

Greenfield Exempted Village School District

Highland County

Single Audit

July 1 , 2001 Through June 30, 2002

Fiscal Year Audited Under GAGAS: 2002

BALESTRA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the Greenfield Exempted Village School District, Highland County, prepared by Balestra & Company, for the audit period July 1, 2001 through June 30, 2002. 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 black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

December 20, 2002

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GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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 general-purpose financial statements of the Greenfield Exempted Village School District, as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Greenfield Exempted Village School District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greenfield Exempted Village School District, as of June 30, 2002, and the results of its operations and cash flows of its proprietary fund type and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2002, on our consideration of the Greenfield Exempted Village School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Balestra & Company
Balestra & Company

December 6, 2002

**Greenfield Exempted Village School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,310,785	\$661,068	\$541,515	\$3,144,484
Investments	0	0	0	0
Receivables:				
Taxes	2,391,646	57,188	462,827	0
Intergovernmental	0	109,191	0	1,864,808
Interfund Receivable	221,723	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Restricted Assets				
Cash and Cash Equivalents w/Fiscal Agents	0	0	0	53,261
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$3,924,154</u>	<u>\$827,447</u>	<u>\$1,004,342</u>	<u>\$5,062,553</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$3,279	\$271,407	\$680,046	\$0	\$0	\$6,612,584
0	0	880,170	0	0	880,170
0	0	0	0	0	2,911,661
33,059	0	0	0	0	2,007,058
0	0	0	0	0	221,723
6,754	0	0	0	0	6,754
3,354	0	0	0	0	3,354
0	0	0	0	0	53,261
343,796	0	0	37,396,659	0	37,740,455
0	0	0	0	580,257	580,257
0	0	0	0	4,250,925	4,250,925
<u>\$390,242</u>	<u>\$271,407</u>	<u>\$1,560,216</u>	<u>\$37,396,659</u>	<u>\$4,831,182</u>	<u>\$55,268,202</u>

(continued)

Greenfield Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities,				
Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$114,144	\$4,858	\$0	\$82,756
Accrued Wages and Benefits	868,628	40,307	0	0
Compensated Absences Payable	120,685	0	0	0
Interfund Payable	0	81,975	0	25,998
Intergovernmental Payable	229,904	8,874	0	0
Deferred Revenue	2,166,801	147,833	424,085	0
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Retainage Payable	0	0	0	53,261
School Facilities Bonds Payable	0	0	0	0
Total Liabilities	3,500,162	283,847	424,085	162,015
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Endowment	0	0	0	0
Reserved for Encumbrances	214,111	81,388	737	2,105,633
Reserved for Property Taxes	224,845	5,546	38,742	0
Unreserved:				
Undesignated (Deficit)	(14,964)	456,666	540,778	2,794,905
Total Fund Equity and Other Credits	423,992	543,600	580,257	4,900,538
Total Liabilities, Fund Equity and Other Credits	\$3,924,154	\$827,447	\$1,004,342	\$5,062,553

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$840	\$0	\$0	\$0	\$0	\$202,598
21,688	0	0	0	0	930,623
31,757	0	0	0	1,107,135	1,259,577
113,750	0	0	0	0	221,723
22,740	0	0	0	109,047	370,565
5,925	0	0	0	0	2,744,644
0	0	81,370	0	0	81,370
0	333,730	0	0	0	333,730
0	0	0	0	0	53,261
0	0	0	0	3,615,000	3,615,000
196,700	333,730	81,370	0	4,831,182	9,813,091
0	0	0	37,396,659	0	37,396,659
193,542	(62,323)	0	0	0	131,219
0	0	1,400,507	0	0	1,400,507
0	0	0	0	0	2,401,869
0	0	0	0	0	269,133
0	0	78,339	0	0	3,855,724
193,542	(62,323)	1,478,846	37,396,659	0	45,455,111
\$390,242	\$271,407	\$1,560,216	\$37,396,659	\$4,831,182	\$55,268,202

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Greenfield Exempted Village School District
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types				Fiduciary Fund Type	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
Revenues:						
Property Taxes	\$2,415,872	\$57,716	\$461,024	\$0	\$0	\$2,934,612
Intergovernmental	10,413,759	654,448	55,139	3,108,742	0	14,232,088
Interest	106,592	0	0	35,506	29,517	171,615
Tuition and Fees	37,743	0	0	0	0	37,743
Rent	435	0	0	0	0	435
Extracurricular Activities	0	101,881	0	0	0	101,881
Gifts and Donations	2,000	160	0	1,262	23,329	26,751
Miscellaneous	78,401	0	0	0	0	78,401
Total Revenues	13,054,802	814,205	516,163	3,145,510	52,846	17,583,526
Expenditures:						
Current:						
Instruction:						
Regular	7,523,928	77,032	0	238,473	0	7,839,433
Special	730,355	315,365	0	0	0	1,045,720
Vocational	365,859	11,185	0	0	0	377,044
Support Services:						
Pupils	856,359	2,806	0	0	0	859,165
Instructional Staff	152,546	146,154	0	0	0	298,700
Board of Education	46,108	0	0	0	0	46,108
Administration	1,168,588	91,545	0	0	0	1,260,133
Fiscal	277,889	1,482	11,990	0	0	291,361
Operation and Maintenance of Plant	1,798,963	0	0	14,322	0	1,813,285
Pupil Transportation	843,018	0	0	0	0	843,018
Operation of Non-Instructional						
Services	0	0	0	0	44,509	44,509
Extracurricular Activities	136,932	105,506	0	0	0	242,438
Capital Outlay	0	378	0	1,592,351	0	1,592,729
Debt Service:						
Principal Retirement	0	0	180,000	0	0	180,000
Interest and Fiscal Charges	0	0	189,198	0	0	189,198
Total Expenditures	13,900,545	751,453	381,188	1,845,146	44,509	16,922,841
Excess of Revenues Over (Under) Expenditures	(845,743)	62,752	134,975	1,300,364	8,337	660,685
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	2,987	0	0	0	0	2,987
Operating Transfers In	0	260	0	456,100	0	456,360
Operating Transfers Out	(457,460)	0	0	0	0	(457,460)
Total Other Financing Sources (Uses)	(454,473)	260	0	456,100	0	1,887
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,300,216)	63,012	134,975	1,756,464	8,337	662,572
Fund Balances at Beginning of Year (As Restated - Note 3)	1,724,208	480,588	445,282	3,144,074	70,002	5,864,154
Fund Balances at End of Year	\$423,992	\$543,600	\$580,257	\$4,900,538	\$78,339	\$6,526,726

See accompanying notes to the general purpose financial statements

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$2,320,695	\$2,320,695	\$0	\$55,407	\$55,407	\$0
Intergovernmental	10,413,759	10,413,759	0	627,634	641,448	13,814
Interest	106,592	106,592	0	0	0	0
Tuition and Fees	37,743	37,743	0	0	0	0
Rent	435	435	0	0	0	0
Extracurricular Activities	0	0	0	101,881	101,881	0
Gifts and Donations	2,000	2,000	0	160	160	0
Miscellaneous	91,489	77,675	(13,814)	0	0	0
Total Revenues	12,972,713	12,958,899	(13,814)	785,082	798,896	13,814
Expenditures:						
Current:						
Instruction:						
Regular	7,381,869	7,356,015	25,854	77,121	77,121	0
Special	734,140	732,835	1,305	311,751	311,751	0
Vocational	353,302	353,302	0	11,561	11,561	0
Support Services:						
Pupils	882,666	882,215	451	26,944	26,944	0
Instructional Staff	153,583	152,671	912	155,538	155,463	75
Board of Education	45,471	45,471	0	0	0	0
Administration	1,160,403	1,148,642	11,761	111,805	111,805	0
Fiscal	291,031	286,706	4,325	1,482	1,482	0
Operation and Maintenance of Plant	1,904,348	1,859,738	44,610	0	0	0
Pupil Transportation	973,026	972,362	664	0	0	0
Operation of Non-Instructional Services						
Extracurricular Activities	136,827	136,827	0	128,230	128,230	0
Capital Outlay	0	0	0	3,928	3,928	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	14,016,666	13,926,784	89,882	828,360	828,285	75
Excess of Revenues Over (Under) Expenditures	(1,043,953)	(967,885)	76,068	(43,278)	(29,389)	13,889
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	2,987	2,987	0	0	0	0
Refund of Prior Year Expenditures	158,832	158,832	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0	0	0
Advances Out	(91,000)	(91,000)	0	0	0	0
Operating Transfers In	0	0	0	260	260	0
Operating Transfers Out	(457,460)	(457,460)	0	0	0	0
Total Other Financing Sources (Uses)	(386,641)	(386,641)	0	260	260	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,430,594)	(1,354,526)	76,068	(43,018)	(29,129)	13,889
Fund Balances at Beginning of Year	1,834,023	1,834,023	0	521,622	521,622	0
Prior Year Encumbrances Appropriated	527,519	527,519	0	82,329	82,329	0
Fund Balances at End of Year	\$930,948	\$1,007,016	\$76,068	\$560,933	\$574,822	\$13,889

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$448,308	\$448,308	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55,139	55,139	0	1,750,047	1,750,047	0	0	0	0
0	0	0	35,506	35,506	0	29,517	29,517	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	1,262	1,262	0	23,329	23,329	0
0	0	0	0	0	0	0	0	0
<u>503,447</u>	<u>503,447</u>	<u>0</u>	<u>1,786,815</u>	<u>1,786,815</u>	<u>0</u>	<u>52,846</u>	<u>52,846</u>	<u>0</u>
0	0	0	243,792	243,792	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
11,990	11,990	0	0	0	0	0	0	0
0	0	0	15,468	15,468	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	44,509	44,509	0
0	0	0	0	0	0	0	0	0
0	0	0	3,626,508	3,626,508	0	0	0	0
180,000	180,000	0	0	0	0	0	0	0
189,935	189,935	0	0	0	0	0	0	0
<u>381,925</u>	<u>381,925</u>	<u>0</u>	<u>3,885,768</u>	<u>3,885,768</u>	<u>0</u>	<u>44,509</u>	<u>44,509</u>	<u>0</u>
121,522	121,522	0	(2,098,953)	(2,098,953)	0	8,337	8,337	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(506,113)	(506,113)	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	456,100	456,100	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(50,013)</u>	<u>(50,013)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
121,522	121,522	0	(2,148,966)	(2,148,966)	0	8,337	8,337	0
418,518	418,518	0	1,703,312	1,703,312	0	70,002	70,002	0
<u>737</u>	<u>737</u>	<u>0</u>	<u>1,466,761</u>	<u>1,466,761</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$540,777</u>	<u>\$540,777</u>	<u>\$0</u>	<u>\$1,021,107</u>	<u>\$1,021,107</u>	<u>\$0</u>	<u>\$78,339</u>	<u>\$78,339</u>	<u>\$0</u>

See accompanying notes to the general purpose financial statements

Greenfield Exempted Village School District
Combined Statement of Revenues,
Expenses, and Changes in Retained Earnings/Fund Balance
All Proprietary Fund Types and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating Revenues:				
Sales	\$303,934	\$0	\$0	\$303,934
Charges for Services	0	1,950,007	0	1,950,007
Gifts and Donations	0	0	62,714	62,714
Other Operating Revenue	0	0	1,767	1,767
Total Operating Revenues	<u>303,934</u>	<u>1,950,007</u>	<u>64,481</u>	<u>2,318,422</u>
Operating Expenses:				
Salaries	202,017	0	0	202,017
Fringe Benefits	203,845	0	0	203,845
Purchased Services	3,654	0	0	3,654
Materials and Supplies	83,842	0	0	83,842
Cost of Sales	209,929	0	0	209,929
Depreciation	30,707	0	0	30,707
Claims	0	2,143,313	0	2,143,313
Total Operating Expenses	<u>733,994</u>	<u>2,143,313</u>	<u>0</u>	<u>2,877,307</u>
Operating Income (Loss)	<u>(430,060)</u>	<u>(193,306)</u>	<u>64,481</u>	<u>(558,885)</u>
Non-Operating Revenues (Expenses):				
Net Increase (Decrease) in Fair Value of Investments	0	0	41,445	41,445
Federal Donated Commodities	58,824	0	0	58,824
Interest	1,825	198	0	2,023
Federal and State Subsidies	234,327	0	0	234,327
Total Non-Operating Revenues (Expenses)	<u>294,976</u>	<u>198</u>	<u>41,445</u>	<u>336,619</u>
Income (Loss) Before Operating Transfers	<u>(135,084)</u>	<u>(193,108)</u>	<u>105,926</u>	<u>(222,266)</u>
Operating Transfers - In	<u>1,100</u>	<u>0</u>	<u>0</u>	<u>1,100</u>
Net Income (Loss)	<u>(133,984)</u>	<u>(193,108)</u>	<u>105,926</u>	<u>(221,166)</u>
Retained Earnings (Deficit)/Fund Balance at Beginning of Year (Restated - Note 3)	<u>327,526</u>	<u>130,785</u>	<u>1,294,581</u>	<u>1,752,892</u>
Retained Earnings (Deficit)/Fund Balance at End of Year	<u>\$193,542</u>	<u>(\$62,323)</u>	<u>\$1,400,507</u>	<u>\$1,531,726</u>

See accompanying notes to the general purpose financial statements

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**Greenfield Exempted Village School District
 Combined Statement of Revenues, Expenses, and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Non-Expendable Trust Fund
 For the Fiscal Year Ended June 30, 2002**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Sales	\$303,934	\$303,934	\$0
Charges for Services	0	0	0
Refund of Prior Year Expense	0	0	0
Gifts and Donations	0	0	0
Total Revenues	303,934	303,934	0
Operating Expenses:			
Salaries	186,793	186,793	0
Fringe Benefits	199,775	199,775	0
Purchased Services	2,837	2,837	0
Materials and Supplies	237,286	237,286	0
Capital Outlay	0	0	0
Total Expenses	626,691	626,691	0
Operating Income (Loss)	(322,757)	(322,757)	0
Non-Operating Revenues and Expenses:			
Interest	1,825	1,825	0
Advances - In	91,000	91,000	0
Federal and State Subsidies	229,020	229,020	0
Total Non-Operating Revenues and Expenses	321,845	321,845	0
Income (Loss) Before Operating Transfers	(912)	(912)	0
Operating Transfers - In	1,100	1,100	0
Net Income (Loss)	188	188	0
Fund Equity at Beginning of Year	936	936	0
Prior Year Encumbrances Appropriated	400	400	0
Fund Equity at End of Year	\$1,524	\$1,524	\$0

See accompanying notes to the general purpose financial statements

Internal Service Fund			Non-Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	0	\$0	\$0	\$0
1,950,007	1,950,007	0	0	0	0
0	0	0	1,767	1,767	0
0	0	0	62,714	62,714	0
1,950,007	1,950,007	0	64,481	64,481	0
0	0	0	0	0	0
0	0	0	0	0	0
1,981,602	1,981,602	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,981,602	1,981,602	0	0	0	0
(31,595)	(31,595)	0	64,481	64,481	0
197	197	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
197	197	0	0	0	0
(31,398)	(31,398)	0	64,481	64,481	0
0	0	0	0	0	0
(31,398)	(31,398)	0	64,481	64,481	0
287,381	287,381	0	536,515	536,515	0
15,423	15,423	0	0	0	0
<u>\$271,406</u>	<u>\$271,406</u>	<u>\$0</u>	<u>\$600,996</u>	<u>\$600,996</u>	<u>\$0</u>

Greenfield Exempted Village School District
Combined Statement of Cash Flows
Proprietary Fund Types and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non-Expendable Trust</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$303,934	\$0	\$0	\$303,934
Cash Received from Quasi-External Transactions With Other Funds	0	1,950,008	0	1,950,008
Cash Received from Contributions and Donations	0	0	64,481	64,481
Cash Payments to Suppliers for Goods and Services	(238,368)	0	0	(238,368)
Cash Payments to Employees for Services	(186,793)	0	0	(186,793)
Cash Payments for Employee Benefits	(199,775)	0	0	(199,775)
Cash Payments for Claims	0	(1,981,602)	0	(1,981,602)
Net Cash Provided by (Used for) Operating Activities	<u>(321,002)</u>	<u>(31,594)</u>	<u>64,481</u>	<u>(288,115)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	229,020	0	0	229,020
Operating Transfers In	1,100	0	0	1,100
Advances In	91,000	0	0	91,000
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>321,120</u>	<u>0</u>	<u>0</u>	<u>321,120</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	1,825	197	0	2,022
Net Cash Provided by (Used for) Investing Activities	1,825	197	0	2,022
Net Increase (Decrease) in Cash and Cash Equivalents	1,943	(31,397)	64,481	35,027
Cash and Cash Equivalents at Beginning of Year	1,336	302,804	455,856	759,996
Cash and Cash Equivalents at End of Year	<u>\$3,279</u>	<u>\$271,407</u>	<u>\$520,337</u>	<u>\$795,023</u>
<u>Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:</u>				
Operating Income (Loss)	<u>(\$430,060)</u>	<u>(\$193,306)</u>	<u>\$64,481</u>	<u>(\$558,885)</u>
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>				
Depreciation	30,707	0	0	30,707
Donated Commodities Used During Year	58,824	0	0	58,824
<u>Changes in Assets and Liabilities:</u>				
Decrease in Inventory Held for Resale	1,284	0	0	1,284
Increase in Materials and Supplies Inventory	(246)	0	0	(246)
Increase in Accounts Payable	818	0	0	818
Increase in Accrued Wages and Benefits	7,203	0	0	7,203
Increase in Compensated Absences Payable	8,829	0	0	8,829
Increase in Intergovernmental Payable	3,261	0	0	3,261
Decrease in Deferred Revenue	(1,622)	0	0	(1,622)
Increase in Claims Payable	0	161,712	0	161,712
Total Adjustments	<u>109,058</u>	<u>161,712</u>	<u>0</u>	<u>270,770</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$321,002)</u>	<u>(\$31,594)</u>	<u>\$64,481</u>	<u>(\$288,115)</u>
Reconciliation of Non-Expendable Trust Fund to Balance Sheet				
Cash and Cash Equivalents - All Fiduciary Funds			\$680,046	
Cash and Cash Equivalents - Expendable Trust and Agency Funds			<u>159,709</u>	
Cash and Cash Equivalents - Non-Expendable Trust Fund			<u>\$520,337</u>	

See accompanying notes to the general purpose financial statements

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The District was established in 1966 through the consolidation of existing land areas and school districts. The District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes all of the Villages of Greenfield, South Salem and Rainsboro. It is staffed by 82 non-certificated employees and 151 certificated full-time teaching personnel who provide services to 2,218 students and other community members. The District currently operates 7 instructional buildings, 1 administrative/instructional building, 4 modular administrative/instructional buildings and 1 garage.

Reporting Entity:

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes.

The District has no component units.

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

- ▶ Parent Teacher Organizations
- ▶ Booster Organizations

The District is associated with three organizations, all of which are defined as jointly governed organizations. These organizations are the South Central Ohio Computer Association (SCOCA), Hopewell Special Education Regional Resource Center, and the Great Oaks Institute of Technology. These organizations are presented in Note 16 to the general-purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Greenfield Exempted Village School District 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 District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities and non-expendable trust fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Types:

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

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

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 District on a cost reimbursement basis.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

Fiduciary Fund Types:

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

Account Groups:

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

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary or trust funds.

B. Measurement Focus and Basis of Accounting

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

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

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

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

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (continued)

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, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue.

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and the non-expendable trust fund. Revenues are recognized in the accounting period which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

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

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Highland County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002. At year-end, the District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. Prior to year-end, the District passed a supplemental appropriation that reflected actual expenditures for the fiscal year.

Encumbrances:

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

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, all cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits.

During fiscal year 2002, investments were limited to certificates of deposit, passbook savings, common stock, and STAR Ohio. All investments of the District had a maturity of two years or less.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2002. STAROhio is an investment pool managed by the State Treasurer's Office which 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, 2002.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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 2002 amounted to \$106,592. The capital project, expendable trust, enterprise and internal service funds also received interest revenue of \$35,506, \$29,517, \$1,825, and \$198 respectively.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents.

E. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Fixed Assets and Depreciation

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

H. Capitalized Interest

The District does not capitalize interest for fixed assets acquired from governmental funds. There have been no debt-financed proprietary fund fixed asset acquisitions.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

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

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

M. 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.

N. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for endowments, encumbrances, and property taxes available for advance. The reserve for property taxes represents taxes recognized as revenue under accounting principles generally accepted in the United States of America but not available for appropriations under State statute.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. During fiscal year 2002, the School District held monies for the construction of a new school building. Retainage amounts at June 30, 2002 have been restricted and are presented as "Cash and Cash Equivalents with Fiscal Agents" on the balance sheet.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Total Columns on General Purpose Financial Statements

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

NOTE 3 - RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS

An accounting error was noted in the General Fund and Enterprise Fund. This restatement had the following effect on the fund balance/retained earnings as it was previously reported as of June 30, 2001.

	General Fund	Enterprise Fund
Fund Balance/Retained Earnings June 30, 2001	\$1,566,408	\$(22,439)
Restatement Amount	157,800	349,965
Fund Balance/Retained Earnings July 1, 2001	\$1,724,208	\$327,526

NOTE 4 - ACCOUNTABILITY

At June 30, 2002, the Title I Special Revenue Fund had a deficit fund balance of \$38,241. The deficit was 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.

The Uniform Supplies Fund and the Employee Benefits Internal Service fund had deficit retained earnings of \$564 and \$62,323 respectively. These deficit retained earnings balances were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the 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)-All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses, and Changes in Fund Equity-Budget and Actual (Budget Basis)-All Proprietary Fund Types and Non-Expendable Trust Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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 by fund type.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	(\$1,300,216)	\$63,012	\$134,975	\$1,756,464	\$8,337
Revenue Accruals	62,929	(15,309)	(12,716)	(1,358,695)	0
Expenditure Accruals	195,784	9,414	0	(423,358)	0
Encumbrances	(313,023)	(86,246)	(737)	(2,123,377)	0
Budget Basis	<u>(\$1,354,526)</u>	<u>(\$29,129)</u>	<u>\$121,522</u>	<u>(\$2,148,966)</u>	<u>\$8,337</u>

Net Income (Loss)/Excess of Revenues Over (Under) Expenses
All Proprietary Fund Types and Non-Expendable Trust Fund

	Enterprise	Internal Service	Non-Expendable Trust
GAAP Basis	(\$133,984)	(\$193,108)	\$105,926
Revenue Accruals	26,869	(1)	(41,445)
Expense Accruals	109,057	161,711	0
Encumbrances	(1,754)	0	0
Budget Basis	<u>\$188</u>	<u>(\$31,398)</u>	<u>\$64,481</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. 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 (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and 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 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*.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Deposits At fiscal year end, the carrying amount of the District's deposits was \$2,795,797 and the bank balance was \$2,823,492. Of the bank balance:

1. \$450,000 was covered by federal depository insurance; and
2. \$2,373,492 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 District held to a successful claim by the FDIC.

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

	Category 2	Carrying Amount	Fair Value
Stocks	\$880,170	\$880,170	\$880,170
STAR Ohio		3,870,048	3,870,048
Total Investments		\$4,750,218	\$4,750,218

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*.

A reconciliation between the classifications of cash and cash equivalents and investments on the combined 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
GASB Statement No. 9	\$6,665,845	\$880,170
Investments:		
STAR Ohio	(3,870,048)	3,870,048
GASB Statement No. 3	\$2,795,797	\$4,750,218

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date.

Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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

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

The District receives property taxes from Highland, Ross, and Fayette Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$224,845 in the General Fund, \$5,546 in the Classroom Facilities Maintenance Special Revenue Fund, and \$38,742 in the Debt Service Fund.

The assessed values upon which fiscal year 2002 taxes were collected are:

	<u>2001 First- Half Collections</u>		<u>2002 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$89,913,520	85.52%	\$111,472,310	86.83%
Public Utility	7,562,430	7.19%	6,007,580	4.67%
Tangible Personal Property	<u>7,663,750</u>	<u>7.29%</u>	<u>10,907,360</u>	<u>8.50%</u>
Total Assessed Value	<u>\$105,139,700</u>	<u>100.00%</u>	<u>\$128,387,250</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$29.92		\$29.92	

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2002, follows:

Furniture and Equipment	\$500,355
Less Accumulated Depreciation	<u>(156,559)</u>
Net Fixed Assets	<u><u>\$343,796</u></u>

A summary of the changes in general fixed assets during fiscal year 2002 follows:

Asset Category	Balance at 6/30/01	Additions	Deletions	Balance at 6/30/02
Land and Improvements	\$540,790	\$15,150	\$0	\$555,940
Buildings and Improvements	3,834,772	27,601,072	0	31,435,844
Furniture, Fixtures and Equipment	3,226,336	267,863	0	3,494,199
Construction in Progress	26,593,434	1,365,090	27,601,072	357,452
Vehicles	<u>1,553,224</u>	<u>0</u>	<u>0</u>	<u>1,553,224</u>
Total General Fixed Assets	<u><u>\$35,748,556</u></u>	<u><u>\$29,249,175</u></u>	<u><u>\$27,601,072</u></u>	<u><u>\$37,396,659</u></u>

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the District contracted with Indiana Insurance for property insurance and with Nationwide Insurance for fleet, liability, and inland marine coverage. Coverages are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$20,000,000
Inland Marine Coverage (\$1,000 deductible)	2,000,000
Boiler and 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 reduction in coverage from the prior year.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 9 - RISK MANAGEMENT (Continued)

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 \$333,730 reported in the internal service fund at June 30, 2002 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past three fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2000	\$129,175	\$1,339,820	\$1,309,006	\$159,989
2001	159,989	1,368,322	1,356,292	172,019
2002	172,019	2,143,313	1,981,602	333,730

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3771 or by calling (614)227-4090.

For the fiscal year ended June 30, 2002, plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$592,230, \$620,619, and \$313,962, respectively; 83 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$97,956 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

B. School Employees Retirement System

The District contributes to the School Employees Retirement System(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 State statute per 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, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$71,391, \$76,907, and \$94,552, respectively; 24 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$54,133 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System of the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, no employees have elected Social Security.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The 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 obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement 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 Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, and after, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$281,595 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,256 million at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For this fiscal year, employer contributions to fund health care benefits were 9.8 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 2002, the minimum pay has been established at \$12,400. 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 portion of the employer contributions that were used to fund postemployment benefits was \$232,194.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, (the latest information available) SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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. Sick leave may be accumulated up to a maximum of 240 days for all personnel.

Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days for all employees.

B. Life Insurance

The District provides life insurance to most employees through CoreSource.

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 2002 were as follows:

	<u>Principal Outstanding 6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/02</u>
School Facilities General Obligation Bond 1998 4.99%	\$3,600,000	\$0	\$115,000	\$3,485,000
School Facilities General Obligation Bond 1983 9.50%	<u>195,000</u>	<u>0</u>	<u>65,000</u>	<u>130,000</u>
Total Long-Term Bonds	3,795,000	0	180,000	3,615,000
Pension Obligation	105,515	109,047	105,515	109,047
Compensated Absences	<u>1,091,854</u>	<u>15,281</u>	<u>0</u>	<u>1,107,135</u>
Total General Long-Term Obligations	<u><u>\$4,992,369</u></u>	<u><u>\$124,328</u></u>	<u><u>\$285,515</u></u>	<u><u>\$4,831,182</u></u>

Energy Conservation Note Payable - On February 26, 1993, Greenfield Exempted Village School District issued \$362,820 in unvoted general obligation notes for the purpose of providing energy conservation measures for the District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with an original maturity of December 1, 2002. The notes were retired from the debt service fund.

School Facilities General Obligation Bond - On May 9, 1983, Greenfield Exempted Village School District 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 will be retired from the debt service fund.

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

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.

The District's voted legal debt margin was \$7,939,853 with an unvoted debt margin of \$128,387 at June 30, 2002.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2002, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2003	\$185,000	\$178,175	\$363,175
2004	185,000	169,990	354,990
2005	125,000	158,726	283,726
2006	135,000	153,168	288,168
2007	140,000	147,220	287,220
2008-2012	795,000	632,083	1,427,083
2013-2017	1,025,000	393,670	1,418,670
Thereafter	1,025,000	105,375	1,130,375
Total	<u>\$3,615,000</u>	<u>\$1,938,407</u>	<u>\$5,553,407</u>

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 14 - INTERFUND ACTIVITY

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivables	Interfund Payables
General Fund	\$221,723	\$0
Special Revenue Funds:		
Title I	0	44,000
District Managed Activities	0	200
Title VI	0	37,775
Total Special Revenue Funds	0	81,975
Capital Project Fund:		
Classroom Facilities	0	25,998
Enterprise Fund:		
Food Service	0	91,000
Uniform School Supplies	0	22,750
Total Enterprise Funds	0	113,750
Total All Funds	\$221,723	\$221,723

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three enterprise funds to account for the operations of food service sales, uniform school supplies and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Greenfield Exempted Village School District as of and for the fiscal year ended June 30, 2002.

	Food Service	Uniform School Supplies	Adult Education	Total Enterprise Funds
Operating Revenues	\$301,184	\$0	\$2,750	\$303,934
Operating Expenses				
less Depreciation	(699,493)	0	(3,794)	(703,287)
Depreciation Expense	(30,707)	0	0	(30,707)
Operating Loss	(429,016)	0	(1,044)	(430,060)
Donated Commodities	58,824	0	0	58,824
Federal and State Subsidies	234,327	0	0	234,327
Net Income (Loss)	(134,040)	0	56	(133,984)
Net Working Capital	(149,726)	(564)	36	(150,254)
Total Assets	390,003	186	53	390,242
Total Equity	(194,070)	(564)	36	193,542
Encumbrances Outstanding at June 30, 2002	1,754	0	0	1,754

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The District is a member of the South Central Ohio Computer Association (SCOCA) which is a computer consortium data acquisition site. SCOCA is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of SCOCA consists of two representatives from each of the seven participating counties, two representatives of the school treasurers plus the fiscal agent. The degree of control exercised by any participating district is limited to its representation on the Board. To obtain financial information write to SCOCA at the Pike County Joint Vocational School, P.O. Box 577, 175 Beaver Creek Rd., 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.

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 - SCHOOL FUNDING

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

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

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

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 18 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2002.

B. Litigation

The School District is not party to legal proceedings.

NOTE 19 - CONTRACTUAL COMMITMENTS

As of June 30, 2002, the School District had contractual purchase commitments for professional design services for the construction of new school facilities as follows:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/02</u>
C & T Design	\$156,398	\$155,159	\$1,239
Croson-Teepe	2,925,860	2,910,860	15,000
Dalmation Fire	417,065	381,690	35,375
Eagle	1,037,604	994,659	42,945
K & W Roofing	301,609	229,629	71,980
Johnson Controls	496,669	456,936	39,733
Quantum	12,242,629	12,192,628	50,001
Reddy	3,627,538	3,620,359	7,179
Stonecreek	174,615	173,754	861
Trane	261,420	259,878	1,542
Triad	1,885,547	1,802,684	82,863
Wellers	2,046,946	2,038,967	7,979
Totals	<u>\$25,573,900</u>	<u>\$25,217,203</u>	<u>\$356,697</u>

Greenfield Exempted Village School District
Notes to the General-Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 20 - STATUTORY 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, 2001	\$85,633	\$0
Prior Year Carryover	0	(8,680,619)
Current year set-aside requirement	263,857	263,857
Qualifying disbursements	(799,664)	(2,083,314)
Set-aside Balance Carried Forward to Future Years	(\$450,174)	(\$10,500,076)
Set-aside Reserve Balance as of June 30, 2002	\$0	\$0

The School District had 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.

Greenfield Exempted Village School District
Highland County
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Pass through the Ohio Department of Education</i>						
NUTRITION CLUSTER						
Food Distribution Program	N/A	10.550	\$0	\$58,693	\$0	\$58,824
School Breakfast Program	05-PU	10.553	24,561	0	24,561	0
National School Lunch Program	LL-P4	10.555	188,916	0	188,916	0
Special Milk Program	02-PU	10.556	<u>1,742</u>	<u>0</u>	<u>1,742</u>	<u>0</u>
<i>Total U.S. Department of Agriculture - Nutrition Cluster</i>			215,219	58,693	215,219	58,824
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Pass through the Ohio Department of Education</i>						
SPECIAL EDUCATION CLUSTER						
Title VI-B	6B-SF	84.027	168,490	0	127,724	0
Special Education Preschool Grant	PG-S1	84.173	<u>6,130</u>	<u>0</u>	<u>6,130</u>	<u>0</u>
<i>Total Special Education Cluster</i>			<u>174,620</u>	<u>0</u>	<u>133,854</u>	<u>0</u>
Continuous Improvement Goals 2000	G2-S2	84.276	0	0	24,310	0
Innovative Educational Program Strategy	C2-S1	84.298	11,424	0	0	0
Assistive Technology	AT-S1	84.352A	8,348	0	8,348	0
Class Size Reduction	CR-S1	84.340	21,272	0	21,272	0
Title I	C1-S1	84.010	319,619	0	350,909	0
Safe & Drug Free Schools	DR-S1	84.186	4,497	0	3,773	0
Eisenhower Math Science	MS-S1	84.281	<u>13,365</u>	<u>0</u>	<u>5,430</u>	<u>0</u>
<i>Total U.S. Department of Education</i>			<u>553,145</u>	<u>0</u>	<u>547,896</u>	<u>0</u>
<i>Total Federal Financial Assistance</i>			<u>\$768,364</u>	<u>\$58,693</u>	<u>\$763,115</u>	<u>\$58,824</u>

Legend:

N/A = Pass Through Entity Number Not Applicable

See Notes to Schedule of Federal Awards Expenditures.

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2002**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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, 2002, the District had no significant food commodities in inventory.

BALESTRA & COMPANY

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Report on Compliance and on Internal Control Over Financial Reporting 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 general-purpose financial statements of the Greenfield Exempted Village School District (the District), Highland County, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 6, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether Greenfield Exempted Village School District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general-purpose 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 that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance, which we have reported to management of Greenfield Exempted Village School District in a separate letter dated December 6, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greenfield Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the School District in a separate letter dated December 6, 2002.

This report is intended solely for the information and use of the audit committee, management, members of the Board, 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.

Balestra & Company
Balestra & Company

December 6, 2002

BALESTRA & COMPANY

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 the Greenfield Exempted Village 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 its major federal program for the year ended June 30, 2002. Greenfield Exempted Village School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Greenfield Exempted Village School District's management. Our responsibility is to express an opinion on Greenfield Exempted Village 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 Greenfield Exempted Village 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 Greenfield Exempted Village School District's compliance with those requirements.

In our opinion, Greenfield Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Greenfield Exempted Village 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 Greenfield Exempted Village 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.

Members of the Board
Greenfield Exempted Village School District
Greenfield, Ohio 45123
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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Greenfield Exempted Village School District in a separate letter dated December 6, 2002.

This report is intended solely for the information and use of the audit committee, management, members of the Board, 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.

Balestra & Company
Balestra & Company

December 6, 2002

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported 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):	Nutrition Cluster, CFDA #10.550, 10.553, 10.555 and 10.556
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2002**

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

Finding Number	None
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 2002**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-001	Expenditures Exceeding Appropriations	No	Not Corrected. See current year's management letter. The District is monitoring appropriation due dates to ensure final appropriations are passed in a timely manner. Original finding initiated in 2001.
2001-002	Appropriations Exceeding Estimated Resources	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
JANUARY 7, 2003**