	0
Due to Students	0	0	0	0
Deferred Revenue	3,636,701	0	153,295	379,460
Compensated Absences Payable	34,447	0	0	0
Matured Interest Payable	0	0	1,832	0
Capital Leases Payable	0	0	0	0
Special Termination Benefit Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	4,816,977	37,060	155,127	637,325
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	111,977	61,529	0	1,711,716
Reserved for Budget Stabilization	164,810	0	0	0
Reserved for School Bus Purchases	40,169	0	0	0
Reserved for Inventory of Supplies and Materials	5,081	0	0	0
Reserved for Property Taxes	1,360,413	0	38,817	108,833
Reserved for Endowments	0	0	0	0
Unreserved, Designated for Budget Stabilization	85,643	0	0	0
Unreserved, Undesignated (Deficit)	779,340	163,287	396,809	(1,089,868)
Total Fund Equity (Deficit) and Other Credits	2,547,433	224,816	435,626	730,681
Total Liabilities, Fund Equity and Other Credits	\$7,364,410	\$261,876	\$590,753	\$1,368,006

See Accompanying Notes to the General Purpose Financial Statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$10,344	\$86,850	\$0	\$0	\$3,760,367
0	0	0	0	2,228
0	0	0	0	2,546
0	0	0	0	1,812
0	0	0	0	5,648,266
0	990	0	0	33,020
6,880	0	0	0	13,538
0	0	0	0	11,024
0	0	0	0	7,248
2,002	0	0	0	7,083
12,396	0	0	0	12,396
0	0	0	0	204,979
29,707	0	22,266,566	0	22,296,273
0	0	0	435,626	435,626
0	0	0	986,204	986,204
<u>\$61,329</u>	<u>\$87,840</u>	<u>\$22,266,566</u>	<u>\$1,421,830</u>	<u>\$33,422,610</u>

\$0	\$0	\$0	\$0	\$34,782
0	0	0	0	223,955
0	0	0	0	33,753
27,133	0	0	0	966,044
32,703	0	0	85,564	316,596
0	0	0	0	11,024
0	48,702	0	0	48,702
9,842	0	0	0	4,179,298
17,264	0	0	806,767	858,478
0	0	0	0	1,832
0	0	0	11,181	11,181
0	0	0	75,510	75,510
0	0	0	82,808	82,808
0	0	0	360,000	360,000
<u>86,942</u>	<u>48,702</u>	<u>0</u>	<u>1,421,830</u>	<u>7,203,963</u>

0	0	22,266,566	0	22,266,566
(25,613)	0	0	0	(25,613)
0	500	0	0	1,885,722
0	0	0	0	164,810
0	0	0	0	40,169
0	0	0	0	5,081
0	0	0	0	1,508,063
0	10,000	0	0	10,000
0	0	0	0	85,643
0	28,638	0	0	278,206
<u>(25,613)</u>	<u>39,138</u>	<u>22,266,566</u>	<u>0</u>	<u>26,218,647</u>
<u>\$61,329</u>	<u>\$87,840</u>	<u>\$22,266,566</u>	<u>\$1,421,830</u>	<u>\$33,422,610</u>

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Taxes	\$5,219,553	\$0	\$199,218	\$508,244	\$0	\$5,927,015
Intergovernmental	6,122,267	339,942	25,294	59,242	0	6,546,745
Interest	169,237	0	0	58,703	0	227,940
Tuition and Fees	102,416	0	0	0	0	102,416
Extracurricular Activities	6,096	248,958	0	0	0	255,054
Miscellaneous	49,085	33,361	0	9,952	990	93,388
Gifts and Donations	0	0	0	0	8,203	8,203
Total Revenues	<u>11,668,654</u>	<u>622,261</u>	<u>224,512</u>	<u>636,141</u>	<u>9,193</u>	<u>13,160,761</u>
Expenditures:						
Current:						
Instruction:						
Regular	5,108,665	40,712	0	0	0	5,149,377
Special	627,493	169,540	0	0	0	797,033
Vocational	341,345	0	0	0	0	341,345
Support Services:						
Pupils	318,025	0	0	0	0	318,025
Instructional Staff	473,201	72,988	0	0	0	546,189
Board of Education	72,127	0	0	0	0	72,127
Administration	1,043,365	0	0	0	0	1,043,365
Fiscal	315,506	0	3,358	10,457	0	329,321
Business	0	164,101	0	0	0	164,101
Operation and Maintenance of Plant	1,197,309	0	0	55,160	0	1,252,469
Pupil Transportation	829,254	0	0	0	0	829,254
Central	22,968	5,992	0	28,769	0	57,729
Operation of Non-Instructional Services						
Extracurricular Activities	134,121	95,256	0	0	1,500	230,877
Capital Outlay	218,169	15,175	0	855,287	0	1,088,631
Debt Service:						
Principal Retirement	5,088	0	131,404	0	0	136,492
Interest and Fiscal Charges	1,783	0	32,901	0	0	34,684
Total Expenditures	<u>10,708,419</u>	<u>563,764</u>	<u>167,663</u>	<u>982,910</u>	<u>1,629</u>	<u>12,424,385</u>
Excess of Revenues Over (Under) Expenditures	<u>960,235</u>	<u>58,497</u>	<u>56,849</u>	<u>(346,769)</u>	<u>7,564</u>	<u>736,376</u>
Other Financing Sources (Uses):						
Operating Transfers In	16,335	0	48,993	0	0	65,328
Operating Transfers Out	(61,939)	(16,335)	0	0	0	(78,274)
Total Other Financing Sources (Uses)	<u>(45,604)</u>	<u>(16,335)</u>	<u>48,993</u>	<u>0</u>	<u>0</u>	<u>(12,946)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	914,631	42,162	105,842	(346,769)	7,564	723,430
Fund Balances at Beginning of Year	1,636,436	182,654	329,784	1,077,450	10,315	3,236,639
Decrease in Reserve for Inventory	(3,634)	0	0	0	0	(3,634)
Fund Balances at End of Year	<u>\$2,547,433</u>	<u>\$224,816</u>	<u>\$435,626</u>	<u>\$730,681</u>	<u>\$17,879</u>	<u>\$3,956,435</u>

See Accompanying Notes to the General Purpose Financial Statements

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**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$4,893,791	\$4,893,791	\$0	\$0	\$0	\$0
Intergovernmental	6,120,867	6,120,867	0	317,247	317,247	0
Interest	169,237	169,237	0	0	0	0
Tuition and Fees	103,133	103,133	0	0	0	0
Extracurricular Activities	6,096	6,096	0	249,042	249,042	0
Miscellaneous	48,125	48,125	0	33,106	33,106	0
Gifts and Donations	0	0	0	0	0	0
Total Revenues	11,341,249	11,341,249	0	599,395	599,395	0
Expenditures:						
Current:						
Instruction:						
Regular	5,112,482	4,903,390	209,092	55,650	40,719	14,931
Special	643,301	638,370	4,931	233,069	177,307	55,762
Vocational	341,796	338,693	3,103	0	0	0
Other	192,950	217,721	(24,771)	0	0	0
Support Services:						
Pupils	343,872	320,981	22,891	0	0	0
Instructional Staff	483,221	475,418	7,803	36,675	109,740	(73,065)
Board of Education	54,547	94,507	(39,960)	0	0	0
Administration	1,076,525	1,002,477	74,048	675	0	675
Fiscal	341,666	323,659	18,007	0	0	0
Business	0	0	0	122,666	165,064	(42,398)
Operation and Maintenance of Plant	1,231,857	1,291,799	(59,942)	0	0	0
Pupil Transportation	869,535	833,805	35,730	0	0	0
Central	31,000	22,987	8,013	6,300	5,992	308
Operation of Non-Instructional Services	0	0	0	0	0	0
Extracurricular Activities	126,560	134,129	(7,569)	88,047	101,667	(13,620)
Capital Outlay	498,253	232,424	265,829	156,726	138,277	18,449
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	11,347,565	10,830,360	517,205	699,808	738,766	(38,958)
Excess of Revenues Over (Under) Expenditures	(6,316)	510,889	517,205	(100,413)	(139,371)	(38,958)
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures	1,218	1,218	0	0	0	0
Other Financing Uses	(120,000)	0	120,000	0	0	0
Operating Transfers In	16,335	16,335	0	0	0	0
Operating Transfers Out	(74,105)	(61,939)	12,166	(16,335)	(16,335)	0
Advances In	0	0	0	11,024	11,024	0
Advances Out	0	(11,024)	(11,024)	0	0	0
Total Other Financing Sources (Uses)	(176,552)	(55,410)	121,142	(5,311)	(5,311)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(182,868)	455,479	638,347	(105,724)	(144,682)	(38,958)
Fund Balances at Beginning of Year	1,386,308	1,386,308	0	193,134	193,134	0
Prior Year Encumbrances Appropriated	363,626	363,626	0	140,081	140,081	0
Fund Balances (Deficit) at End of Year	\$1,567,066	\$2,205,413	\$638,347	\$227,491	\$188,533	(\$38,958)

See Accompanying Notes to the General Purpose Financial Statements

Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$189,877	\$189,877	\$0	\$482,220	\$482,220	\$0	\$0	\$0	\$0
25,294	25,294	0	59,242	59,242	0	0	0	0
0	0	0	58,703	58,703	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	9,952	9,952	0	0	0	0
0	0	0	0	0	0	8,203	8,203	0
215,171	215,171	0	610,117	610,117	0	8,203	8,203	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,000	3,358	(358)	8,300	8,575	(275)	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	446,227	77,222	369,005	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	33,973	28,769	5,204	0	0	0
0	0	0	35,000	34,161	839	0	129	(129)
0	0	0	0	0	0	500	2,000	(1,500)
0	0	0	176,995	2,567,835	(2,390,840)	0	0	0
164,416	131,404	33,012	0	0	0	0	0	0
0	32,901	(32,901)	0	0	0	0	0	0
167,416	167,663	(247)	700,495	2,716,562	(2,016,067)	500	2,129	(1,629)
47,755	47,508	(247)	(90,378)	(2,106,445)	(2,016,067)	7,703	6,074	(1,629)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
48,993	48,993	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
48,993	48,993	0	0	0	0	0	0	0
96,748	96,501	(247)	(90,378)	(2,106,445)	(2,016,067)	7,703	6,074	(1,629)
300,308	300,308	0	893,296	893,296	0	10,315	10,315	0
0	0	0	155,222	155,222	0	0	0	0
\$397,056	\$396,809	(\$247)	\$958,140	(\$1,057,927)	(\$2,016,067)	\$18,018	\$16,389	(\$1,629)

**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Revenues:			
Sales	\$372,576	\$0	\$372,576
Charges for Services	61,344	0	61,344
Interest	0	2,166	2,166
Total Operating Revenues	<u>433,920</u>	<u>2,166</u>	<u>436,086</u>
Operating Expenses:			
Salaries	213,904	0	213,904
Fringe Benefits	76,692	0	76,692
Purchased Services	19,909	0	19,909
Materials and Supplies	12,492	0	12,492
Cost of Sales	224,069	0	224,069
Depreciation	3,292	0	3,292
Other	0	1,875	1,875
Total Operating Expenses	<u>550,358</u>	<u>1,875</u>	<u>552,233</u>
Operating Income (Loss)	<u>(116,438)</u>	<u>291</u>	<u>(116,147)</u>
Non-Operating Revenues (Expenses):			
Interest	578	0	578
Federal and State Subsidies	59,709	0	59,709
Federal Donated Commodities	37,096	0	37,096
Loss on Disposal of Fixed Assets	(1,628)	0	(1,628)
Total Non-Operating Revenues (Expenses)	<u>95,755</u>	<u>0</u>	<u>95,755</u>
Net Income (Loss) before Operating Transfers	(20,683)	291	(20,392)
Operating Transfers In	<u>12,946</u>	<u>0</u>	<u>12,946</u>
Net Income (Loss)	(7,737)	291	(7,446)
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	<u>(17,876)</u>	<u>20,968</u>	<u>3,092</u>
Retained Earnings (Deficit)/Fund Balance at End of Year	<u>(\$25,613)</u>	<u>\$21,259</u>	<u>(\$4,354)</u>

See Accompanying Notes to the General Purpose Financial Statements

**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>Enterprise Funds</u>			<u>Nonexpendable Trust Fund</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:						
Sales	\$372,686	\$372,686	\$0	\$0	\$0	\$0
Charges for Services	61,344	61,344	0	0	0	0
Interest	578	578	0	2,166	2,166	0
Federal and State Subsidies	62,615	62,615	0	0	0	0
Total Revenues	<u>497,223</u>	<u>497,223</u>	<u>0</u>	<u>2,166</u>	<u>2,166</u>	<u>0</u>
Expenses:						
Salaries	210,003	220,780	(10,777)	0	0	0
Fringe Benefits	75,572	79,132	(3,560)	0	0	0
Purchased Services	6,700	12,144	(5,444)	0	0	0
Materials and Supplies	219,500	207,697	11,803	0	0	0
Capital Outlay	5,000	2,785	2,215	0	0	0
Other	0	0	0	1,500	1,875	(375)
Total Expenses	<u>516,775</u>	<u>522,538</u>	<u>(5,763)</u>	<u>1,500</u>	<u>1,875</u>	<u>(375)</u>
Excess of Revenues Over (Under) Expenses before Operating Transfers	(19,552)	(25,315)	(5,763)	666	291	(375)
Operating Transfers In	12,946	12,946	0	0	0	0
Excess of Revenues Over (Under) Expenses and Operating Transfers	(6,606)	(12,369)	5,763	666	291	375
Fund Equity at Beginning of Year	22,101	22,101	0	20,968	20,968	0
Fund Equity at End of Year	<u>\$15,495</u>	<u>\$9,732</u>	<u>(\$5,763)</u>	<u>\$21,634</u>	<u>\$21,259</u>	<u>(\$375)</u>

See Accompanying Notes to the General Purpose Financial Statements

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>NONEXPENDABLE TRUST</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$434,030	\$0	\$434,030
Cash Payments for Employee Services and Benefits	(299,912)	0	(299,912)
Cash Payments to Suppliers for Goods and Services	(219,785)	0	(219,785)
Cash Payments for Other Operating Expenses	0	(1,875)	(1,875)
Net Cash Used In Operating Activities	<u>(85,667)</u>	<u>(1,875)</u>	<u>(87,542)</u>
Cash Flows from Noncapital Financing Activities:			
Federal and State Subsidies Grants Received	62,615	0	62,615
Operating Transfers In	12,946	0	12,946
Net Cash Provided By Noncapital Financing Activities	<u>75,561</u>	<u>0</u>	<u>75,561</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(2,229)	0	(2,229)
Net Cash Used In Capital and Related Financing Activities	<u>(2,229)</u>	<u>0</u>	<u>(2,229)</u>
Cash Flows from Investing Activities:			
Interest	578	2,166	2,744
Net Cash Provided By Investing Activities	<u>578</u>	<u>2,166</u>	<u>2,744</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,757)	291	(11,466)
Cash and Cash Equivalents Beginning of Year	<u>22,101</u>	<u>20,968</u>	<u>43,069</u>
Cash and Cash Equivalents End of Year	<u><u>\$10,344</u></u>	<u><u>\$21,259</u></u>	<u><u>\$31,603</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:			
Operating Income (Loss)	(\$116,438)	\$291	(\$116,147)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used In Operating Activities:			
Depreciation	3,292	0	3,292
Donated Commodities Received	37,096	0	37,096
Nonexpendable Trust Interest	0	(2,166)	(2,166)
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable	110	0	110
Decrease in Materials and Supplies Inventory	196	0	196
Increase in Inventory Held for Resale	(607)	0	(607)
Decrease in Accrued Salaries Payable	(3,733)	0	(3,733)
Decrease in Intergovernmental Payable	(2,440)	0	(2,440)
Decrease in Compensated Absences Payable	(3,143)	0	(3,143)
Net Cash Used in Operating Activities	<u><u>(\$85,667)</u></u>	<u><u>(\$1,875)</u></u>	<u><u>(\$87,542)</u></u>
Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet			
Cash and Cash Equivalents-All Fiduciary Funds		\$86,850	
Cash and Cash Equivalents-Expendable Trust and Agency Funds		<u>(65,591)</u>	
Cash and Cash Equivalents-Nonexpendable Trust Fund		<u><u>\$21,259</u></u>	

See Accompanying Notes to the General Purpose Financial Statements

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Mad River-Green Local School District (the "School District") is a body politic and corporate established 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 mandated by state and/or federal agencies. This Board of Education controls the School District's four instructional/support facilities staffed by 83 noncertified personnel, 125 certificated full time teaching personnel, and 13 administrative personnel who provide services to 2,143 students and other community members.

A reporting entity is composed of the primary government. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Mad River-Green Local School District, this includes general operations, food service, latchkey and student related activities of the School District.

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

The School District is associated with four jointly governed organizations and one insurance purchasing pool. These organizations are the Miami Valley Educational Computer Association (MVECA), the Southwestern Ohio Educational Purchasing Council (SOEPC), the Southwestern Ohio Instructional Technology Association (SOITA), the Clark County Family and Children First Council (FCF), and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), respectively. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mad River-Green Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting

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

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

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

1. Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Proprietary Fund Type:

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

Enterprise Funds

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

3. Fiduciary Fund Types:

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

4. Account Groups:

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

General Fixed Assets Account Group

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

General Long-Term Obligations Account Group

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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

All enterprise funds and the nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The School District has no contributed capital. Proprietary fund type and the nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available; property taxes available for advance, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Accounts receivable, in some instances, are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of June 30, 2000, and delinquent property taxes whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

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

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The drug free schools and preschool special revenue funds grant activity that is administered by a fiscal agent is not budgeted by the School District. The legal level of budgetary control is at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

1. Tax Budget:

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

2. Estimated Resources:

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

The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000. Prior to year-end, the School District requested an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, three supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

4. Encumbrances:

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

5. Lapsing of Appropriations:

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits. The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are presented in the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the School District treasury. In addition, the balance of various grants administered by a fiscal agent is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents." This represents deposits held with the Clark County Educational Service Center. Cash and cash equivalents that are held separately in escrow accounts at a financial institution for retainages and not held with the Treasurer are recorded in the balance sheet as "Cash and Cash Equivalents with Escrow Agents," and represent deposits.

During fiscal year 2000, the School District did not have any investments.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings are allocated to the general fund, the permanent improvement capital projects fund and the nonexpendable trust fund in accordance with the School District's policy. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$169,237, which includes \$72,157 assigned from other School District funds. The capital projects funds and the nonexpendable trust fund also received interest in the amount of \$58,703 and \$2,166, respectively.

E. Restricted Assets

Restricted assets in the general fund are cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization.

F. Inventory

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not 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 capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Reimbursable Grants

Special Revenue Funds

- Professional Development Block Grant
- Education Management Information Systems
- Textbooks and Instructional Materials
- Power Up for Technology
- Eisenhower Grant
- Title VI-B
- Title I
- Title VI
- Class Size Reduction
- Continuous Improvement
- Virtual Middle School

Capital Projects Funds

- Communication Data
- SchoolNet Plus

Reimbursable Grants

General Fund

- Driver Education
- Vocational Education Travel/Salary

Special Revenue

- Ohio Reads

Proprietary Funds

- National School Breakfast Program
- National School Lunch Program
- Government Donated Commodities

Grants and entitlements received in governmental funds amounted to 50 percent of governmental fund revenue during the 2000 fiscal year.

J. Compensated Absences

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, special termination benefits, and the contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. General obligation bonds, capital leases, special termination benefits, and long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Interfund Transactions

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

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, budget stabilization, school bus purchases, inventory of supplies and materials, property taxes, and endowments. The reserve for property taxes represents taxes recognized as revenue under generally accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for endowments represents principal in the nonexpendable trust fund that cannot be spent.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Designations

Fund balance designations may be established to indicate tentative planned expenditures of financial resources. The designations reflect the school district's intentions and are subject to change. Designations are reported as part of unreserved fund balance. Designations arise when amounts set-aside exceed the statutory required amount. The amount designated this year for the School District is \$85,643 for budget stabilization.

O. Estimates

The preparation of 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.

P. Total Columns on General Purpose Financial Statements

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

3. ACCOUNTABILITY

At June 30, 2000, the title VI-B and the title I special revenue funds had deficit fund balances of \$3,123 and \$7,699, respectively, which were created by the application of generally accepted accounting principles. The general fund is liable for any deficit in these funds and provides operating transfers when cash is needed, not when accruals occur. At June 30, 2000, the enterprise funds had an overall deficit retained earnings of \$25,613. The deficit in the enterprise funds is a result of lunch prices not covering operational costs. The School District will continue to monitor this deficit and raise the lunchroom prices so that the deficit will be eliminated.

4. COMPLIANCE

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2000:

Fund Type/Fund	Estimated Resources	Appropriations	Excess
Special Revenue Funds:			
Martha Holdens Jennings	\$0	\$500	(\$500)
Emergency Management Information Systems	5,992	6,300	(308)
Power Up for Technology	138,769	157,218	(18,449)
Eisenhower	219	6,120	(5,901)
Title VI B	106,546	123,930	(17,384)
Title I	81,445	99,509	(18,064)

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

4. COMPLIANCE (Continued)

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

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
General Fund:			
Regular, Purchased Services	\$55,145	\$65,051	(\$9,906)
Special, Fringe Benefits	107,079	111,280	(4,201)
Special, Purchased Services	50,000	55,410	(5,410)
Vocational, Capital Outlay	4,000	4,280	(280)
Other, Purchased Services	20,350	34,646	(14,296)
Other, Other	160,000	172,275	(12,275)
Pupils, Purchased Services	30,470	40,099	(9,629)
Pupils, Capital Outlay	2,000	2,503	(503)
Instructional Staff, Salaries and Wages	170,550	173,550	(3,104)
Instructional Staff, Fringe Benefits	47,992	49,600	(1,608)
Instructional Staff, Capital Outlay	116,200	199,994	(83,794)
Board of Education, Salaries and Wages	7,000	8,400	(1,400)
Board of Education, Fringe Benefits	12,800	13,293	(493)
Board of Education, Purchased Services	22,117	56,613	(34,496)
Board of Education, Materials and Supplies	1,130	2,357	(1,227)
Board of Education, Capital Outlay	0	2,611	(2,611)
Administration, Salaries and Wages	747,837	754,461	(6,624)
Fiscal, Salaries and Wages	133,850	134,470	(620)
Fiscal, Fringe Benefits	48,824	49,974	(1,150)
Operation and Maintenance of Plant, Fringe Benefits	123,632	134,174	(10,542)
Operation and Maintenance of Plant, Purchased Services	510,337	524,945	(14,608)
Operation and Maintenance of Plant, Materials and Supplies	96,340	108,557	(12,217)
Operation and Maintenance of Plant, Capital Outlay	41,848	73,753	(31,905)
Pupil Transportation, Fringe Benefits	183,949	186,590	(2,641)
Pupil Transportation, Materials and Supplies	116,200	130,031	(13,831)
Pupil Transportation, Capital Outlay	4,000	11,553	(7,553)
Pupil Transportation, Other	225	248	(23)
Extracurricular, Sports Oriented, Purchased Services	0	5,812	(5,812)
Special Revenue Funds:			
Principals, Support Services, Other	122,666	165,064	(42,398)
Athletic, Extracurricular Activities, Materials and Supplies	16,162	28,952	(12,790)

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

4. COMPLIANCE (Continued)

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Athletic, Extracurricular Activities, Capital Outlay	2,500	6,781	(4,281)
Athletic, Extracurricular Activities, Other	11,820	23,050	(11,230)
Professional Development, Instructional Staff, Salaries and Wages	0	2,000	(2,000)
Professional Development, Instructional Staff, Fringe Benefits	0	21	(21)
Ohio Reads, Instructional Staff, Salaries and Wages	0	3,466	(3,466)
Ohio Reads, Instructional Staff, Fringe Benefits	0	534	(534)
Ohio Reads, Instructional Staff, Purchased Services	0	5,246	(5,246)
Ohio Reads, Instructional Staff, Capital Outlay	0	65,559	(65,559)
Title II, Instructional Staff, Materials and Supplies	0	3,685	(3,685)
Continuous Improvement, Regular Instruction, Purchased Services	3,065	7,044	(3,979)
Continuous Improvement, Regular Instruction, Materials and Supplies	0	24,339	(24,339)
Debt Service Fund:			
Fiscal, Other	3,000	3,358	(358)
Fiscal, Interest and Fiscal Charges	0	32,901	(32,901)
Capital Projects Fund:			
Permanent Improvement, Fiscal, Other	8,300	8,575	(275)
Permanent Improvement, Operation of Non- Instructional Services, Architecture and Engineering Services, Purchased Services	106,203	130,265	(24,062)
Permanent Improvement, Building Acquisition and Construction Services, Capital Outlay	0	1,846,277	(1,846,277)
Permanent Improvement, Building Improvement Services, Purchased Services	6,000	28,146	(22,146)
Capital Projects, Building Acquisition and Construction Services, Capital Outlay	0	535,001	(535,001)
Schoolnet Plus, Central, Purchases Services	0	371	(371)
Enterprise Fund:			
Food Service, Salaries	161,003	169,047	(8,044)
Food Service, Fringe Benefits	65,632	69,931	(4,299)
Enterprise Fund:			
Food Service, Purchased Services	\$6,700	\$12,144	(\$5,444)

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

4. COMPLIANCE (Continued)

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Latchkey, Salaries	49,000	51,733	(2,733)
Trust Fund:			
Operation of Non-Instructional Services,			
Capital Outlay	0	129	(129)
Extracurricular Activities, Other	500	2,000	(1,500)
Non-Expendable Trust Fund:			
Other	1,500	1,875	(375)

5. BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. The School District does not budget for the activities of drug free and preschool special revenue funds administered by the fiscal agent who collects and holds the assets (budget basis). However, the activities of the fiscal agent that pertain to the Mad River-Green Local School District are included in the special revenue funds for GAAP reporting purposes (GAAP basis).

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$914,631	\$42,162	\$105,842	(\$346,769)	\$7,564
Revenue Accruals	(326,187)	(22,866)	(9,341)	(26,024)	(990)
Expenditure Accruals	12,108	(109,533)	0	202,176	0
Non-Budgeted Funds	0	(106)	0	0	0
Encumbrances	(134,133)	(65,363)	0	(1,935,828)	(500)
Prepaid Items	84	0	0	0	0
Advances	(11,024)	11,024	0	0	0
Budget Basis	<u>\$455,479</u>	<u>(\$144,682)</u>	<u>\$96,501</u>	<u>(\$2,106,445)</u>	<u>\$6,074</u>

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

	<u>Enterprise</u>	<u>Nonexpendable Trust</u>
GAAP Basis	(\$7,737)	\$291
Revenue Accruals	3,016	0
Expense Accruals	(8,510)	0
Depreciation Expense	3,292	0
Capital Outlay	(2,229)	0
Encumbrances	(612)	0
Materials and Supplies Inventory	(196)	0
Inventory Held for Resale	607	0
Budget Basis	<u>(\$12,369)</u>	<u>\$291</u>

6. DEPOSITS AND INVESTMENTS

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

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

State Statute permits interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal 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 issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances 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 moneys available for investment at any one time.

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 the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

The "Cash and Cash Equivalents with Fiscal Agent" of \$714 shown in the special revenue funds is maintained with the Clark County Educational Service Center. GASB 3 disclosures regarding this amount can be obtained from their annual report.

Deposits - At year end, the carrying amount of the School District's deposits was \$3,971,218 the bank balance was \$4,329,058. Of the bank balance:

1. \$101,832 was covered by federal depository insurance; and
2. \$4,227,226 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District held to a successful claim by the FDIC.

Investments - The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School 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 School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District had no investments as of June 30, 2000.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounts." The classifications of cash and investments on the combined financial statements per GASB Statement 9 is \$3,971,932. The classification of cash and investments on the combined financial statements per GASB Statement 3 is \$3,971,218. The difference between these two amounts is cash held with the Clark County Educational Service Center in the amount of \$714.

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 distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

7. PROPERTY TAXES (Continued)

2000 real property taxes are levied after April 1, 2000 on the assessed value listed as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien on December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

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

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

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$176,002,640	90.81%	\$179,430,170	89.94%
Public Utility	9,642,370	4.98	10,752,870	5.39
Tangible Personal Property	8,170,870	4.21	9,309,952	4.67
Total Assessed Value	\$193,815,880	100.00%	\$199,492,992	100.00%
Tax rate per \$1,000 of assessed valuation	\$41.57		\$41.57	

The School District receives property taxes from Clark County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. 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 fiscal 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, 2000 was \$1,360,413 in the general fund, \$38,817 in the bond retirement debt service fund, and \$108,833 in the permanent improvement capital projects fund.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

8. RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, accounts (rent, billings for user charged services and student fees), intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The intergovernmental receivables outstanding at June 30, 2000 were in the general fund for \$2,000 for driver's education reimbursement, \$4,658 in the pacesetter special revenue fund for grant reimbursement, and \$6,880 in the lunchroom fund for May lunch reimbursements.

9. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$193,783
Less: Accumulated Depreciation	<u>(164,076)</u>
Net Fixed Assets	<u><u>\$29,707</u></u>

A summary of the changes in the general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 06/30/99	Additions	Deletions	Balance at 06/30/00
Land, Buildings, and Improvements	\$17,928,019	\$0	\$0	\$17,928,019
Furniture, Fixtures and Equipment	2,691,508	387,455	4,477	3,074,486
Vehicles	<u>1,309,542</u>	<u>0</u>	<u>45,481</u>	<u>1,264,061</u>
Total General Fixed Assets	<u><u>\$21,929,069</u></u>	<u><u>\$387,455</u></u>	<u><u>\$49,958</u></u>	<u><u>\$22,266,566</u></u>

10. RISK MANAGEMENT

A. Property and Liability

The School 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. For fiscal year 2000, the School District contracted with Utica National Insurance Group for property insurance. The School District contracted with Nationwide Insurance for property and automobile liability coverage.

Coverage provided by Nationwide Insurance is as follows:

General Liability	
Per occurrence	\$1,000,000
Total per year	5,000,000

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

10. RISK MANAGEMENT (Continued)

Coverages provided by Utica Insurance are as follows:

Automobile Liability (\$500 deductible)	1,000,000
Property Insurance (\$1,000 deductible)	27,342,668

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

For fiscal year 2000, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). 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 of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management provides administrative, cost control and actuarial services to the GRP.

11. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit 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, 45 N. Fourth Street, Columbus, Ohio 43215-3634

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current 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 2000, 5.5 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, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$66,540, \$121,749, and \$124,737, respectively; 23.66 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$50,796 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

11. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System

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

For the fiscal year ended June 30, 2000, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$316,355, \$275,298, and \$520,223, respectively; 82.65 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$54,881 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, four members of the Board of Education have elected Social Security and one participates in SERS. The Board's liability is 6.2 percent of wages paid.

12. POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$421,807 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

12. POSTEMPLOYMENT BENEFITS (Continued)

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$132,993.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

13. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is 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 260 days for all personnel. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 60 days.

B. Insurance Benefits

The School District has elected to provide employee medical/surgical benefits through United Healthcare of Ohio. The Board pays 100 percent of the monthly premium. 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 CoreSource. Vision insurance is provided by the School District to most employees through Vision Service Plan. The School District provides life insurance and accidental death and dismemberment insurance to most employees through CoreSource.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

13. OTHER EMPLOYEE BENEFITS (Continued)

C. Special Termination Benefits

For fiscal year 2000, the School District offered eligible employees a special termination benefit. To be eligible, the employee must meet the requirements set forth by the State Teachers Retirement System. Anyone who was eligible to retire had to give written notice by March 30, 2000 that they intended to retire. Those who did, will receive a special termination benefit equal to 40% of their base pay for the current fiscal year. Payment to an eligible employee will be made in two equal installments, the first of which will occur in the September immediately following the employee's retirement and the second of which will occur one year later.

14. CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the School District entered into a capitalized lease for a copier. This lease 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 general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Fixed assets acquired by the lease have been capitalized in the general fixed assets account group in the amount of \$21,445, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2000.

Fiscal Year Ending June 30,	General Long-Term Obligations
2001	\$6,871
2002	5,725
Total Payments	12,596
Less: amount representing interest	(1,415)
Present value of net minimum lease payments	\$11,181

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

15. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Amount Outstanding 6/30/99	Additions	Deductions	Amount Outstanding 6/30/00
School Improvement Bonds				
Bond 1979 6.50%	\$450,000	\$0	\$90,000	\$360,000
Energy Conservation				
Loan 1992 6.20%	124,212	0	41,404	82,808
Total	574,212	0	131,404	442,808
Other Long-Term Obligations:				
Capital Leases	16,269	0	5,088	11,181
Compensated Absences	864,319	0	57,552	806,767
Special Termination Benefit Payable	52,263	75,510	52,263	75,510
Intergovernmental Payable	105,990	85,564	105,990	85,564
Total General Long-Term Obligations	<u>\$1,613,053</u>	<u>\$161,074</u>	<u>\$352,297</u>	<u>\$1,421,830</u>

School Improvement General Obligation Bonds

On July 1, 1979, Mad River-Green Local School District issued \$2,150,000 in voted general obligation bonds for the purpose of an addition and improvements to the schools in the District. The bonds were issued for a fourteen year period with final maturity at December 1, 2003. The bonds will be retired from the debt service fund.

Energy Conservation Loan

In 1992, Mad River-Green Local School District issued \$331,232 in unvoted general obligation loans for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The loans were issued for a ten fiscal year period with final maturity during fiscal year 2002. The loans will be retired from the debt service fund.

The capital lease obligation will be paid from the general fund. Compensated absences and the special termination benefit will be paid from the fund from which the person is paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid.

The School District's overall legal debt margin was \$18,029,995, the energy conservation loan debt margin was \$1,712,629 with an unvoted debt margin of \$199,493 at June 30, 2000. Principal and interest requirements to retire general obligation debt, including loans outstanding at June 30, 2000 are as follows:

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

15. LONG-TERM OBLIGATIONS (Continued)

Fiscal year Ending June 30,	Principal	Interest	Total
2001	\$131,404	\$27,634	\$159,038
2002	131,404	19,443	150,847
2003	90,000	11,250	101,250
2004	90,000	5,625	95,625
Total	<u>\$442,808</u>	<u>\$63,952</u>	<u>\$506,760</u>

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of lunchroom and latchkey services. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2000.

	Lunchroom	Latchkey Services	Total Enterprise Funds
Operating Revenues	\$372,686	\$61,344	\$434,030
Depreciation	2,759	533	3,292
Operating Loss	(106,890)	(9,548)	(116,438)
Net Non-Operating Revenues (Expenses) Excluding Federal and State Subsidies	36,046	0	36,046
Federal and State Subsidies	59,709	0	59,709
Operating Transfers In	12,946	0	12,946
Net Income (Loss)	1,811	(9,548)	(7,737)
Fixed Asset Additions	2,229	0	2,229
Net Working Capital	(20,785)	8,408	(12,377)
Total Assets	48,213	13,116	61,329
Long-Term Liabilities Payable from Revenue	37,004	5,939	42,943
Total Fund Equity (Deficit)	(31,466)	5,853	(25,613)
Total Encumbrances	612	0	612

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

17. INTERFUND ACTIVITY

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General Fund	\$11,024	\$0
Special Revenue Funds:		
Ohio Reads	0	10,805
Eisenhower	0	219
Total All Funds	<u>\$11,024</u>	<u>\$11,024</u>

18. JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association - The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark and Greene Counties. 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 one representative from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District paid MVECA \$19,642 for services provided during the year. Financial information can be obtained from Gary Bosserman, Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

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

Payments to SOEPC are made from the general fund. During fiscal year 2000, the Mad River-Green Local School District paid \$1,652 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton 45424.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

18. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Southwestern Ohio Instructional Technology Association - The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2000, the School District paid \$1,161 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Clark County Family and Children First Council - The Clark County Family and Children First Council (FCFC) is a voluntary association established with the purpose to coordinate and integrate those services within Clark County which are available for families and to establish a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of such services in order to more effectively meet the needs of families and children.

The Board of Trustees is comprised of eighteen representatives of each the members of the Council, including the Superintendent of the Clark County Educational Service Center, who was appointed by the Superintendents of the Clark County schools. All members are obligated to pay all dues as established by the Council to aid the financing of the operations and programs of the Council. The Mad River-Green Local School District does not pay any dues since the Clark County Educational Service Center represents the School District. Any member withdrawing from the Council must give one hundred eighty days written notice to the Council after formal action of the member's governing board. To obtain financial information, write to the Clark County Family and Children First Council, Marilyn Demma, who serves as Treasurer, at 6 West High Street, Suite 500, Springfield, Ohio 45502.

19. INSURANCE PURCHASING POOL

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan - The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a fourteen member committee consisting of various GRP representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

20. STATE SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's school foundation program, which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$5,456,703 of basic school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's school Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

21. 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 School District is also required to set aside money for budget stabilization.

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

21. SET-ASIDE CALCULATIONS (Continued)

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 1999	\$0	\$0	\$164,810
Current Year Set-aside Requirement	248,253	248,253	0
Additional Money Set Aside	0	0	85,643
Current Year Offsets	0	(482,220)	0
Qualifying Disbursements	<u>(477,132)</u>	<u>(385,624)</u>	<u>0</u>
Set-aside Balances Carried Forward to Future Fiscal Years	<u>(\$228,879)</u>	<u>(\$619,591)</u>	<u>\$250,453</u>
Set-aside Reserve Balances as of June 30, 2000	<u>\$0</u>	<u>\$0</u>	<u>\$164,810</u>

Amounts of offsets and qualifying disbursements for capital acquisition presented in the table were limited to those necessary to reduce the year-end balance to the amount that can be used to reduce the set-aside requirement in future years. The School District has decided to carry over these negative balances to the next year. The total reserve balance for the budget stabilization set-aside at the end of the fiscal year was \$164,810.

The School District set-aside additional money in excess of statutory requirements for budget stabilization. This amount, \$85,643, is presented on the balance sheet as a designation of fund balance.

22. CONTRACTUAL COMMITMENTS

As of June 30, 2000, the School District had contractual purchase commitments as follows:

<u>Vendor</u>	<u>Amount Outstanding at June 30, 2000</u>
Jess Construction	\$1,222,447
Frost and Company	65,790
G.M. Mechanical	177,806
Trame Mechanical	238,588
Black Electric	142,460
Justice Electric	10,312
Cannon Company	94,295

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

23. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation

The School District did not have any pending litigation.

24. SUBSEQUENT EVENTS

On January 11, 2001, the Board of Education authorized the issuance of Energy Conservation Bonds in the amount of \$232,945.

**MAD RIVER GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR YEAR ENDED JUNE 30, 2000**

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
(Passed through State Department of Education)						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$35,781	\$0	\$37,098
National School Lunch Program	03PU99	10.555	7,796	0	7,796	0
	03PU00		17,192	0	17,192	0
	04PU99		10,218	0	10,218	0
	04PU00		24,419	0	24,419	0
Total National School Lunch Program			59,625	0	59,625	0
Total US Department of Agriculture - Nutrition Cluster			59,625	35,781	59,625	37,098
U.S. DEPARTMENT OF EDUCATION						
(Direct Receipts)						
Title VII of the Elementary and Secondary Act Public Law 874	PL874	84.041	19,471	0	19,471	0
(Passed through Clark County ESC)						
Drug Free Schools	DRS100	84.186	8,874	0	8,874	0
Eisenhower Prof. Dev. State Grant	MSS100	84.281	6,573	0	2,120	0
Special Education Cluster:						
Preschool Grant		84.173	7,838	0	7,124	0
(Passed through State Department of Education)						
Title VI-B	6BSF99	84.027	4,656	0	13,381	0
	6BSF00		93,165	0	83,701	0
Total Title VI-B			97,821	0	97,082	0
Total Special Education Cluster			105,659	0	104,206	
Title I						
	C1S199	84.010	11,481	0	12,393	0
	C1S100		69,052	0	67,262	0
Total Title I			80,533	0	79,655	0
Innovative Educational Program Strategy	C2S199	84.298	1,477	0	7,916	0
	C2S100		10,442	0	3,942	0
Total Innovative Educational Program Strategy			11,919	0	11,858	0
Tech Literacy Challenge Fund	TFVM00	84.318	27,000		31,255	0
Class Size Reduction	CRS100	84.340	6,804	0	0	0
Total US Department of Education			266,833	0	257,439	0
Total Federal Assistance			\$326,458	\$35,781	\$317,064	\$37,098

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

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY
FOR THE YEAR ENDED JUNE 30, 2000**

NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - NUTRITION CLUSTER

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



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OFFICE OF THE AUDITOR

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

Mad River Green Local School District
Clark County
1215 Old Mill Road
Springfield, Ohio 45506

To the Board of Education:

We have audited the financial statements of Mad River Green Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated January 9, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Mad River Green Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-10312-001. We also noted certain immaterial instances of noncompliance that we have reported to management of Mad River Green Local School District in a separate letter dated January 9, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mad River 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 financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Jim Petro
Auditor of State

January 9, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Mad River Green Local School District
Clark County
1215 Old Mill Road
Springfield, Ohio 45506

To the Board of Education:

Compliance

We have audited the compliance of Mad River 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, 2000. Mad River Green Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Mad River Green Local School District's management. Our responsibility is to express an opinion on Mad River Green Local School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Mad River 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 Mad River Green Local School District's compliance with those requirements.

In our opinion, Mad River 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, 2000.

Internal Control Over Compliance

The management of Mad River 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 Mad River 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.

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

Jim Petro
Auditor of State

January 9, 2001

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
June 30, 2000**

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)(ii)	Were there any other reportable 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)?	Yes
(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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster(*); Title I (CFDA# 84.010); Innovative Education Program Strategy (CFDA# 84.298)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

* National School Lunch Program, CFDA #10.555, and Food Distribution Program, CFDA #10.550

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
June 30, 2000
(Continued)**

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

Finding Number	2000-10312-001
-----------------------	-----------------------

Ohio Rev. Code Section 5705.41(B) provides that, no subdivision is to expend money unless it has been appropriated. Review of compliance with this section of the code noted that the following funds had expenditures plus encumbrances in excess of appropriations as of June 30, 2000:

Fund/Function/Object	Prior and Current Years' Appropriations	Year-To-Date Expenditures	Year-To-Date Encumbrances	Variance
Ohio Reads	\$ 0	\$ 19,454	\$ 55,351	(\$ 74,805)
Permanent Improvement Fund (003/5500/620)	\$ 0	\$ 232,197	\$1,614,080	(\$1,846,277)
Capital Project Fund (070/5500/620)	\$ 0	\$ 264,485	\$ 270,516	(\$ 535,001)

Additionally, we noted the following variances at the legal level of control:

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
General Fund:			
Regular, Purchased Services	\$55,145	\$65,051	(\$9,906)
Special, Fringe Benefits	107,079	111,280	(4,201)
Special, Purchased Services	50,000	55,410	(5,410)
Vocational, Capital Outlay	4,000	4,280	(280)
Other, Purchased Services	20,350	34,646	(14,296)
Other, Other	160,000	172,275	(12,275)
Pupils, Purchased Services	30,470	40,099	(9,629)
Pupils, Capital Outlay	2,000	2,503	(503)
Instructional Staff, Salaries and Wages	170,446	173,550	(3,104)
Instructional Staff, Fringe Benefits	47,992	49,600	(1,608)
Instructional Staff, Capital Outlay	116,200	199,994	(83,794)
Board of Education, Salaries and Wages	7,000	8,400	(1,400)
Board of Education, Fringe Benefits	12,800	13,293	(493)
Board of Education, Purchased Services	22,117	56,613	(34,496)
Board of Education, Materials and Supplies	1,130	2,357	(1,227)
Board of Education, Capital Outlay	0	2,611	(2,611)
Administration, Salaries and Wages	747,837	754,461	(6,624)
Operation and Maintenance of Plant, Fringe Benefits	123,632	134,174	(10,542)

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
June 30, 2000
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2000-10312-001 (Continued)		
Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Operation and Maintenance of Plant, Purchased Services	510,945	524,945	(14,608)
Operation and Maintenance of Plant, Materials and Supplies	96,340	108,557	(12,217)
Operation and Maintenance of Plant, Capital Outlay	41,848	73,753	(31,905)
Pupil Transportation, Fringe Benefits	183,949	186,590	(2,641)
Pupil Transportation, Materials and Supplies	116,200	130,031	(13,831)
Pupil Transportation, Capital Outlay	4,000	11,553	(7,553)
Pupil Transportation, Other	225	248	(23)
Extracurricular Activities, Academic and Subject Oriented:			
Salaries and Wages	11,899	12,240	(341)
Fringe Benefits	130	134	(4)
Sports Oriented Activities:			
Salaries and Wages	102,567	103,715	(1,148)
School and Public Services, Co-curricular Activities:			
Salaries and Wages	10,417	10,722	(305)
Extracurricular, Sports Oriented, Purchased Services	0	5,812	(5,812)
Principals, Support Services, Other	\$122,666	\$165,064	(\$42,398)
Athletic, Extracurricular Activities, Materials and Supplies	16,162	28,952	(12,790)
Athletic, Extracurricular Activities, Capital Outlay	2,500	6,781	(4,281)
Athletic, Extracurricular Activities, Other	11,820	23,050	(11,230)
Professional Development, Instructional Staff, Salaries and Wages	0	2,000	(2,000)
Professional Development, Instructional Staff, Fringe Benefits	0	21	(21)
Title II, Instructional Staff, Materials and Supplies	0	3,685	(3,685)
Continuous Improvement, Regular Instruction, Purchased Services	3,065	7,044	(3,979)

**MAD RIVER-GREEN LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
June 30, 2000
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Finding Number	2000-10312-001 (Continued)
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Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Excess
Continuous Improvement, Regular Instruction, Materials and Supplies	0	24,339	(24,339)
Debt Service Fund:			
Fiscal, Other	3,000	3,358	(358)
Fiscal, Interest and Fiscal Charges	0	32,901	(32,901)
Capital Projects Fund:			
Permanent Improvement, Fiscal, Other	8,300	8,575	(275)
Permanent Improvement, Operation of Non- Instructional Services, Architecture and Engineering Services, Purchased Services	106,203	130,265	(24,062)
Permanent Improvement, Building Improvement Services, Purchased Services	6,000	28,146	(22,146)
Schoolnet Plus, Central, Purchases Services	0	371	(371)
Enterprise Fund:			
Food Service, Salaries	161,003	169,047	(8,044)
Food Service, Fringe Benefits	65,632	69,931	(4,299)
Food Service, Purchased Services	\$6,700	\$12,144	(\$5,444)
Latchkey, Salaries	49,000	51,733	(2,733)
Trust Fund:			
Operation of Non-Instructional Services, Capital Outlay	0	129	(129)
Extracurricular Activities, Other	500	2,000	(1,500)
Non-Expendable Trust Fund:			
Other	1,500	1,875	(375)

The District should institute procedures to routinely compare its budgeted versus actual activities during the year and make any necessary revisions. This comparison of actual disbursements and encumbrances to available appropriations should also include an analysis of actual available resources to estimated resources.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MAD RIVER GREEN LOCAL SCHOOL DISTRICT

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 13, 2001**