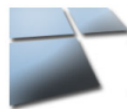


Greenfield Exempted Village School District  
Highland County  
Single Audit  
For the Fiscal Year Ended June 30, 2017



*Millhuff-Stang*

CERTIFIED PUBLIC ACCOUNTANT

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# Dave Yost • Auditor of State

Board of Education  
Greenfield Exempted Village School District  
200 North 5th Street  
Greenfield, Ohio 45123

We have reviewed the *Independent Auditor's Report* of Greenfield Exempted Village School District, Highland County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

March 27, 2018

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**Greenfield Exempted Village School District**  
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*For the Fiscal Year Ended June 30, 2017*

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**Independent Auditor's Report**

Board of Education  
Greenfield Exempted Village School District  
200 North Fifth Street  
Greenfield, Ohio 45123

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the School District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparisons for the General Fund and Title I Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the School District's Proportionate Share of the Net Pension Liability, and the Schedule of School District Contributions on pages 4 through 11, 55 through 56, and 57 through 58, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Federal Awards Expenditures, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Federal Awards Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2018 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Robyn Roush". The signature is written in a cursive, flowing style.

Robyn Roush, CPA, CITP  
Vice-President/Owner  
Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

January 12, 2018

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Greenfield Exempted Village Schools' (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$14,700,076.
- The School District's net position of governmental activities increased \$115,973.
- General revenues accounted for \$21,260,361 in revenue or 80 percent of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$5,301,041 or 20 percent of total revenues of \$26,561,402.
- The School District had \$26,445,429 in expenses related to governmental activities; \$5,301,041 of these expenses were offset by program specific charges for services and sales, operating grants and contributions, and capital grants and contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Greenfield Exempted Village Schools' financial situation as a whole and also give a detailed view of the School District's financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

The analysis of the School District as a whole begins with the Statement of Net Position and the Statement of Activities. These reports provide information that will help the reader to determine whether the School District is financially improving or declining as a result of the year's financial activities. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the School District's financial well-being. Some of these factors include the condition of capital assets, and required educational support services to be provided.

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity.

- Governmental Activities. Most of the School District's programs and services are reported here including instruction and support services.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The analysis of the School District's funds begins on page 10. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major funds are the General Fund, Capital Projects Fund, and the Title I Special Revenue Fund.

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

**Proprietary Funds.** The School District's only proprietary fund is an internal service fund. Since the internal service fund operates on a break-even, cost-reimbursement basis, the School District reports it as a proprietary fund using the full accrual basis of accounting. Since the internal fund exclusively benefits governmental functions, it has been included with governmental activities in the government-wide financial statements.

**Fiduciary Funds.** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's fiduciary funds are agency funds which are used to maintain financial activity of the School District's Student Managed Activities, and private purpose trust funds which are used to maintain the financial activity of the School District's Scholarship Funds.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)

**THE SCHOOL DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2017 compared to 2016.

Table 1  
Net Position

	Governmental Activities	
	2017	2016
<b>Assets:</b>		
Current and Other Assets	\$ 27,304,418	\$ 26,800,299
Capital Assets, Net	21,752,468	20,581,812
Total Assets	49,056,886	47,382,111
<b>Deferred Outflows of Resources:</b>		
Pensions	6,861,918	3,599,984
Unamortized Deferred Amount on Refunding	5,979	8,014
Total Deferred Outflows of Resources	6,867,897	3,607,998
<b>Liabilities:</b>		
Current and Other Liabilities	2,455,537	2,364,776
Long-Term Liabilities:		
Due Within One Year	288,307	104,050
Due in More than One Year:		
Net Pension Liabilities	32,902,505	26,622,123
Other Amounts	2,135,008	2,392,775
Total Liabilities	37,781,357	31,483,724
<b>Deferred Inflows of Resources:</b>		
Pensions	50,972	1,748,480
Property Taxes not Levied to Finance Current Year Operations	3,392,378	3,173,802
Total Deferred Inflows of Resources	3,443,350	4,922,282
<b>Net Position:</b>		
Net Investment in Capital Assets	20,781,470	19,433,095
Restricted	7,002,477	8,604,557
Unrestricted (Deficit)	(13,083,871)	(13,453,549)
Total Net Position	\$ 14,700,076	\$ 14,584,103

Many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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Under the standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

Total net position of the School District as a whole increased \$115,973. The primary reason for the increase in current assets was due to an increase of equity in pooled cash, cash equivalents and investments and intergovernmental receivable, which were partially offset by a decrease in prepaid items. The increase in capital assets was primarily due to additions, which was partially offset by current year deletions and depreciation expense. The increase in current liabilities was primarily due to the increases in accounts payable and matured compensated absences payable. Long-term liabilities increased primarily due to an increase in the net pension liability. The increases in deferred outflows of resources and decreases in deferred inflows of resources are primarily due to pension related activity.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)

Table 2 shows the changes in net position for 2017 compared to 2016.

Table 2  
Change in Net Position

	Governmental Activities	
	2017	2016
<b>Revenue</b>		
Program Revenues:		
Charges for Services and Sales	\$ 1,147,453	\$ 1,155,876
Operating Grants and Contributions	3,992,995	3,664,993
Capital Grants and Contributions	160,593	-
Total Program Revenues	<u>5,301,041</u>	<u>4,820,869</u>
General Revenue:		
Income Taxes	2,023,177	1,963,726
Grants and Entitlements, Not Restricted for Specific Programs	15,301,447	15,504,875
Gifts and Donations, Not Restricted for Specific Programs	510	1,625
Investment Earnings	97,179	94,153
Miscellaneous	227,675	270,126
Property Taxes	3,610,373	3,819,815
Total General Revenues	<u>21,260,361</u>	<u>21,654,320</u>
Total Revenues	<u>26,561,402</u>	<u>26,475,189</u>
<b>Program Expenses</b>		
Instruction		
Regular	12,190,677	10,408,608
Special	3,131,349	2,876,267
Vocational	383,351	384,836
Other	1,798,017	1,539,278
Support Services		
Pupils	848,446	680,146
Instructional Staff	398,396	429,539
Board of Education	62,880	74,944
Administration	2,289,415	2,023,427
Fiscal	485,083	505,624
Operation and Maintenance of Plant	2,202,073	1,794,616
Pupil Transportation	1,170,365	1,011,532
Central	48	-
Operation of Non-Instructional Services	878,910	818,891
Extracurricular Activities	570,666	552,404
Interest and Fiscal Charges	35,753	47,377
Total Expenses	<u>26,445,429</u>	<u>23,147,489</u>
Increase in Net Position	115,973	3,327,700
Net Position at Beginning of Year	14,584,103	11,256,403
Net Position at End of Year	<u>\$ 14,700,076</u>	<u>\$ 14,584,103</u>

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

**Governmental Activities**

Charges for services and sales comprised 4 percent of revenue for governmental activities, while operating grants and contributions comprised 15 percent of revenue for governmental activities of the School District for fiscal year 2017. Income tax revenue comprised 8 percent of revenue for governmental activities. Property tax revenue comprised 14 percent of revenue for governmental activities for fiscal year 2017. Operating grants and contributions increased due to monies received for Improving Teacher Quality and Miscellaneous Federal Grant programs.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 46 percent of governmental program expenses. Regular instruction increased due increased additional monies spent for Title VI and Preschool programs due to timing of payments and increased salaries and benefits. Special Instruction increased due to an increased salaries and benefits in special instruction. Operating and maintenance of plant increased due to additional maintenance and repair throughout the School District.

The Statement of Activities shows the cost of program services and the charges for services, sales, and grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by unrestricted State entitlements, taxes and other general revenues.

Table 3  
Governmental Activities

	<u>Total Cost of Services</u> <u>2017</u>	<u>Net Cost of Services</u> <u>2017</u>	<u>Total Cost of Services</u> <u>2016</u>	<u>Net Cost of Services</u> <u>2016</u>
Program Expenses				
Instruction:				
Regular	\$ 12,190,677	\$ 11,046,879	\$ 10,408,608	\$ 9,394,231
Special	3,131,349	1,088,471	2,876,267	989,068
Vocational	383,351	245,162	384,836	262,589
Other	1,798,017	1,730,146	1,539,278	1,475,255
Support Services:				
Pupils	848,446	747,729	680,146	606,085
Instructional Staff	398,396	383,358	429,539	411,673
Board of Education	62,880	60,506	74,944	71,827
Administration	2,289,415	2,063,972	2,023,427	1,852,425
Fiscal	485,083	465,538	505,624	483,338
Operation and Maintenance of Plant	2,202,073	1,994,087	1,794,616	1,665,902
Pupil Transportation	1,170,365	1,039,689	1,011,532	971,510
Central	48	46	-	-
Operation of Non-Instructional Services	878,910	(27,863)	818,891	(160,796)
Extracurricular Activities	570,666	270,915	552,404	256,136
Interest and Fiscal Charges	35,753	35,753	47,377	47,377
<b>Total</b>	<u><u>\$ 26,445,429</u></u>	<u><u>\$ 21,144,388</u></u>	<u><u>\$ 23,147,489</u></u>	<u><u>\$ 18,326,620</u></u>

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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**THE SCHOOL DISTRICT'S FUNDS**

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$27,063,339 and expenditures and other financing uses of \$26,953,305. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$1,581,924. This increase is due mainly to revenues exceeding expenditures

The fund balance of the Capital Projects Fund decreased \$1,346,272. The Capital Projects Fund had transfers in in the amount of \$362,000 and expenditures in the amount of \$1,708,272. The fund balance of the Title I Fund decreased \$35,930. The Title I Fund had revenues in the amount of \$939,344 and expenditures in the amount of \$975,274.

**General Fund Budgeting Highlights**

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

During 2017, there were several revisions to the General Fund budget. In part, these revisions decreased estimated revenues and other financing sources by \$1,791,519 due to decreases in intergovernmental revenue and decreased appropriations by \$3,012,978 due to decreases in advances out anticipated. The General fund's ending unobligated cash balance was \$5,054,632.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2017, the School District had \$21,752,468 invested in its capital assets. Table 4 shows the fiscal year 2017 balances compared to 2016.

Table 4  
 Capital Assets  
 (Net of Depreciation)

	Governmental Activities	
	2017	2016
Land	\$ 54,539	\$ 54,539
Land Improvements	341,721	321,221
Buildings and Improvements	19,686,154	19,078,946
Furniture and Equipment	508,840	461,702
Vehicles	1,161,214	665,404
Totals	\$ 21,752,468	\$ 20,581,812

Changes in capital assets from the prior year resulted from the additions, deletions, and depreciation expense. See Note 7 to the basic financial statements for more detailed information related to capital assets.



**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*(Unaudited)*

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**Debt**

At June 30, 2017, the School District had Refunding Bonds consisting of \$955,000 in current interest bonds. See Note 13 to the basic financial statements for more detailed information relating to debt.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the School District's financial condition and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Joe Smith, Treasurer, Greenfield Exempted Village Schools, 200 North Fifth Street, Greenfield, Ohio 45123.

**Greenfield Exempted Village School District**  
*Statement of Net Position*  
*June 30, 2017*

	Governmental Activities
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 21,999,474
Accrued Interest Receivable	11,763
Accounts Receivable	832
Due from Agency Fund	1,000
Prepaid Items	21,623
Intergovernmental Receivable	501,233
Taxes Receivable	4,768,493
Noncurrent Assets:	
Non-Depreciable Capital Assets	54,539
Depreciable Capital Assets, net	21,697,929
<i>Total Assets</i>	49,056,886
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pensions:	
State Teachers Retirement System	5,020,048
School Employees Retirement System	1,841,870
Unamortized Deferred Amount on Refunding	5,979
<i>Total Deferred Outflows of Resources</i>	6,867,897
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	336,566
Accrued Wages and Benefits	1,766,845
Intergovernmental Payable	297,778
Accrued Interest Payable	2,694
Matured Compensated Absences Payable	29,435
Claims Payable	22,219
Noncurrent Liabilities:	
Due Within One Year	288,307
Due in More Than One Year	
Net Pension Liability (See Note 10)	32,902,505
Other Amounts Due in More Than One Year	2,135,008
<i>Total Liabilities</i>	37,781,357
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions:	
State Teachers Retirement System	50,972
Property Taxes not Levied to Finance Current Year Operations	3,392,378
<i>Total Deferred Inflows of Resources</i>	3,443,350
<b>NET POSITION:</b>	
Net Investment in Capital Assets	20,781,470
Restricted for Debt Service	1,471,594
Restricted for Capital Outlay	3,449,516
Restricted for Other Purposes	954,158
Restricted for Classroom Facilities Maintenance	1,127,209
Unrestricted (Deficit)	(13,083,871)
<i>Total Net Position</i>	\$ 14,700,076

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2017

	Program Revenues				Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental Activities:</b>					<b>Governmental Activities</b>
Instruction:					
Regular	\$ 12,190,677	\$ 390,274	\$ 712,311	\$ 41,213	\$ (11,046,879)
Special	3,131,349	86,867	1,956,011	-	(1,088,471)
Vocational	383,351	14,172	124,017	-	(245,162)
Other	1,798,017	67,871	-	-	(1,730,146)
Support Services:					
Pupils	848,446	28,806	71,911	-	(747,729)
Instructional Staff	398,396	15,038	-	-	(383,358)
Board of Education	62,880	2,374	-	-	(60,506)
Administration	2,289,415	79,873	145,570	-	(2,063,972)
Fiscal	485,083	17,991	1,554	-	(465,538)
Operation and Maintenance of Plant	2,202,073	70,726	124,168	13,092	(1,994,087)
Pupil Transportation	1,170,365	24,388	-	106,288	(1,039,689)
Central	48	2	-	-	(46)
Operation of Non-Instructional Services	878,910	202,172	704,601	-	27,863
Extracurricular Activities	570,666	146,899	152,852	-	(270,915)
Interest and Fiscal Charges	35,753	-	-	-	(35,753)
<b>Total Governmental Activities</b>	<b>\$ 26,445,429</b>	<b>\$ 1,147,453</b>	<b>\$ 3,992,995</b>	<b>160,593</b>	<b>(21,144,388)</b>
<b>General Revenues:</b>					
Taxes Levied for:					
General Purposes					3,387,755
Debt Service					164,110
Classroom Facilities					58,508
Income Taxes					2,023,177
Grants and Entitlements, Not Restricted to Specific Programs					15,301,447
Gifts and Donations, Not Restricted to Specific Programs					510
Investment Earnings					97,179
Miscellaneous					227,675
<b>Total General Revenues</b>					<b>21,260,361</b>
<b>Change in Net Position</b>					<b>115,973</b>
<b>Net Position Beginning of Year</b>					<b>14,584,103</b>
<b>Net Position End of Year</b>					<b>\$ 14,700,076</b>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2017*

	General	Capital Projects	Title I	All Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 8,250,825	\$ 3,010,676	\$ 1,676,088	\$ 7,317,715	\$ 20,255,304
Accrued Interest Receivable	11,763	-	-	-	11,763
Accounts Receivable	832	-	-	-	832
Interfund Receivable	5,251,399	-	-	-	5,251,399
Intergovernmental Receivable	94,295	-	89,196	317,742	501,233
Prepaid Items	21,623	-	-	-	21,623
Taxes Receivable	4,460,688	-	-	307,805	4,768,493
<i>Total Assets</i>	<u>\$ 18,091,425</u>	<u>\$ 3,010,676</u>	<u>\$ 1,765,284</u>	<u>\$ 7,943,262</u>	<u>\$ 30,810,647</u>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 187,853	\$ 6,760	\$ 646	\$ 141,307	\$ 336,566
Accrued Wages and Benefits	1,723,618	-	-	43,227	1,766,845
Interfund Payable	-	1,248,653	1,707,000	2,294,746	5,250,399
Matured Compensated Absences Payable	28,386	-	-	1,049	29,435
Intergovernmental Payable	289,765	-	-	8,013	297,778
<i>Total Liabilities</i>	<u>2,229,622</u>	<u>1,255,413</u>	<u>1,707,646</u>	<u>2,488,342</u>	<u>7,681,023</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes not Levied to Finance Current Year Operations	3,125,194	-	-	267,184	3,392,378
Unavailable Revenue - Delinquent Taxes	389,146	-	-	21,597	410,743
Unavailable Revenue - Interest	6,443	-	-	-	6,443
Unavailable Revenue - Grants	-	-	-	93,856	93,856
<i>Total Deferred Inflows of Resources</i>	<u>3,520,783</u>	<u>-</u>	<u>-</u>	<u>382,637</u>	<u>3,903,420</u>
<b>FUND BALANCES:</b>					
Nonspendable	21,623	-	-	-	21,623
Restricted	-	-	57,638	5,101,187	5,158,825
Committed	270,429	-	-	-	270,429
Assigned	3,288,415	1,755,263	-	-	5,043,678
Unassigned (Deficit)	8,760,553	-	-	(28,904)	8,731,649
<i>Total Fund Balances</i>	<u>12,341,020</u>	<u>1,755,263</u>	<u>57,638</u>	<u>5,072,283</u>	<u>19,226,204</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 18,091,425</u>	<u>\$ 3,010,676</u>	<u>\$ 1,765,284</u>	<u>\$ 7,943,262</u>	<u>\$ 30,810,647</u>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2017*

<b>Total Governmental Fund Balances</b>		\$	19,226,204
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			21,752,468
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Taxes	410,743		
Intergovernmental	93,856		
Interest	6,443		
Total	511,042		511,042
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			1,721,951
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net position.			(2,694)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.			
Deferred outflows of resources related to pensions	6,861,918		
Deferred inflows of resources related to pensions	(50,972)		
Net Pension Liability	(32,902,505)		(26,091,559)
The unamortized deferred amount on refunding and long-term liabilities, including bonds, refunding premiums, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences	(1,446,338)		
Refunding Bonds:			
Current Interest Bonds	(955,000)		
Unamortized Deferred Amount on Refunding	5,979		
Unamortized Premium on Refunding Bonds	(21,977)		
Total	(2,417,336)		(2,417,336)
<b>Net Position of Governmental Activities</b>		<b>\$</b>	<b>14,700,076</b>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2017

	General	Capital Projects	Title I	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property Taxes	\$ 3,338,007	\$ -	\$ -	\$ 244,326	\$ 3,582,333
Income Tax	2,023,177	-	-	-	2,023,177
Intergovernmental	16,536,681	-	939,344	1,804,480	19,280,505
Interest	95,040	-	-	30	95,070
Tuition and Fees	715,530	-	-	-	715,530
Rent	3,121	-	-	-	3,121
Extracurricular Activities	-	-	-	132,241	132,241
Gifts and Donations	510	-	-	91,700	92,210
Customer Sales and Services	95,799	-	-	200,762	296,561
Miscellaneous	216,955	-	-	10,720	227,675
<i>Total Revenues</i>	<u>23,024,820</u>	<u>-</u>	<u>939,344</u>	<u>2,484,259</u>	<u>26,448,423</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	9,562,706	-	-	1,009,781	10,572,487
Special	2,118,714	-	757,497	72,599	2,948,810
Vocational	348,551	-	-	-	348,551
Other	1,789,528	-	-	-	1,789,528
<b>Support Services:</b>					
Pupils	711,486	-	-	85,324	796,810
Instructional Staff	368,297	-	-	-	368,297
Board of Education	61,080	-	-	-	61,080
Administration	1,936,887	-	172,723	-	2,109,610
Fiscal	439,364	-	-	8,460	447,824
Operation and Maintenance of Plant	1,806,506	52,289	-	147,328	2,006,123
Pupil Transportation	587,955	424,525	-	-	1,012,480
Central	48	-	-	-	48
<b>Operation of Non-Instructional Services</b>					
Extracurricular Activities	352,142	-	45,054	782,299	827,353
Capital Outlay	750,548	1,231,458	-	248,833	2,230,839
<b>Debt Service:</b>					
Principal	-	-	-	250,000	250,000
Interest	-	-	-	33,994	33,994
<i>Total Expenditures</i>	<u>20,833,812</u>	<u>1,708,272</u>	<u>975,274</u>	<u>2,823,947</u>	<u>26,341,305</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,191,008</u>	<u>(1,708,272)</u>	<u>(35,930)</u>	<u>(339,688)</u>	<u>107,118</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	-	362,000	-	250,000	612,000
Proceeds from Sale of Capital Assets	2,916	-	-	-	2,916
Transfers Out	(612,000)	-	-	-	(612,000)
<i>Total Other Financing Sources and Uses</i>	<u>(609,084)</u>	<u>362,000</u>	<u>-</u>	<u>250,000</u>	<u>2,916</u>
<i>Net Change in Fund Balances</i>	1,581,924	(1,346,272)	(35,930)	(89,688)	110,034
<i>Fund Balances at Beginning of Year</i>	<u>10,759,096</u>	<u>3,101,535</u>	<u>93,568</u>	<u>5,161,971</u>	<u>19,116,170</u>
<i>Fund Balances at End of Year</i>	<u>\$ 12,341,020</u>	<u>\$ 1,755,263</u>	<u>\$ 57,638</u>	<u>\$ 5,072,283</u>	<u>\$ 19,226,204</u>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2017*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	110,034
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation in the current period.</p>		
Capital Asset Additions	2,230,839	
Current Year Depreciation	<u>(1,026,512)</u>	
Total		1,204,327
<p>Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. These are the amounts of the proceeds from sale and the loss on the disposal of capital assets.</p>		
Proceeds from Sale of Capital Assets	2,916	
Loss on Disposal of Capital Assets	<u>(36,587)</u>	
Total		(33,671)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Taxes	28,040	
Intergovernmental	82,830	
Interest	<u>2,109</u>	
Total		112,979
<p>The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net position, but does not result in an expenditure in the governmental funds.</p>		
		7,341
<p>Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements.</p>		
		(2,035)
<p>Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.</p>		
		250,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Increase in Compensated Absences	(176,766)	
Accretion of Capital Appreciation Bonds	<u>(7,065)</u>	
Total		(183,831)
<p>Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.</p>		
		1,621,332
<p>Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.</p>		
		(2,942,272)
<p>The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities with the exception of interest earnings.</p>		
		<u>(28,231)</u>
<b>Net Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>115,973</u></b>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 26,487,048	\$ 24,695,529	\$ 24,868,681	\$ 173,152
Total Expenditures and Other Financing Uses	28,828,515	25,815,537	27,233,624	(1,418,087)
Net Change in Fund Balance	(2,341,467)	(1,120,008)	(2,364,943)	(1,244,935)
Fund Balance at Beginning of Year	4,896,641	4,896,641	4,896,641	-
Prior Year Encumbrances Appropriated	2,522,934	2,522,934	2,522,934	-
Fund Balance at End of Year	<u>\$ 5,078,108</u>	<u>\$ 6,299,567</u>	<u>\$ 5,054,632</u>	<u>\$ (1,244,935)</u>

The notes to the basic financial statements are an integral part of this statement.



**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 2,047,137	\$ 1,957,628	\$ 1,957,628	\$ -
Total Expenditures and Other Financing Uses	945,264	2,863,871	2,095,032	768,839
Net Change in Fund Balance	1,101,873	(906,243)	(137,404)	768,839
Fund Balance at Beginning of Year	1,796,833	1,796,833	1,796,833	-
Prior Year Encumbrances Appropriated	11,362	11,362	11,362	-
Fund Balance at End of Year	<u>\$ 2,910,068</u>	<u>\$ 901,952</u>	<u>\$ 1,670,791</u>	<u>\$ 768,839</u>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Fund Net Position*  
*Governmental Activities*  
*Internal Service Fund*  
*June 30, 2017*

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	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 1,744,170
<i>Total Assets</i>	<u>1,744,170</u>
LIABILITIES:	
Claims Payable	<u>22,219</u>
<i>Total Liabilities</i>	<u>22,219</u>
NET POSITION:	
Unrestricted	<u>1,721,951</u>
<i>Total Net Position</i>	<u><u>\$ 1,721,951</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Governmental Activities*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Internal Service</u>
OPERATING REVENUES:	
Charges for Services	\$ 473,339
<i>Total Operating Revenues</i>	<i>473,339</i>
OPERATING EXPENSES:	
Claims	142,777
Other	358,793
<i>Total Operating Expenses</i>	<i>501,570</i>
<i>Change in Net Position</i>	<i>(28,231)</i>
Net Position at Beginning of Year	1,750,182
Net Position at End of Year	\$ 1,721,951

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Cash Flows*  
*Governmental Activities*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2017

	Internal Service
<b><i>Decrease in Cash and Cash Equivalents</i></b>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 473,339
Cash Payments for Claims	(146,370)
Cash Payments for Other Operating Uses	(358,793)
<i>Net Cash Used for Operating Activities</i>	(31,824)
Cash and Cash Equivalents at Beginning of Year	1,775,994
Cash and Cash Equivalents at End of Year	\$ 1,744,170
<b><i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i></b>	
Operating Loss	\$ (28,231)
<i>Changes in Liabilities:</i>	
Decrease in Claims Payable	(3,593)
<i>Net Cash Used for Operating Activities</i>	\$ (31,824)

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2017*

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	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
<b>ASSETS:</b>		
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 1,511,577	<u>\$ 192,968</u>
Investments	<u>2,140,159</u>	
Total Assets	<u>3,651,736</u>	
<b>LIABILITIES:</b>		
Interfund Payable		1,000
Undistributed Monies		<u>191,968</u>
Total Liabilities		<u>\$ 192,968</u>
<b>NET POSITION:</b>		
Held in Trust for Scholarships	<u>3,651,736</u>	
Total Net Position	<u>\$ 3,651,736</u>	

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2017*

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	Private Purpose Trust Funds
ADDITIONS:	
Gifts and Contributions	\$ 65,835
Investment Earnings	79,254
Decrease in Fair Value of Investments	(170,347)
<i>Total Additions</i>	(25,258)
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	77,008
Change in Net Position	(102,266)
Net Position Beginning of Year	3,754,002
Net Position End of Year	\$ 3,651,736

The notes to the basic financial statements are an integral part of this statement.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Greenfield Exempted Village Schools (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the Villages of Greenfield, South Salem and Rainsboro. It is staffed by 90 classified employees and 150 certificated employees who provide services to 2,047 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

*Reporting Entity:*

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

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

The following organizations which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these organizations nor are they fiscally dependent on the School District:

- \* Boosters Clubs
- \* Parent Teacher Organizations

The School District is associated with three organizations which are defined as jointly governed organizations and one as a claims servicing pool. These organizations are the South Central Ohio Computer Association Regional Council of Governments, the Metropolitan Educational Technology Association (META), the Great Oaks Institute of Technology and the Ohio Schools Benefits Cooperative. These organizations are presented in Notes 15 and 16 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Greenfield Exempted Village Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (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 most significant of the School District's accounting policies are described below.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. Basis of Presentation - Fund Accounting**

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

*Government-wide Financial Statements:*

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

*Fund Financial Statements:*

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

**B. Fund Accounting**

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

**Governmental Funds**

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

**General Fund**

The General Fund is the general operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.



**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Fund Accounting** (continued)

**Capital Projects**

The Capital Projects fund is used to account for intergovernmental monies and transfers in used for major construction projects.

**Title I Fund**

The Title I fund is used to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs. The major source of revenue for this fund is grant monies received from federal sources.

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

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

**Internal Service Fund**

The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's internal service fund is used for employee excess costs not covered by Medical Mutual.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The School District's fiduciary funds are agency funds and private purpose trust funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's agency funds are used to maintain financial activity of the School District's Student Managed Activities, and private purpose trust funds are used to maintain the financial activity of the School District's Scholarship Funds.

**Measurement Focus**

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows/outflows of resources associated with the operation of the School District are included on the statement of net position. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Fund Accounting** (continued)

**Measurement Focus** (continued)

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for proprietary and fiduciary funds. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, the recording of deferred inflows and outflows of resources related to net pension liabilities, the recording of net pension liabilities, and in the presentation of expenses versus expenditures.

**Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

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

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Fund Accounting** (continued)

**Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for the unamortized portion of the net loss on refunding of bonds as of June 30, 2017 and for pensions. The deferred outflows of resources related to the pension are explained in Note 10. The School District also reports a deferred inflow of resources which represents an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes, interest and grants which are not collected in the available period and pensions. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is partially due to delinquent property taxes, interest receipts and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Deferred inflows of resources related to pension are only reported on the Statement of Net Position. (See Note 10)

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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, except for (1) principal and interest on general long-term debt, which is recorded when due, (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**C. Budgetary Process**

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund and object level and has the authority to allocate appropriations at the function and object level without resolution by the Board.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the first permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2017.

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. Cash, Cash Equivalents, and Investments**

To improve cash management, all cash received by the School District is pooled. Monies for all funds, except for a portion of the Private Purpose Trust Fund which are reported separately as investments, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as Equity in Pooled Cash, Cash Equivalents and Investments on the financial statements.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited during fiscal year 2017 amounted to \$95,040 for the General Fund, \$30 to All Other Governmental Funds, and \$79,254 for the Private Purpose Trust Fund.

**E. Capital Assets and Depreciation**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The School District does not capitalize interest for capital asset purchases.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10-25 years
Buildings and Improvements	20-50 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**F. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables.” These amounts are eliminated in the governmental activities column of the statement of net position.

**G. Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The accrual amount is based upon accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the School District’s severance policy.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employee will be paid.

**H. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, special termination benefits, and the net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds are recognized as a liability on the government-wide financial statements when due.

**I. Fund Balance**

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

***Nonspendable*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**I. Fund Balance** (continued)

*Assigned* Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

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

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

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**K. Net Position**

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds for grants received which are restricted as to their use by grantors.

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

The government-wide statement of net position reports \$7,002,477 in restricted net position, none of which is restricted by enabling legislation.

**L. Interfund Transactions**

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**N. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, 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 recorded in the year in which services are consumed.

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services to the various funds to cover the costs of the self insurance program. Operating expenses are necessary costs incurred to provide the goods and/or services that are the primary activities of the fund.

**NOTE 3 – ACCOUNTABILITY**

At June 30, 2017, the Miscellaneous State Grants Fund and the Improving Teacher Quality Fund had fund balance deficits of \$13,237 and \$15,667, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (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 Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) presented for the General Fund and Title I Special Revenue 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis); and
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Title I Fund:

	Net Change in Fund Balance	
	General	Title I
GAAP Basis	\$ 1,581,924	\$ (35,930)
Revenue Accruals	1,911,805	1,018,284
Expenditure Accruals	(3,337,544)	(1,114,463)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(25,234)	-
Encumbrances	(2,495,894)	(5,295)
Budget Basis	\$ (2,364,943)	\$ (137,404)

**NOTE 5 - 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.

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

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or 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;



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. 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;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
9. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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 monies deposited with the institution.

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 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.

**Deposits** Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency of instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2017, the School District's bank balance was \$15,783,897. Of the \$15,783,897 balance, \$7,035,239 was covered by FDIC, while the remaining amount was collateralized by the financial institutions' public entity deposit pools in the manner described above.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

**Investments** At fiscal year end, the School District had the following investments and maturities:

	Carrying/Fair Value	Weighted Average Maturity (Years)	
		<1 Year	1-2 Years
Federal Farm Credit Bank Bonds	\$ 1,997,440	\$ 1,997,440	\$ -
Federal Home Loan Mortgage Corp	996,250	996,250	-
Federal National Mortgage Association Bonds	994,750	-	994,750
STAROhio	3,996,074	3,996,074	-
Common Stocks	2,140,159	2,140,159	-
Total	<u>\$ 10,124,673</u>	<u>\$ 9,129,923</u>	<u>\$ 994,750</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2017. As discussed further in Note 2D, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment to five years, unless matched to a specific obligation.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits their investments to stocks, Certificates of Deposit, STAROhio, and government agency securities. The common stock was not rated. Investments in Federal Farm Credit Bank Bonds, Federal Home Loan Mortgage Corp, and Federal National Mortgage Association Bonds were rated AA+ by Standard & Poor's. STAROhio was rated AAAm by Standard & Poor's. The School District's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code.

**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 21.1% of the School District's investments are in common stocks, 39.5% are in STAROhio, 19.7% are in Federal Farm Credit Bank Bonds, 9.9% are in Federal Home Loan Mortgage Corp, and 9.8% are in Federal National Mortgage Association Bonds. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

**Custodial credit risk** - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District's investment policy does not address custodial credit risk beyond the requirements of the Ohio Revised Code.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, and are collected in 2017 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values upon which fiscal year 2017 taxes were collected are:

	2016 Second- Half Collections		2017 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$179,019,960	93.43%	\$184,218,660	93.08%
Public Utility	12,593,970	6.57%	13,705,830	6.92%
Total Assessed Value	<u>\$191,613,930</u>	<u>100.00%</u>	<u>\$197,924,490</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$25.40		\$23.95	

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 6 - PROPERTY TAXES** (continued)

The School District receives property taxes from Fayette, Highland and Ross Counties. 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, 2017, are available to finance fiscal year 2017 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 that became measurable as of June 30, 2017 and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amounts available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2017, was \$342,722 in the General Fund, \$6,239 in the Classroom Facilities Non-major Special Revenue Fund, and \$12,785 in the Non-major Debt Service Fund.

**NOTE 7 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2017, was as follows:

	Ending Balance 6/30/2016	Additions	Deletions	Ending Balance 6/30/2017
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 54,539	\$ -	\$ -	\$ 54,539
Total Capital Assets, Not Being Depreciated	54,539	-	-	54,539
Capital Assets Being Depreciated				
Land Improvements	836,251	49,460	-	885,711
Buildings and Improvements	34,224,422	1,430,352	-	35,654,774
Furniture and Equipment	3,035,219	150,447	-	3,185,666
Vehicles	2,231,364	600,580	(336,705)	2,495,239
Total Capital Assets Being Depreciated	40,327,256	2,230,839	(336,705)	42,221,390
Less: Accumulated Depreciation:				
Land Improvements	(515,030)	(28,960)	-	(543,990)
Buildings and Improvements	(15,145,476)	(823,144)	-	(15,968,620)
Furniture and Equipment	(2,573,517)	(103,309)	-	(2,676,826)
Vehicles	(1,565,960)	(71,099)	303,034	(1,334,025)
Total Accumulated Depreciation	(19,799,983)	(1,026,512)	303,034	(20,523,461)
Total Capital Assets Being Depreciated, Net	20,527,273	1,204,327	(33,671)	21,697,929
Governmental Capital Assets, Net	\$ 20,581,812	\$ 1,204,327	\$ (33,671)	\$ 21,752,468

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 7 - CAPITAL ASSETS** (continued)

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$813,595
Vocational Instruction	7,904
Support Services:	
Administration	701
Pupil Transportation	68,998
Operation and Maintenance of Plant	128,797
Operation of Non-Instructional Services	5,537
Extracurricular Activities	980
Total Depreciation Expense	<u>\$1,026,512</u>

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2017, consisted of taxes, interest, accounts, interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Major Funds:	<u>Amount</u>
General	\$ 94,295
Title I	89,196
Non-Major Funds:	
Lunchroom	1,131
Public Preschool	22,517
Vocational Education Enhancements	8,392
IDEA Part B	55,600
Title I School Improvement	10,345
Miscellaneous Federal Grants	103,585
Permanent Improvement	86,713
Miscellaneous State Grants	15,000
Improving Teacher Quality	14,459
Total Non-Major Funds	<u>317,742</u>
Total All Funds/Governmental Activities	<u>\$ 501,233</u>

**NOTE 9 - RISK MANAGEMENT**

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. During fiscal year 2017, the School District contracted with Liberty Mutual for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

Building and Contents-replacement cost (\$2,500 deductible)	\$71,606,320
Inland Marine Coverage (\$1,000 deductible)	1,250,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	1,000,000
General Aggregate	2,000,000

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 9 - RISK MANAGEMENT** (continued)

The School District contracted with Medical Mutual to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District self-insures employee excess costs not covered by Medical Mutual through a self-insurance internal service fund. The claims liability of \$22,219 reported in the Internal Service fund at June 30, 2017 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of cost relating to incurred but not reported claims, be reported.

Changes in claims activity for the past two fiscal years are as follows:

		<u>Balance at Beginning of Year</u>		<u>Current Year Claims</u>		<u>Claim Payments</u>		<u>Balance at End of Year</u>
2016	\$	36,759	\$	139,183	\$	150,130	\$	25,812
2017		25,812		142,777		146,370		22,219

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual basis of accounting.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Description - School Employees Retirement System (SERS)**

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the entire allocation was designated to pension, death benefits, and Medicare B. There was no percentage allocated to the Health Care Fund for fiscal year 2017.

The School District’s contractually required contribution to SERS was \$414,912 for fiscal year 2017. Of this amount \$29,865 is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Plan Description - State Teachers Retirement System (STRS) (continued)**

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year June 30, 2017, the employer rate was 14% and the member rate was 14% of covered payroll. The statutory employer rate for fiscal year 2016 and subsequent years is 14%. The statutory member contribution rate increased to 14% on July 1, 2016. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS Ohio was \$1,206,420 for fiscal year 2017. Of this amount \$194,860 is reported as an intergovernmental payable.



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability reported as of June 30, 2017 was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share as well as the pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability - Current Year	0.0931199%	0.07793438%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0900596%</u>	<u>0.07773338%</u>	
Change in Proportionate Share	<u>0.0030603%</u>	<u>0.00020100%</u>	
Proportion of the Net Pension Liability	\$6,815,517	\$26,086,988	\$32,902,505
Pension Expense	\$864,863	\$2,077,409	\$2,942,272

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual economic experience	\$91,926	\$1,054,040	\$1,145,966
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	317,878	593,667	911,545
Changes of assumptions	454,973	-	454,973
Differences between projected and actual investment earnings	562,181	2,165,921	2,728,102
School District contributions subsequent to the measurement date	<u>414,912</u>	<u>1,206,420</u>	<u>1,621,332</u>
Total	<u>\$1,841,870</u>	<u>\$5,020,048</u>	<u>\$6,861,918</u>
<b>Deferred Inflows of Resources</b>			
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	<u>\$0</u>	<u>\$50,972</u>	<u>\$50,972</u>
Total	<u>\$0</u>	<u>\$50,972</u>	<u>\$50,972</u>

\$1,621,332 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2018	\$414,270	\$685,134	\$1,099,404
2019	413,677	685,135	1,098,812
2020	437,407	1,520,894	1,958,301
2021	161,604	871,493	1,033,097
Total	\$1,426,958	\$3,762,656	\$5,189,614

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Inflation	3.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions – SERS (continued)**

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Estate	15.00	5.00
Multi-Asset Strategy	10.00	3.00
Total	100.00 %	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions – SERS (continued)**

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$9,023,320	\$6,815,517	\$4,967,495

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above.

Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	10 Year Expected Nominal Rate of Return*
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

\* Includes the real rate of return and inflation of 2.5% and does not include investment expenses.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions – STRS (continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$34,667,485	\$26,086,988	\$18,848,830

**Changes Between Measurement Date and Report Date** In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District’s NPL is expected to be significant.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2017, none of the School District’s members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers a postemployment benefit plan.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS** (continued)

**School Employees Retirement System (continued)**

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2017, 2016, and 2015, the health care allocations were 0 percent, 0 percent, and 0.82 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500.

The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. For the School District, the amounts assigned to health care, including the surcharge, during the 2017, 2016, and 2015 fiscal years equaled \$50,882, \$46,659, and \$60,533, respectively; which is equal to the required amounts for those years.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care plan is included in its *Comprehensive Annual Financial Report*. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employer/Audit Resources*.

**State Teachers Retirement System of Ohio**

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2019. The Plan is included in the report of STRS Ohio which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2017, STRS Ohio allocated employer contributions equal to 0 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015, were \$0 for each year, which equaled the required contributions each year.

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is 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. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 30 days for all personnel.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 12 - EMPLOYEE BENEFITS** (continued)

**B. Insurance Benefits**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through AIG.

**C. Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 13 - LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2017 were as follows:

	Principal Outstanding 6/30/2016	Additions	Deletions	Principal Outstanding 6/30/2017	Due in One Year
2010 Refunding Bonds					
2.00%-4.00%	\$ 955,000	\$ -	\$ -	\$ 955,000	\$ 255,000
Premium	29,318	-	7,341	21,977	-
Capital Appreciation Bonds	172,413	-	172,413	-	-
Accretion	70,522	7,065	77,587	-	-
Net Pension Liability:					
STRS	21,483,235	4,603,753	-	26,086,988	-
SERS	5,138,888	1,676,629	-	6,815,517	-
Total Net Pension Liability	26,622,123	6,280,382	-	32,902,505	-
Compensated Absences	1,269,572	1,474,733	1,297,967	1,446,338	33,307
Total Long-Term Liabilities	<u>\$ 29,118,948</u>	<u>\$ 7,762,180</u>	<u>\$ 1,555,308</u>	<u>\$ 35,325,820</u>	<u>\$ 288,307</u>

On June 8, 2010, the School District issued \$1,464,998 in refunding bonds for the purpose of repaying a portion of the classroom facilities improvement bonds issued in 1998. The refunding bonds consisted of \$1,110,100 in current interest bonds and \$354,998 in capital appreciation bonds. The interest bonds were issued for a ten year period with a final maturity in December 2020. One of the capital appreciation bonds matured in 2016 and the other capital appreciation bonds matured in 2017. All of these bonds are and will be repaid from the debt service fund.

The capital appreciation bonds, issued at \$354,998, are not subject to prior redemption. The maturity amount of the capital appreciation bonds was \$250,000. For fiscal year 2017, the capital appreciation bonds were accreted \$7,065. The capital appreciation bonds were paid in full during the current fiscal year.

The unamortized portion of the net loss on the refunding of the bonds of \$5,979 is recorded as a deferred outflow of resources on the Statement of Net Position.

The School District has been notified by the Ohio School Facilities Commission that they will not be responsible for repaying the \$19,699,000 classroom facilities loan to the State because the School District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil. In lieu of the repayment, the School District must set aside the funds that would have been used for repayment for facilities maintenance. As part of this process, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires in December 2020. If the School District's adjusted valuation per pupil increases above the state-wide median adjusted valuation during the twenty-three year period, the School District may become responsible for repayment of a portion of the State's contribution.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 13 - LONG-TERM LIABILITIES** (continued)

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant fund. The School District pays obligations related to employee compensation from the fund benefitting from their service. The School District's overall legal debt margin was \$16,858,204 with an unvoted debt margin of \$197,924 at June 30, 2017.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2017, are as follows:

Fiscal Year Ending June 30,	2010 Refunding Bonds		
	Principal	Interest	Total
2018	\$255,000	\$29,850	\$284,850
2019	260,000	21,156	281,156
2020	265,000	11,803	276,803
2021	175,000	3,500	178,500
Totals	<u>\$955,000</u>	<u>\$66,309</u>	<u>\$1,021,309</u>

**NOTE 14 - INTERFUND ACTIVITY**

**Interfund Payables/Receivables**

As of June 30, 2017, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	\$ 5,251,399	\$ -
Capital Projects	-	1,248,653
Title I	-	1,707,000
Special Revenue Funds, Non-Major:		
District Managed Activities	-	5,000
Public Preschool	-	519,999
School Net	-	95
Title I School Improvement	-	130,000
Title VI B	-	809,560
State Programs	-	50,000
IDEA Preschool	-	5,874
Improving Teacher Quality	-	229,037
Federal Programs	-	145,181
Total Special Revenue Funds, Non-Major	<u>-</u>	<u>1,894,746</u>
Capital Projects Funds, Non-Major:		
Permanent Improvement	-	400,000
Total Capital Projects Funds, Non-Major	<u>-</u>	<u>400,000</u>
Agency Fund	-	1,000
Totals	<u>\$ 5,251,399</u>	<u>\$ 5,251,399</u>

During the year, the School District's General fund made advances to other funds in anticipation of intergovernmental grant revenue and for future cash flow needs of such funds.



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 14 - INTERFUND ACTIVITY** (continued)

**Interfund Transfers**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

As of June 30, 2017 transfers that resulted from various interfund transactions were as follows:

	Transfer From	Transfer To
Major Funds:		
General Fund	\$ 612,000	\$ -
Capital Projects	-	362,000
Non-Major Capital Projects Fund:		
Permanent Improvement	-	200,000
Non-Major Special Revenue Fund:		
Athletics	-	50,000
Total Non-Major Funds	-	250,000
Total All Funds	\$ 612,000	\$ 612,000

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association Regional Council of Governments* - The School District is a participant in the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG), which is organized under ORC Code Chapter 167 as a council of governments. SCOCARCoG is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence 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 SCOCARCoG consists of two representatives from each county in the SCOCARCoG service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of SCOCARCoG including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board.

During fiscal year 2016, SCOCARCoG entered into a merger agreement with Metropolitan Educational Technology Association ("META"). Pursuant to an addendum to the agreement, certain liabilities will remain the sole responsibility of SCOCARCoG, and once these remaining liabilities are satisfied, SCOCARCoG will be dissolved and the member districts will become members of META. SCOCARCoG entered into a subcontract agreement with META to provide services to SCOCARCoG, and on behalf of SCOCARCoG, to the member districts. Consistent with the merger agreement and updated bylaws, SCOCARCoG is currently governed by a four person executive governing board. The School District paid SCOCARCoG \$86,703 for services provided during the fiscal year.

*Metropolitan Educational Technology Association* - META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The School District paid META \$137,161 for services provided during the fiscal year. Financial information can be obtained from David Varda, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

*Great Oaks Institute of Technology* - The Great Oaks Institute of Technology is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts elected boards, which possesses its own budgetary and taxing authority. To obtain financial information write to the Great Oaks Institute of Technology, at 3254 East Kemper Road, Cincinnati, Ohio 45241-1581.

**NOTE 16- CLAIMS SERVICING POOL**

*Ohio School Benefits Cooperative*- The School District participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool comprised of thirty-four members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs if medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay a \$500 membership fee to OSBC. OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision, dental, and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. Medical Mutual/Antares is the Administrator of the OSBC. During fiscal year 2017, the School District elected to participate in the joint insurance purchasing program for medical, prescription drug, dental and vision coverage.

Accordingly, the Ohio School Benefits Cooperative is not part of the School District and its operations are not included as part of the reporting entity. To obtain financial information, write to the Muskingum Valley Educational Service Center, Christine Wagner, who serves as Treasurer, at 205 North 7th Street, Zanesville, Ohio 43701.

**NOTE 17 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Acquisition
Set-Aside Balance as of June 30, 2016	\$ -
Current Year Set-Aside Requirement	344,354
Current Year Offsets	(344,354)
Set-Aside Balance as of June 30, 2017	\$ -

The School District had offsets during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserves. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$382,155 at June 30, 2017.

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 18 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2017, if applicable, cannot be determined at this time.

**B. Litigation**

The School District is not party to any legal proceedings.

**C. Foundation**

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to or liability of, the School District.

**NOTE 19 – INCOME TAX**

The School District levies a voted tax of one and one-quarter percent for general operations on the income of residents and of estates. The School District passed a one and one-quarter percent earned income tax effective January 1, 2009 and it is on a continuous basis. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**NOTE 20 – NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2017, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose the certain information about the agreements including brief descriptive information such as the tax being abated, the authority under and mechanism by which tax abatements are provided, eligibility criteria, provisions for recapturing abated taxes, the types of commitments made by tax abatement recipients, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the School District as there were no tax abatements in effect.

**NOTE 21 – COMPLIANCE**

The School District had expenditures in excess of appropriations at June 30, 2017, which is contrary to Ohio Revised Code Section 5705.41(B).

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**NOTE 22 – FUND BALANCES**

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

Fund Balances	General	Capital Projects	Title I	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>					
Prepays	\$21,623	\$0	\$0	\$0	\$21,623
<b>Restricted for</b>					
Food Service Operations	0	0	0	547,666	547,666
Classroom Facilities Maintenance	0	0	0	1,120,086	1,120,086
Other Purposes	0	0	0	128,636	128,636
Athletics	0	0	0	153,426	153,426
Title I	0	0	57,638	0	57,638
Capital Projects	0	0	0	1,694,253	1,694,253
Debt Services Payments	0	0	0	1,457,120	1,457,120
Total Restricted	<u>0</u>	<u>0</u>	<u>57,638</u>	<u>5,101,187</u>	<u>5,158,825</u>
<b>Committed to</b>					
Other Purposes	15,000	0	0	0	15,000
Termination Benefits	255,429	0	0	0	255,429
Total Committed	<u>270,429</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>270,429</u>
<b>Assigned to</b>					
Capital Outlay	0	1,755,263	0	0	1,755,263
Other Purposes	450,448	0	0	0	450,448
Encumbrances	2,837,967	0	0	0	2,837,967
Total Assigned	<u>3,288,415</u>	<u>1,755,263</u>	<u>0</u>	<u>0</u>	<u>5,043,678</u>
<b>Unassigned (Deficit)</b>					
	8,760,553	0	0	(28,904)	8,731,649
Total Fund Balances	<u>\$12,341,020</u>	<u>\$1,755,263</u>	<u>\$57,638</u>	<u>\$5,072,283</u>	<u>\$19,226,204</u>

**NOTE 23 – COMMITMENTS**

A. Encumbrances

At June 30, 2017, the School District had significant encumbrance commitments in governmental funds as follows:

Fund	Amount
<b>Major Funds:</b>	
General	\$2,495,894
Capital Projects	160,128
<b>Non-Major Capital Project Fund:</b>	
Permanent Improvement	155,299
<b>Non-Major Special Revenue Funds:</b>	
Food Service	128,755
Classroom Facilities Maintenance	81,494
Total Non-Major Special Revenue Funds	<u>210,249</u>
Total Encumbrances	<u>\$3,021,570</u>

**Greenfield Exempted Village School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Four Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total plan pension liability	\$19,770,708,121	\$18,503,280,961	\$17,881,827,171	\$17,247,161,078
Plan net position	<u>12,451,630,823</u>	<u>12,797,184,030</u>	<u>12,820,884,107</u>	<u>11,300,482,029</u>
Net pension liability	7,319,077,298	5,706,096,931	5,060,943,064	5,946,679,049
School District's proportion of the net pension liability	0.0931199%	0.0900596%	0.0841600%	0.0841600%
School District's proportionate share of the net pension liability	\$ 6,815,517	\$ 5,138,888	\$ 4,259,290	\$ 5,004,725
School District's covered-employee payroll	\$ 2,779,493	\$ 2,711,184	\$ 2,445,519	\$ 2,714,386
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.21%	189.54%	174.17%	184.38%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Amounts presented as of the School District's measurement date which is the prior fiscal year.

**Greenfield Exempted Village School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Four Years (1)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total plan pension liability	\$ 100,756,422,489	\$ 99,014,653,744	\$96,167,057,104	\$94,366,693,720
Plan net position	67,283,408,184	71,377,578,736	71,843,596,331	65,392,746,348
Net pension liability	33,473,014,305	27,637,075,008	24,323,460,773	28,973,947,372
School District's proportion of the net pension liability	0.07793438%	0.07773338%	0.07484572%	0.07484572%
School District's proportionate share of the net pension liability	\$ 26,086,988	\$ 21,483,235	\$ 18,205,069	\$ 21,685,760
School District's covered-employee payroll	\$ 8,175,086	\$ 8,110,179	\$ 7,647,400	\$ 8,323,254
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	319.10%	264.89%	238.06%	260.54%
Plan fiduciary net position as a percentage of the total pension liability	66.78%	72.09%	74.71%	69.30%

(1) Information prior to 2014 is not available.  
Amounts presented as of the School District's measurement date which is the prior fiscal year.

**Greenfield Exempted Village School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 414,912	\$ 389,129	\$ 357,334	\$ 338,949	\$ 375,671	\$ 176,353	\$ 302,865	\$ 355,944	\$ 206,735	\$ 281,250
Contributions in relation to the contractually required contribution	(414,912)	(389,129)	(357,334)	(338,949)	(375,671)	(176,353)	(302,865)	(355,944)	(206,735)	(281,250)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered-employee payroll	\$2,963,657	\$2,779,493	\$2,711,184	\$2,445,519	\$2,714,386	\$1,311,175	\$2,409,427	\$2,628,833	\$2,100,965	\$2,864,053
Contributions as a percentage of covered employee payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

**Greenfield Exempted Village School District**  
*Required Supplementary Information*  
**Schedule of School District Contributions**  
*State Teachers Retirement System of Ohio*  
 Last Ten Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 1,206,420	\$ 1,144,512	\$ 1,135,425	\$ 994,162	\$ 1,082,023	\$ 1,052,354	\$ 1,034,131	\$ 1,097,382	\$ 971,679	\$ 1,054,340
Contributions in relation to the contractually required contribution	(1,206,420)	(1,144,512)	(1,135,425)	(994,162)	(1,082,023)	(1,052,354)	(1,034,131)	(1,097,382)	(971,679)	(1,054,340)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District covered-employee payroll	\$ 8,617,286	\$ 8,175,086	\$ 8,110,179	\$ 7,647,400	\$ 8,323,254	\$ 8,095,031	\$ 7,954,854	\$ 8,441,400	\$ 7,474,454	\$ 8,110,308
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%



**Greenfield Exempted Village School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2017*

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**SERS**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rate, and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**STRS**

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. See the notes to the basic financials for the methods and assumptions in this calculation.

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**Greenfield Exempted Village School District**  
*Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2017*

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Expenditures
<b>United States Department of Agriculture</b>			
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	3L60	10.555	\$70,302
Cash Assistance:			
School Breakfast Program	3L70	10.553	176,190
National School Lunch Program	3L60	10.555	439,170
Total Child Nutrition Cluster			685,662
<b>Total United States Department of Agriculture</b>			<b>685,662</b>
<b>United States Department of Education</b>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education-Grants to States-Title VI-B-2016	3M20	84.027	45,916
Special Education-Grants to States-Title VI-B-2017	3M20	84.027	371,007
Special Education Preschool Grants-2016	3C50	84.173	903
Special Education Preschool Grants-2017	3C50	84.173	5,874
Total Special Education Cluster			423,700
Title I:			
Title I School Improvement Sub-A Grant	3M00	84.010	65,822
Title I Grants to Local Educational Agencies-2016	3M00	84.010	96,658
Title I Grants to Local Educational Agencies-2017	3M00	84.010	881,062
Total Title I			1,043,542
Rural Education-2016	3Y80	84.358	5,994
Rural Education-2017	3Y80	84.358	39,588
Total Rural Education			45,582
Supporting Effective Instruction State Grant-2016	3Y60	84.367	13,618
Supporting Effective Instruction State Grant-2017	3Y60	84.367	83,858
Total Supporting Effective Instruction State Grant			97,476
<i>Passed through Great Oaks Vocational School District</i>			
Career and Technical Education-Basic Grants to States	N/A	84.048	4,000
<b>Total United States Department of Education</b>			<b>1,614,300</b>
<b>Total Federal Financial Assistance</b>			<b>\$2,299,962</b>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

**Greenfield Exempted Village School District**  
*Notes to the Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2017*

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of Greenfield Exempted Village School District (the School District) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or, where applicable, cash flows of the School District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Education  
Greenfield Exempted Village School District  
200 North Fifth Street  
Greenfield, Ohio 45123

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the School District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 12, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2017-001 and 2017-003 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as finding 2017-002.

### **The School District's Response to Findings**

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robyn Roush, CPA, CITP  
Vice-President/Owner  
Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

January 12, 2018

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Education  
Greenfield Exempted Village School District  
200 North Fifth Street  
Greenfield, Ohio 45123

**Report on Compliance for Each Major Federal Program**

We have audited Greenfield Exempted Village School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2017. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Greenfield Exempted Village School District  
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance

**Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Robyn Roush, CPA, CITP  
Vice-President/Owner  
Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

January 12, 2018



**Greenfield Exempted Village School District**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2017*

**Section I – Summary of Auditor’s Results**

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	Title I Grants to Local Educational Agencies (CFDA #84.010)
Dollar threshold used to distinguish between type A and type B programs:	Type A > \$750,000 Type B – all others
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

**FINDING NUMBER 2017-001**

**Material Weakness – Budget to Accounting System**

Proper and timely recording of budgetary information in the accounting system is pertinent to a properly functioning control environment. Officials of the School District rely on information recorded within the accounting system to make spending and budgetary decisions. During the course of testing, it was noted that there were variances between what was approved by the board and filed with the County Auditor versus what was in the School District’s accounting system. It was also noted that the School District approved an amended certificate and appropriation measure both “pre-close” and “post-close” of the fiscal year, with unencumbered beginning balances that changed, which made it difficult to determine original and final budgets for compliance and budgetary statement testing. Improper recording of budgetary information creates the possibility of spending more than has been legally appropriated or spending more than is available in a fund. The School District should implement procedures to ensure that the budgetary information approved by the board and filed with the County matches what is in the accounting system. The School District should also consider a clearer method for approving and maintaining its original and final budgets in order to mitigate the risk or errors within the accounting system and annual financial statements.

*Client Response:*

See corrective action plan.

**Greenfield Exempted Village School District**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2017*

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**FINDING NUMBER 2017-002**

**Material Citation – Ohio Revised Code Section 5705.41(B)**

Ohio Revised Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. It was noted during testing that the School District had General Fund expenditures plus encumbrances in excess of appropriations at fiscal year-end. The School District should implement procedures to ensure that expenditures plus encumbrances do not exceed appropriations.

*Client Response:*

See corrective action plan.

**FINDING NUMBER 2017-003**

**Material Weakness – Financial Reporting**

A monitoring system by the School District should be in place to prevent or detect misstatements for the accurate presentation of the financial statements. During testing, errors were identified in deferred inflows related to net pension liability reporting and fund balance classifications. Errors were also noted within the budget and actual financial statements. Certain errors were deemed immaterial by both the auditors and management and therefore correction was waived. Other errors were corrected within the accompanying financial statements. The School District should implement procedures to ensure financial statements and disclosures are accurately reported.

*Client Response:*

See corrective action plan.

<b>Section III – Federal Award Findings and Questioned Costs</b>
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None

**Greenfield Exempted Village School District**

*Corrective Action Plan*

*For the Fiscal Year Ended June 30, 2017*

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Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2017-001	Client chose not to respond.	N/A	N/A
2017-002	Client chose not to respond.	N/A	N/A
2017-003	Client chose not to respond.	N/A	N/A

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# Dave Yost • Auditor of State

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

**HIGHLAND 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  
APRIL 10, 2018**