

Greenfield Exempted Village School District

Highland County, Ohio

Single Audit

July 1, 2003 through June 30, 2004

Fiscal Year Audited Under GAGAS: 2004



BALESTRA, HARR & SCHERER
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**Auditor of State
Betty Montgomery**

Board of Education
Greenfield Exempted Village School District
200 North Fifth St.
Greenfield, OH 45123

We have reviewed the Independent Auditor's Report of the Greenfield Exempted Village School District, Highland County, prepared by Balestra, Harr & Scherer CPAs, Inc., for the audit period July 1, 2003 through June 30, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

April 15, 2005

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Greenfield Exempted Village School District
Highland County, Ohio

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenfield Exempted Village School District (the School District), Highland County, as of and for the year ended June 30, 2004, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

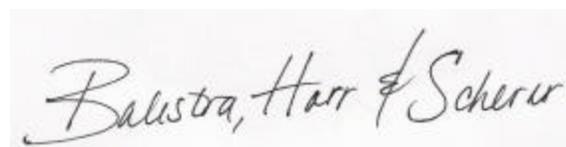
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2005, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Members of the Board
Greenfield Exempted Village School District
Independent Auditor's Report
Page 2

The Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 is presented for purposes of additional analysis as required by the U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of federal awards expenditures has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer CPAs, Inc.
March 29, 2005

Greenfield Exempted Village Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

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, 2004. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June, 1999.

FINANCIAL HIGHLIGHTS

- The School District's assets exceeded its liabilities at June 30, 2004 by \$28,232,118.
- The School District's net assets of governmental activities decreased \$215,030.
- General revenues accounted for \$15,661,960 in revenue or 86 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$2,541,317 or 14 percent of total revenues of \$18,203,277.
- The School District had \$18,418,307 in expenses related to governmental activities; \$2,541,317 of these expenses was offset by program specific charges for services and sales and operating 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 Assets 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.

Greenfield Exempted Village Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

REPORTING THE SCHOOL DISTRICT AS A WHOLE

The analysis of the School District as a whole begins with the Statement of Net Assets 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 and liabilities 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.

These two statements report the School District's net assets and changes to those assets. This change informs the reader whether the School District's financial position, as a whole, has improved or diminished. 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 Assets and the Statement of Activities, the School District has only one kind of activity.

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

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's funds begins on page 7. Fund financial statements provide detailed information about the School District's major fund – 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, Debt Service Fund and the Permanent Fund.

Governmental Funds. All 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Greenfield Exempted Village Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2004 compared to 2003.

Table 1
Net Assets

	2004	2003
Assets:		
Current Assets	\$9,671,596	\$7,414,940
Capital Assets, Net	29,111,343	30,308,023
Total Assets	38,782,939	37,722,963
Liabilities:		
Current and Other Liabilities	5,955,739	4,637,739
Long-Term Liabilities	4,595,082	4,638,076
Total Liabilities	10,550,821	9,275,815
Net Assets:		
Invested in Capital Assets, Net of Related Debt	25,844,419	26,866,928
Restricted	4,055,406	3,641,767
Unrestricted	(1,667,707)	(2,061,547)
Total Net Assets	\$28,232,118	\$28,447,148

Total net assets of the School District as a whole decreased \$215,030. The increase in current assets was primarily due to the increase in taxes receivable.

Greenfield Exempted Village Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Table 2 shows the changes in net assets for 2004 compared to 2003.

Table 2
Change in Net Assets

	2004	2003*
Revenues		
Program Revenues:		
Charges for Services and Sales	\$462,031	\$404,021
Operating Grants & Contributions	2,079,286	2,471,126
Capital Grants & Contributions	0	28,520
Total Program Revenues	<u>2,541,317</u>	<u>2,903,667</u>
General Revenues:		
Income Taxes	99,992	0
Grants and Entitlements, Not Restricted for Specific Programs	10,999,873	9,392,951
Gifts and Donations, Not Restricted for Specific Programs	16,606	0
Investment Earnings	758,059	70,218
Miscellaneous	511,217	348,776
Property and Other Local Taxes	3,270,716	2,964,595
Rent	5,497	0
Total General Revenues	<u>15,661,960</u>	<u>12,776,540</u>
Total Revenues	<u>18,203,277</u>	<u>15,680,207</u>
Program Expenses		
Instruction		
Regular	8,377,063	8,604,521
Special	1,403,092	1,332,508
Vocational	680,809	290,113
Adult/Continuing	17,357	0
Other	282,675	26,801
Support Services		
Pupil	1,229,625	967,830
Instructional Staff	311,902	371,990
Board of Education	102,969	52,210
Administration	1,428,053	1,463,401
Fiscal	435,458	314,635
Operation of Maintenance and Plant	1,903,404	2,040,894
Pupil Transportation	1,042,766	1,271,445
Central	0	170
Operation of Non-Instructional Services	761,496	749,901
Extracurricular Activities	245,909	283,489
Interest and Fiscal Charges	195,729	189,271
Total Expenses	<u>18,418,307</u>	<u>17,959,179</u>
Decrease in Net Assets	(215,030)	(2,278,972)
Net Assets at Beginning of Year	28,447,148	30,726,120
Net Assets at End of Year	<u>\$28,232,118</u>	<u>\$28,447,148</u>

* As restated

Greenfield Exempted Village Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

Governmental Activities

Charges for services and sales comprised 2 percent of revenue for governmental activities, while operating grants and contributions comprised 11 percent of revenue for governmental activities of the School District for fiscal year 2004.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 45 percent of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants 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 and other general revenues.

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2004	2004	2003	2003
Program Expenses				
Instruction:				
Regular	\$8,377,063	(\$7,997,223)	8,604,521	(8,373,713)
Special	1,403,092	(538,133)	1,332,508	(325,409)
Vocational	680,809	(661,579)	290,113	(211,018)
Adult\Continuing	17,357	67,758	-	-
Other	282,675	(280,404)	26,801	(26,801)
Support Services:				
Pupil	1,229,625	(1,014,131)	967,830	(838,172)
Instructional Staff	311,902	(164,822)	371,990	(151,257)
Board of Education	102,969	(102,142)	52,210	(52,047)
Administration	1,428,053	(1,370,544)	1,463,401	(1,435,258)
Fiscal	435,458	(430,103)	314,635	(313,777)
Operation and Maintenance of Plant	1,903,404	(1,844,463)	2,040,894	(2,034,998)
Pupil Transportation	1,042,766	(1,034,453)	1,271,445	(817,627)
Central	-	-	170	(47)
Operation of Non-Instructional Services	761,496	(149,135)	749,901	(97,296)
Extracurricular Activities	245,909	(168,233)	283,489	(188,821)
Interest and Fiscal Charges	195,729	(189,383)	189,271	(189,271)
Total	<u>\$18,418,307</u>	<u>(\$15,876,990)</u>	<u>17,959,179</u>	<u>(15,035,942)</u>

THE SCHOOL DISTRICT'S FUNDS

Major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$18,282,732 and expenditures of \$16,819,857. 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 \$1,019,522. This increase was primarily due to large increases in Intergovernmental revenue and Property Taxes revenue.

Greenfield Exempted Village Schools
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2004
(Unaudited)

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2004, the School District amended its General Fund budget.

During 2004, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$4,254,147 and increased appropriations by \$10,477,294. The General fund's ending unobligated cash balance was \$181,625 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2004, the School District had \$29,111,343 invested in its capital assets. Table 4 shows the fiscal year 2004 balances compared to 2003.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2004	2003
Land	\$42,231	\$42,231
Land Improvements	253,701	254,412
Buildings and Improvements	27,371,480	28,163,581
Furniture and Equipment	1,017,511	1,334,064
Vehicles	426,420	513,735
Totals	\$29,111,343	\$30,308,023

Changes in capital assets from the prior year resulted from the addition of land improvements, vehicles, furniture and equipment, and depreciation expense. See Note 7 to the basic financial statements for more detailed information related to capital assets.

Debt

At June 30, 2004, the School District had one outstanding General Obligation Bond in the amount of \$3,245,000. This bond was issued for the purpose of improvements. 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 Schools
Statement of Net Assets
June 30, 2004

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 5,064,968
Investments	717,438
Accrued Interest Receivable	3,049
Intergovernmental Receivable	65,617
Taxes Receivable	3,820,524
Noncurrent Assets:	
Non-Depreciable Capital Assets	42,231
Depreciable Capital Assets, net	29,069,112
<i>Total Assets</i>	38,782,939
LIABILITIES:	
Current Liabilities:	
Accounts Payable	47,009
Accrued Wages and Benefits	1,075,078
Intergovernmental Payable	403,146
Accrued Interest Payable	21,924
Matured Compensated Absences Payable	26,267
Deferred Revenue	3,144,747
Notes Payable	850,000
Claims Payable	387,568
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	153,469
Due in More Than One Year	4,441,613
<i>Total Liabilities</i>	10,550,821
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	25,844,419
Restricted for Debt Service	875,113
Restricted for Capital Outlay	703,572
Restricted for Other Purposes	386,859
Restricted - Nonexpendable	2,089,862
Unrestricted	(1,667,707)
<i>Total Net Assets</i>	\$ 28,232,118

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

Greenfield Exempted Village Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues		Net(Expense)
		Charges for Services and	Operating Grants and	Revenue and Changes in Net Assets Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 8,377,063	111,044	268,796	\$ (7,997,223)
Special	1,403,092	65,502	799,457	(538,133)
Vocational	680,809	8,267	10,963	(661,579)
Adult/Continuing	17,357	-	85,115	67,758
Other	282,675	2,271	-	(280,404)
Support Services:				
Pupils	1,229,625	51,692	163,802	(1,014,131)
Instructional Staff	311,902	31,906	115,174	(164,822)
Board of Education	102,969	827	-	(102,142)
Administration	1,428,053	20,790	36,719	(1,370,544)
Fiscal	435,458	3,743	1,612	(430,103)
Operation and Maintenance of Plant	1,903,404	23,534	35,407	(1,844,463)
Pupil Transportation	1,042,766	8,313	-	(1,034,453)
Operation of Non-Instructional Services	761,496	116,740	495,621	(149,135)
Extracurricular Activities	245,909	17,370	60,306	(168,233)
Interest and Fiscal Charges	195,729	32	6,314	(189,383)
Total Governmental Activities	\$ 18,418,307	\$ 462,031	\$ 2,079,286	(15,876,990)
General Revenues:				
Taxes Levied for:				
General Purposes				2,826,667
Classroom Facilities Maintenance				60,411
Debt Service				383,638
Income Taxes				99,992
Grants and Entitlements, Not Restricted to Specific Programs				10,999,873
Gifts and Donations, Not Restricted to Specific Programs				16,606
Investment Earnings				758,059
Miscellaneous				511,217
Rent				5,497
Total General Revenues and Transfers				15,661,960
Change in Net Assets				(215,030)
Net Assets Beginning of Year (As Restated - See Note 3)				28,447,148
Net Assets End of Year				\$ 28,232,118

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

Greenfield Exempted Village Schools
Balance Sheet
Governmental Funds
June 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 910,932	\$ 818,414	\$ 1,372,424	\$ 1,301,656	\$ 4,403,426
Investments	-	-	717,438	-	717,438
Accrued Interest Receivable	1,885	-	-	1,164	3,049
Interfund Receivable	1,168,202	-	-	-	1,168,202
Intergovernmental Receivable	-	-	-	65,617	65,617
Taxes Receivable	3,332,466	397,232	-	90,826	3,820,524
<i>Total Assets</i>	<u>\$ 5,413,485</u>	<u>\$ 1,215,646</u>	<u>\$ 2,089,862</u>	<u>\$ 1,459,263</u>	<u>\$ 10,178,256</u>
LIABILITIES:					
Accounts Payable	43,714	-	-	3,295	47,009
Accrued Wages and Benefits	999,309	-	-	75,769	1,075,078
Interfund Payable	-	-	-	166,202	166,202
Intergovernmental Payable	212,292	-	-	18,009	230,301
Matured Compensated Absences Payable	26,267	-	-	-	26,267
Deferred Revenue	2,800,982	352,426	-	88,748	3,242,156
Notes Payable	850,000	-	-	-	850,000
<i>Total Liabilities</i>	<u>4,932,564</u>	<u>352,426</u>	<u>-</u>	<u>352,815</u>	<u>5,637,013</u>
Equity:					
FUND BALANCES:					
Reserved:					
Reserved for Encumbrances	43,654	-	-	3,295	46,949
Reserved for Property Taxes	295,101	44,806	-	6,838	346,745
Unreserved, Undesignated, Reported in:					
General Fund	142,166	-	-	-	142,166
Special Revenue Funds	-	-	-	396,535	396,535
Debt Service Funds	-	818,414	-	-	818,414
Capital Projects Funds	-	-	-	700,572	700,572
Permanent Funds	-	-	2,089,862	-	2,089,862
<i>Total Fund Balances</i>	<u>480,921</u>	<u>863,220</u>	<u>2,089,862</u>	<u>1,107,240</u>	<u>4,541,243</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 5,413,485</u>	<u>\$ 1,215,646</u>	<u>\$ 2,089,862</u>	<u>\$ 1,459,263</u>	<u>\$ 10,178,256</u>

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

Greenfield Exempted Village Schools
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2004

Total Governmental Fund Balances		\$ 4,541,243
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		29,111,343
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes		97,409
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds		(172,845)
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 is included in governmental activities in the statement of net assets		(728,026)
Long-Term Liabilities, including bonds, capital lease obligations, 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	(1,350,082)	
Accrued Interest Payable	(21,924)	
General Obligation Bonds	(3,245,000)	
Total		<u>(4,617,006)</u>
Net Assets of Governmental Activities		<u><u>\$ 28,232,118</u></u>

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

Greenfield Exempted Village Schools
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Permanent</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Property Taxes	\$ 2,830,826	\$ 384,280	\$ -	\$ 60,632	\$ 3,275,738
Income Tax	99,992	-	-	-	99,992
Intergovernmental	11,661,816	6,642	-	1,312,798	12,981,256
Interest	26,477	-	689,102	42,480	758,059
Tuition and Fees	97,191	-	-	-	97,191
Rent	5,497	-	-	-	5,497
Extracurricular Activities	-	-	-	117,249	117,249
Gifts and Donations	16,606	-	61,229	40,289	118,124
Customer Sales and Services	20,963	-	-	226,628	247,591
Miscellaneous	581,173	-	862	-	582,035
<i>Total Revenues</i>	<u>15,340,541</u>	<u>390,922</u>	<u>751,193</u>	<u>1,800,076</u>	<u>18,282,732</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	6,532,453	-	-	404,730	6,937,183
Special	1,001,153	-	-	347,007	1,348,160
Vocational	636,330	-	-	17,829	654,159
Adult/Continuing	-	-	-	1,297	1,297
Other	274,235	-	-	-	274,235
Support Services:					
Pupils	916,731	-	-	265,854	1,182,585
Instructional Staff	112,127	-	-	185,176	297,303
Board of Education	99,709	-	-	-	99,709
Administration	1,299,497	-	-	59,664	1,359,161
Fiscal	425,892	9,404	-	2,089	437,385
Operation and Maintenance of Plant	1,698,956	-	-	57,585	1,756,541
Pupil Transportation	995,025	-	-	-	995,025
Operation of Non-Instructional Services	-	-	2,750	772,984	775,734
Extracurricular Activities	140,908	-	-	98,296	239,204
Capital Outlay	-	-	-	92,276	92,276
Debt Service:					
Principal	-	185,000	-	-	185,000
Interest	3,900	181,000	-	-	184,900
<i>Total Expenditures</i>	<u>14,136,916</u>	<u>375,404</u>	<u>2,750</u>	<u>2,304,787</u>	<u>16,819,857</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,203,625</u>	<u>15,518</u>	<u>748,443</u>	<u>(504,711)</u>	<u>1,462,875</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In	-	178,603	-	6,470	185,073
Transfers Out	(184,073)	-	(1,000)	-	(185,073)
<i>Total Other Financing Sources and Uses</i>	<u>(184,073)</u>	<u>178,603</u>	<u>(1,000)</u>	<u>6,470</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,019,552	194,121	747,443	(498,241)	1,462,875
<i>Fund Balance (Deficit) at Beginning of Year (As Restated - See Note .</i>	<u>(538,631)</u>	<u>669,099</u>	<u>1,342,419</u>	<u>1,605,481</u>	<u>1,462,875</u>
<i>Fund Balance at End of Year</i>	<u>\$ 480,921</u>	<u>\$ 863,220</u>	<u>\$2,089,862</u>	<u>\$ 1,107,240</u>	<u>\$ 4,541,243</u>

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

Greenfield Exempted Village Schools
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, 2004

Net Change in Fund Balances - Total Governmental Funds \$ 1,462,875

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Asset Additions	43,307	
Current Year Depreciation	(1,239,987)	
Total	(1,196,680)	(1,196,680)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	(5,022)	
Intergovernmental	(3,615)	
Total	(8,637)	(8,637)

Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.

185,000

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.

(507,087)

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.

Increase in Compensated Absences	(142,006)	
Decrease in Intergovernmental Payable	2,334	
Increase in Accrued Interest Payable	(10,829)	

Total	(150,501)	(150,501)
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Net Change in Net Assets of Governmental Activities \$ (215,030)

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

Greenfield Exempted Village Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Budgetary Basis) and Actual
GENERAL
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget: Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
Total Revenues and Other Sources	\$ 12,567,748	\$ 16,821,895	\$ 16,821,895	\$ -
Total Expenditures and Other Uses	<u>6,330,434</u>	<u>16,807,728</u>	<u>16,626,103</u>	<u>181,625</u>
Net Change in Fund Balance	6,237,314	14,167	195,792	181,625
Fund Balance, July 1, 2003	202,781	202,781	202,781	-
Prior Year Encumbrances Appropriated	<u>269,139</u>	<u>269,139</u>	<u>269,139</u>	<u>-</u>
Fund Balance, June 30, 2004	<u>\$ 6,709,234</u>	<u>\$ 486,087</u>	<u>\$ 667,712</u>	<u>\$ 181,625</u>

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

Greenfield Exempted Village Schools
Statement of Fund Net Assets
Governmental Activities - Internal Service Fund
June 30, 2004

	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 661,542
<i>Total Assets</i>	<u>661,542</u>
LIABILITIES:	
Interfund Payable	1,002,000
Claims Payable	<u>387,568</u>
<i>Total Liabilities</i>	<u>1,389,568</u>
NET ASSETS:	
Unrestricted (Deficit)	<u>(728,026)</u>
<i>Total Net Assets</i>	<u>\$ (728,026)</u>

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

Greenfield Exempted Village Schools
Statement of Revenues, Expenses and Changes in Fund Net Assets
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2004

	Internal Service
OPERATING REVENUES:	
Charges for Services	\$ 2,086,509
<i>Total Operating Revenues</i>	<i>2,086,509</i>
OPERATING EXPENSES:	
Purchased Services	338,330
Claims	2,251,086
Other	4,180
<i>Total Operating Expenses</i>	<i>2,593,596</i>
<i>Net Change in Net Assets</i>	<i>(507,087)</i>
<i>Net Assets(Deficit) at Beginning of Year - (As Restate - See Note 3)</i>	<i>(220,939)</i>
<i>Net Assets (Deficit) at End of Year</i>	<i>\$ (728,026)</i>

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

Greenfield Exempted Village Schools
Statement of Cashflows
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2004

	Internal Service Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Customers	\$2,086,509
Cash Payments for Claims	(2,341,522)
Cash Payments for Purchased Services	(338,330)
Cash Payments for Other Operating Uses	(4,180)
<i>Net Cash Used by Operating Activities</i>	(597,523)
<i>Cash Flows from Financing Activities:</i>	
Advances In	1,002,000
Cash and Cash Equivalents at Beginning of Year	257,065
Cash and Cash Equivalents at End of Year	\$661,542
<i>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</i>	
Operating Loss	(\$507,087)
<i>Changes in Assets and Liabilities:</i>	
Decrease in Claims Payable	(90,436)
<i>Net Cash Used by Operating Activities</i>	(\$597,523)

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

Greenfield Exempted Village Schools
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2004

	<u>Agency Fund</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 105,542
<i>Total Assets</i>	<u>105,542</u>
LIABILITIES:	
Undistributed Monies	<u>105,542</u>
<i>Total Liabilities</i>	<u>105,542</u>

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

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 village of Greenfield, South Salem and Rainsboro. It is staffed by 100 non-certificated employees, 150 certificated full-time teaching personnel and 11 administrative employees who provide services to 2,232 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 Schools, 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 a jointly governed organization. These organizations are the South Central Ohio Computer Association, Hopewell Special Education Regional Resource Center, and the Great Oaks Institute of Technology. These organizations are presented in Note 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or after November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements:

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

The statement of net assets 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 business segment or 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's 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 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 except those required to be accounted for 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 Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Debt Service Fund

The Debt Service fund is a fund provided for the retirement of serial bonds and short term loans. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans, shall be paid into this fund.

Permanent Fund

The Permanent fund is a fund provided to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

The other governmental funds of the School District account for grants and other resources, 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 assets, 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 only internal service fund accounts for the self-insurance program for employee medical/surgical and prescription insurance.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. 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 only fiduciary funds are agency funds which are used to maintain financial activity of the District's Student Activities.

Measurement Focus

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

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

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Measurement Focus (continued)

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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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 deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and capital lease obligations, 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 are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2004.

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.

Encumbrances

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrance is not reported on the government-wide financial statements.

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Cash Equivalents on the balance sheet.

During fiscal year 2004, the School District's investments were limited to funds invested in stocks and the State Treasury Assets Reserve of Ohio (STAR-Ohio). StarOhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. StarOhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in StarOhio are valued at StarOhio's share price which is the price the investment could be sold for on June 30, 2004.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents (continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$26,477, \$689,102 for the Permanent Fund, and \$42,480 for All Other Governmental Funds. The Permanent Fund interest includes a \$636,779 market value adjustment; this adjustment is caused by the School District recording the stocks at original cost instead of carrying value.

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 considered to be cash equivalents.

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 assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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 District does not capitalize interest for capital asset purchases.

All reported capital assets, except land and construction in progress, 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

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 assets.

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 accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the School District's severance policy.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences (continued)

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 judgements, compensated absences, contractually required pension contributions and special termination benefits 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, long-term loans, and capital leases are recognized as a liability on the government-wide financial statements when due.

I. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for a specific future use or which are not available for appropriation. Unreserved undesignated fund balance represents that portion of fund equity reflected for Governmental Funds, which is available for use within the specific purpose of those funds. Fund equity reserves are established for encumbrances and property taxes.

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 Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes represent balances in special revenue funds for grants received which are restricted to their use by grantees.

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

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 Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES / RESTATEMENTS

The School District has implemented Governmental Accounting Standards Board (GASB) Statement No.39, “Determining Whether Certain Organizations are Component Units.” GASB Statement No. 39 is an amendment to GASB Statement No. 14 and provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationships with the primary government. This statement had no effect on the School District for fiscal year 2004.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. This statement had no effect on the School District for fiscal year 2004.

Restatements: Modified restatements were made to reclassify the internal service activity reviously reported within the general fund on the modified basis and correct accounting errors. Net Asset restatement amounts were to correct accounting errors related to intergovernmental payables.

These restatements had the following effects on fund balances of the major and non-major funds of the District as they were previously reported.

	Debt				Total
	General	Service	Permanent	Non - Major	
Fund Balances, June 30, 2003	(759,570)	669,099	1,342,419	1,625,843	2,877,791
Reclassification of Self-Insurance as Internal Service Fund	220,939	0	0	0	220,939
Correction of Errors	0	0	0	(20,362)	(20,362)
Restated Fund Balances, June 30, 2003	(538,631)	669,099	1,342,419	1,605,481	3,078,368
Net Assets, June 30, 2003					28,466,718
Correction of Errors					(19,570)
Restated Net Assets, June 30, 2003					28,447,148

	<u>Internal Service</u>
Balance, June 30, 2003	-
Fund Reclassification Restatement (Internal Service)	(220,939)
Restated Balance, June 30, 2003	(220,939)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

The major differences between the budget basis and GAAP (modified accrual) 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/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis);

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

Net Change in Fund Balance	
GAAP Basis	\$ 1,019,552
Revenue Accruals	1,481,354
Expenditure Accruals	(1,995,427)
Encumbrances	<u>(309,687)</u>
Budget Basis	<u>\$ 195,792</u>

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 two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of the School Districts 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.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*.

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$5,170,503 and the bank balance was \$4,451,623. Of the bank balance \$538,000 was covered by federal depository insurance. \$3,913,623 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterpart's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio is an unclassified investment since it is not evidenced by securities that exists in physical or book entry form.

	Fair/Carrying Value
Stocks	\$717,438
STAR Ohio	7
Total Investments	\$717,445

A reconciliation between the classifications of cash and cash equivalents and investments on the financial statements and the classification of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
<i>GASB Statement No. 9</i>	\$5,170,510	\$717,438
Star Ohio	(7)	7
<i>GASB Statement No. 3</i>	\$5,170,503	\$717,445

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 the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2004 for real and public utility property taxes represents collections of calendar 2003 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) is for calendar 2004 taxes.

2004 real property taxes are levied after April 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2003, are levied after April 1, 2004 and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after April 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are twenty-five percent of true value.

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

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 6 - PROPERTY TAXES (continued)

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

The assessed values upon which fiscal year 2004 taxes were collected are:

	2003 Second- Half Collections		2004 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$113,218,140	86.46%	\$121,985,220	87.33%
Public Utility	7,067,050	5.40%	7,318,450	5.24%
Tangible Personal Property	10,660,120	8.14%	10,380,302	7.43%
Total Assessed Value	<u>\$130,945,310</u>	<u>100.00%</u>	<u>\$139,683,972</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$29.92		\$29.42	

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, 2004, are available to finance fiscal year 2004 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, 2004 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 revenue 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, 2004, was \$295,101 in the General Fund, \$6,838 in the Classroom Facilities Fund, and \$44,806 in the Debt Service Fund.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2004, was as follows:

	Ending Balance 6/30/2003	Additions	Deletions	Ending Balance 6/30/2004
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$42,231	\$0	\$0	\$42,231
Total Capital Assets, Not Being Depreciated	42,231	0	0	42,231
Capital Assets Being Depreciated				
Land Improvements	539,028	23,002	0	562,030
Buildings and Improvements	33,687,039	0	0	33,687,039
Furniture and Equipment	3,640,970	1,395	0	3,642,365
Vehicles	1,389,169	18,910	0	1,408,079
Total Capital Assets Being Depreciated	39,256,206	43,307	0	39,299,513
Less: Accumulated Depreciation:				
Land Improvements	(284,616)	(23,713)	0	(308,329)
Buildings and Improvements	(5,523,458)	(792,101)	0	(6,315,559)
Furniture and Equipment	(2,306,906)	(317,948)	0	(2,624,854)
Vehicles	(875,434)	(106,225)	0	(981,659)
Total Accumulated Depreciation	(8,990,414)	(1,239,987)	0	(10,230,401)
Total Capital Assets Being Depreciated, Net	30,265,792	(1,196,680)	0	29,069,112
Governmental Capital Assets, Net	\$30,308,023	(\$1,196,680)	\$0	\$29,111,343

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$1,096,145
Support Services:	
Administration	6,784
Operation and Maintenance	98,749
Pupil Transportation	7,869
Non-Instructional Services	30,440
Total Depreciation Expense	<u>\$1,239,987</u>

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 8 - RECEIVABLES

Receivables at June 30, 2004, consisted of interest 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:

Non-Major Special Revenue Funds:	<u>Amount</u>
Food Service	\$ 33,907
Student Reading Intervention	6,722
Title VI	5,610
Title I	15,181
Drug Free Programs	1,903
Classroom Reduction	1,817
Miscellaneous Federal	<u>477</u>
Total Non-Major Special Revenue Funds	<u>65,617</u>
Total All Funds	<u><u>\$ 65,617</u></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 2004, the School District contracted with the Indiana Insurance Company for property insurance and with Nationwide Insurance for fleet, professional liability insurance and inland marine coverage. Coverages provided are as follows:

Building and Contents -replacement cost (\$1,000 deductible)	\$20,000,000
Inland Marine Coverage (\$1,000 deductible)	2,000,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

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.

Medical/surgical and prescription insurance is offered to employees through a self-insurance internal service fund. BAC administers claims for the District. The claims liability of \$387,568 reported in the Internal Service fund at June 30, 2004 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.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 9 - RISK MANAGEMENT (continued)

Changes in claims activity for the past three 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>
2002	\$172,019	2,143,313	1,981,602	\$333,730
2003	\$333,730	2,523,070	2,378,796	\$478,004
2004	\$478,004	2,251,086	2,341,522	\$387,568

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$147,985, \$118,824, and \$71,391, respectively; 40 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$89,157 represents the unpaid contribution for fiscal year 2004.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,058,892, \$629,822, and \$592,230, respectively; 84 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$168,008 representing the unpaid contribution for fiscal year 2004, is recorded as a liability within the respective funds.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.086 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$425,709,000 and STRS had 447,877 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses, before premium reduction. Expenses for health care for the fiscal year ended June 30, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

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.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life Financial.

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.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 13 - LONG-TERM LIABILITIES

The changes in the School Districts long-term liabilities during fiscal year 2004 were as follows:

	Principal Outstanding 7/1/2003	Additions	Deletions	Principal Outstanding 6/30/2004	Due in One Year
General Obligation Bonds:					
1983 School Improvement 9.5%	\$ 65,000	\$ -	\$ 65,000	\$ -	\$ -
1998 School Improvement 4.99%	3,365,000	-	120,000	3,245,000	125,000
Total General Obligation Bonds	3,430,000	-	185,000	3,245,000	125,000
Compensated Absences	1,208,076	1,350,082	1,208,076	1,350,082	28,469
Total Long-Term Liabilities	<u>\$ 4,638,076</u>	<u>\$ 1,350,082</u>	<u>\$ 1,393,076</u>	<u>\$ 4,595,082</u>	<u>\$ 153,469</u>

School Facilities General Obligation Bond – On May 9, 1983, Greenfield Exempted Village Schools issued \$1,300,000 in unvoted general obligation bonds for the purpose of school improvements. The bonds were issued for a twenty-two year period with final maturity at December 1, 2004. The bonds were retired from the debt service fund.

On July 27, 1998, the School District issued long-term general obligation bonds in the amount of \$3,999,100, as a result of the School District being approved for a \$19,699,000 school facilities loan through the State Department of Education for the construction of an education complex. The 4.99% bonds will be retired in December, 2020. As a requirement of the loans, the School District was required to pass a 3.02 mill levy. The 3.02 mill levy, of which .5 mill was to be used for the retirement of the loan, with the balance of 2.52 mills to be used for the retirement of the long-term bonds issued, will be in effect for twenty-three years.

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. 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.

Compensated absences will be paid from the fund from which the employees' salaries are paid. The School District's overall legal debt margin was \$12,571,557 with an unvoted debt margin of \$139,684 at June 30, 2004. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2005	\$ 125,000	\$ 158,726	\$ 283,726
2006	135,000	153,168	288,168
2007	140,000	147,220	287,220
2008	145,000	140,985	285,985
2009	150,000	134,420	284,420
2010-2014	880,000	546,710	1,426,710
2015-2019	1,135,000	281,888	1,416,888
Thereafter	535,000	27,125	562,125
Totals	<u>\$ 3,245,000</u>	<u>\$ 1,590,242</u>	<u>\$ 4,835,242</u>

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 14 – NOTES PAYABLE

Debt outstanding on June 30, 2004 consisted of the following:

Date of Issue	Interest Rate	Maturity Date	Balance 07/01/03	Additions	Deletions	Balance 06/30/2004
12/30/03	3.65%	12/01/08	\$ 0	\$1,450,000	\$600,000	\$850,000

Tax Anticipation Notes were issued for general operations. Tax Anticipation Notes are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from income tax collections.

A summary of the District's future amortization of debt funding requirements as of June 30, 2004, follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$170,000	\$27,923	\$197,923
2006	170,000	21,718	191,718
2007	170,000	15,513	185,513
2008	170,000	9,308	179,308
2009	170,000	3,103	173,103
Totals	<u>\$850,000</u>	<u>\$77,565</u>	<u>\$927,565</u>

Under Ohio law, a debt retirement fund must be created and used for the payment of tax anticipation notes. Accounting principles generally accepted in the United States of America requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the activity of the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - INTERFUND ACTIVITY

Interfund Payables/Receivables

As of June 30, 2004, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$1,168,202	\$ -
Special Revenue Funds, Non-Major:		
Food Service	-	110,366
Adult Education	-	100
District Managed Accounts	-	6,000
Title VI	-	5,610
Chapter 1	-	15,181
Drug Free Programs	-	1,903
Class Size Reduction	-	9,843
Miscellaneous Federal	-	477
Total Special Revenue Funds	<u>-</u>	<u>149,480</u>
Capital Projects Funds, Non-Major:		
Student Reading Intervention	-	6,722
Permanent Improvement	<u>-</u>	<u>10,000</u>
Total Capital Projects Funds	<u>-</u>	<u>16,722</u>
Fidiciary Funds, Non-Major:		
Internal Service Funds	-	1,002,000
Totals	<u><u>\$1,168,202</u></u>	<u><u>\$1,168,202</u></u>

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 15 - INTERFUND ACTIVITY (continued)

Interfund Transfers

As of June 30, 2004, transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Funds:		
General Fund	\$ 184,073	\$ -
Debt Service Fund	-	178,603
Nonexpendable Trust	1,000	-
Non-Major Funds		
Heidensfeld Trust	-	1,000
Hopewell Technical Grant	-	1,616
Two Year Drug Free Program	-	1,949
Voacational Education	-	1,905
Total	<u>\$ 185,073</u>	<u>\$ 185,073</u>

During the year, the District's General Fund made advances to other funds in anticipation of intergovernmental grant revenue and for debt service requirements.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross 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 SCOCA consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter school districts, and one representative from the fiscal agent. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, at P. O. Box 577, 23365 St. Rt. 124, Piketon, Ohio 45661.

Hopewell Special Education Regional Resource Center - The Hopewell Special Education Regional Resource Center (Hopewell) is a jointly governed organization created by the Ohio Department of Education at the request of the participating school districts to offer direct and related services to low incidence handicapped students of the region. Seventeen local, city, and exempted village school districts receive services from Hopewell. Hopewell is operated under regulations and policies established by the Ohio Department of Education, and its own governing board. The governing board is made up of superintendents from the seventeen school districts, plus a representative from the county board of education, a representative from the board of mental retardation and developmental disabilities, two joint vocational school superintendents and five parents of handicapped children living in the region. The Clinton-Fayette-Highland Educational Service District acts as fiscal agent. Hopewell receives funding from the contracts with each of the member school districts and Federal and State grants. To obtain financial information write to Hopewell at the Clinton-Fayette-Highland Educational Service District, 62 Laurel Dr., Wilmington, Ohio 45177.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 16 - 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 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 purchase of textbooks and other instructional materials and an equal amount 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 textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisition
Set-aside Cash Balance as of June 30, 2003	\$0	\$0
Current year set-aside requirement	331,956	331,956
Offsets and Prior Year Carryover	(633,088)	(12,477,899)
Qualifying disbursements	(293,924)	0
Set-aside Reserve Balance Carried Forward to Future Fiscal Years	(\$595,056)	(\$12,145,943)
Set-aside Reserve Balance as of June 30, 2004	\$0	\$0

The School District had offset and qualifying disbursements during the year that reduced the set-aside amounts below zero in the Textbooks and Capital Acquisition Reserves. These extra amounts may be carried forward and used to reduce the set-aside requirements of future years.

NOTE 18 - SCHOOL FUNDING COURT DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

On March 4, 2003, the Plaintiffs filed a motion with the Common Pleas Court of Perry County requesting that such Court schedule and conduct a conference to address the State's compliance with the orders of such Court and the Supreme Court. On May 16, 2003, the Ohio Supreme Court granted a Writ of Prohibition as filed by the State and ordered the Common Pleas Court of Perry County to dismiss the motion for a compliance conference. The Ohio Supreme Court further stated again its ruling made on December 11, 2002.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Greenfield Exempted Village Schools
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

NOTE 19 - 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

B. Litigation

The School District is not party to legal proceedings.

NOTE 20 – ACCOUNTABILITY

A. Accountability - Fund Balance Deficits

At June 30, 2004, the Food Service, Adult Education, Career Development, Chapter I, and Class Size Reduction Special Revenue Funds had fund balance deficits of \$86,436, \$58, \$101, and \$39,944 respectively 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.

**Greenfield Exempted Village School District
Highland County**

*Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2004*

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	NA	10.550	\$0	\$63,490	\$0	\$63,490
National School Breakfast Program	05-PU	10.553	40,633	0	40,633	0
National School Lunch Program	LL-P4	10.555	245,673	0	245,673	0
Special Milk Program for Children	02-PU	10.556	751	0	751	0
Total United States Department of Agriculture			287,057	63,490	287,057	63,490
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through Ohio Department of Education</i>						
Special Education Cluster:						
Special Education- Grants to States	6B-SF	84.027	308,494	0	341,541	0
Special Education- Preschool	PG-S1	84.173	13,491	0	20,241	0
Total Special Education Cluster			321,985	0	361,782	0
Title 1	C1S1	84.010	362,420	0	396,247	0
Safe and Drug Free Schools	DRS1	84.186	26,881	0	33,418	0
Innovative Education Program Strategy	C2S1	84.298	16,017	0	17,319	0
Education Technology State Grants	TJS1	84.318	9,905	0	24,710	0
Improving Teacher Quality State Grants	TRS1	84.367	124,927	0	118,718	0
<i>Passed through the Great Oaks Institute of Technology and Career Development</i>						
Vocational Education- Basic Grants to States	NA	84.048	0	0	2,998	0
Total United States Department of Education			862,135	0	955,192	0
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program	NA	93.778	20,963	0	20,963	0
Total United States Department of Health and Human Services			20,963	0	20,963	0
Total Federal Financial Assistance			<u>\$1,170,155</u>	<u>\$63,490</u>	<u>\$1,263,212</u>	<u>\$63,490</u>

N/A = Pass through entity number could not be located.
See Notes to the Schedule of Federal Awards Expenditures.

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
Notes to Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B -FOOD DISTRIBUTIONS

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2004, the District had no significant food commodities in inventory.

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

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Ohio Society of Certified Public Accountants

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*

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenfield Exempted Village School District (the School District), as of and for the year ended June 30, 2004, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-001.

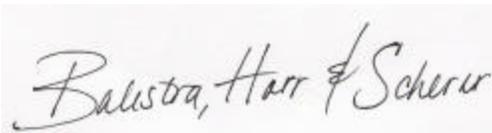
A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable condition described above, we consider item 2004-001 to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated March 29, 2005.

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer CPAs, Inc.
March 29, 2005

BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of Greenfield Exempted Village School District (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Members of the Board

Greenfield Exempted Village School District

Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In
Accordance With OMB Circular A-133

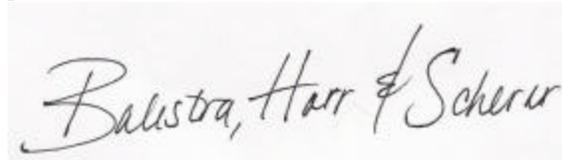
Page 2

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer CPAs, Inc.

March 29, 2005

**GREENFIELD EXEMPTED VILALGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2004**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

1. SUMMARY OF AUDITOR-S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs = Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster- CFDA #84.027 and #84.173
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2004**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

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

Finding Number 2004-001

Material Weakness

The School District has delegated employees' health and prescription drug insurance claims processing, which is a significant accounting function, to a third-party administrator. The School District has not established procedures to determine whether the service organization has sufficient controls in place and operating effectively to reduce the risk that health and prescription drug insurance claims have not been completely and accurately processed in accordance with the health and prescription drug insurance claims contract.

The School District should implement procedures to assure the completeness and accuracy (including eligibility and allowability) of health and prescription drug insurance claims processed by its third-party administrator. Statement on Auditing Standards (SAS) No. 70 as amended, prescribes standards for reporting on the processing (i.e. control design and operation) of transactions by service organizations. An unqualified Tier II "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70, should provide the School District with an appropriate level of assurance that health and prescription drug insurance claims are being processed in conformity with the contract. The School District should, with help of its legal counsel, consider specifying in its contract with the third-party administrator that an annual Tier II SAS 70 audit report be performed. The School District should be provided a copy of the SAS 70 timely and should review the report's content. A SAS 70 audit report should be conducted in accordance with American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide the School District with a Tier II SAS 70 report, we recommend the School District either only contract with a third-party administrator that will provide such a report or consider implementing other procedures to provide the School District with proper assurance of the completeness and accuracy of health and prescription drug insurance claims processed by its third-party administrator.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS	
Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	



**Auditor of State
Betty Montgomery**

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**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
MAY 5, 2005**