



Dave Yost • Auditor of State



**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position as of June 30, 2014 .....	11
Statement of Activities - For the Fiscal Year Ended June 30, 2014.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	14
Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of Governmental Funds to the Statement of Activities .....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Title VI-B Fund .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Title I Fund .....	19
Statement of Fund Net Position – Internal Service Fund.....	20
Statement of Revenue, Expenses and Changes in Fund Net Position – Internal Service Fund.....	21
Statement of Cash Flows – Internal Service Fund .....	22
Statement of Fiduciary Net Position – Fiduciary Funds.....	23
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	24
Notes to the Basic Financial Statements .....	25
Federal Awards Receipts and Expenditures Schedule.....	51
Notes to the Federal Awards Receipts and Expenditures Schedule .....	52
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	53

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	55
Schedule of Findings.....	57
Schedule of Prior Year Findings .....	59



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Greenfield Exempted Village School District  
Highland County  
200 North Fifth Street  
Greenfield, Ohio 45123

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Title VI-B, and Title I funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 25, 2015

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Greenfield Exempted Village Schools (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2014 by \$34,716,200.
- The School District's net position of governmental activities increased \$1,052,505.
- General revenues accounted for \$18,463,514 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$4,445,032 or 19 percent of total revenues of \$22,908,546.
- The School District had \$21,856,041 in expenses related to governmental activities; \$4,445,032 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

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

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

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

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

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

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

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

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

---

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

**Fund Financial Statements**

The analysis of the School District's funds begins on page 9. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major funds are the General Fund, Title VI-B, and the Title I Special Revenue Funds.

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

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

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

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

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

**THE SCHOOL DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2014 compared to 2013.

Table 1  
Net Position

	Governmental Activities	
	2014	2013
Assets:		
Current and Other Assets	\$ 22,463,690	\$ 20,028,946
Capital Assets, Net	20,879,613	21,831,337
Total Assets	43,343,303	41,860,283
Deferred Outflows of Resources:		
Unamortized Deferred Amount on Refunding	12,084	14,119
Liabilities:		
Current and Other Liabilities	2,499,723	1,928,975
Long-Term Liabilities	2,868,002	3,087,284
Total Liabilities	5,367,725	5,016,259
Deferred Inflows of Resources:		
Property Taxes not Levied to Finance Current Year Operations	3,271,462	3,194,448
Net Position:		
Net Investment in Capital Assets	19,297,699	20,014,117
Restricted	4,716,083	3,764,885
Unrestricted	10,702,418	9,884,693
Total Net Position	\$ 34,716,200	\$ 33,663,695

Total net position of the School District as a whole increased \$1,052,505. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash and cash equivalents, intergovernmental receivable, and taxes receivable. The decrease in capital assets was primarily due to depreciation expense and disposals, which were partially offset by additions. The increase in current liabilities was primarily due to the increase in accounts payable and accrued wages and benefits. Long-term liabilities decreased due to principle payments made during the year.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

Table 2 shows the changes in net position for 2014 compared to 2013.

Table 2  
Change in Net Position

	Governmental Activities 2014	2013*
<b>Revenue</b>		
Program Revenues:		
Charges for Services and Sales	\$ 1,015,553	\$ 821,999
Operating Grants and Contributions	3,429,479	3,163,132
Capital Grants and Contributions	-	111,998
Total Program Revenues	<u>4,445,032</u>	<u>4,097,129</u>
General Revenue:		
Income Taxes	1,820,539	1,826,116
Grants and Entitlements, Not Restricted for Specific Programs	12,829,392	12,149,325
Gifts and Donations, Not Restricted for Specific Programs	1,100	-
Investment Earnings	75,607	21,218
Miscellaneous	163,607	295,077
Property Taxes	3,573,269	3,499,548
Total General Revenues	<u>18,463,514</u>	<u>17,791,284</u>
Total Revenues	<u>22,908,546</u>	<u>21,888,413</u>
<b>Program Expenses</b>		
Instruction		
Regular	9,888,826	8,977,466
Special	2,487,176	2,021,653
Vocational	452,815	414,321
Other	1,396,625	1,281,473
Support Services		
Pupils	1,076,568	942,949
Instructional Staff	409,977	631,480
Board of Education	48,821	67,254
Administration	1,723,901	1,826,384
Fiscal	435,763	416,531
Operation and Maintenance of Plant	1,650,265	1,812,816
Pupil Transportation	1,022,492	1,103,652
Central	-	61,164
Operation of Non-Instructional Services	736,951	704,449
Extracurricular Activities	452,680	397,134
Interest and Fiscal Charges	73,181	74,334
Total Expenses	<u>21,856,041</u>	<u>20,733,060</u>
Increase in Net Position	1,052,505	1,155,353
Net Position at Beginning of Year	33,663,695	32,508,342
Net Position at End of Year	<u>\$ 34,716,200</u>	<u>\$ 33,663,695</u>

\* Certain reclassifications were made to prior year amounts in order to conform to the 2014 presentation.

**Governmental Activities**

Charges for services and sales comprised 4 percent of revenue for governmental activities, while operating grants and contributions comprised 15 percent of revenue for governmental activities of the School District for fiscal year 2014. Income tax revenue comprised 8 percent of revenue for governmental activities. Property tax revenue comprised 16 percent of revenue for governmental activities for fiscal year 2014. Grants and entitlements, not restricted for specific programs, comprised 56 percent of revenue for governmental activities.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

Operating Grants and Contributions increased due to additional monies received from the Ohio Department of Education for special education. Charges for Services and Sales increased due to increased tuition and fees revenue related to an increase in enrollment. Grants and Entitlements, Not Restricted to Specific Programs increased due to additional foundation monies. As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 45 percent of governmental program expenses. Regular instruction increased as a direct result of classification changes from instructional staff as well as increases in salaries and benefits. Special instruction increased due to the increase in revenue for the Title I program. Operation and maintenance of plant decreased due to a decrease in maintenance costs and utility expenses during 2014.

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

Table 3  
Governmental Activities

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013*</u>
Program Expenses				
Instruction:				
Regular	\$ 9,888,826	\$ 9,020,716	\$ 8,977,466	\$ 8,182,271
Special	2,487,176	799,587	2,021,653	881,250
Vocational	452,815	307,512	414,321	277,886
Other	1,396,625	1,343,905	1,281,473	1,242,061
Support Services:				
Pupils	1,076,568	834,408	942,949	698,542
Instructional Staff	409,977	366,552	631,480	254,038
Board of Education	48,821	46,978	67,254	65,186
Administration	1,723,901	1,622,445	1,826,384	1,682,300
Fiscal	435,763	418,005	416,531	402,694
Operation and Maintenance of Plant	1,650,265	1,522,301	1,812,816	1,698,021
Pupil Transportation	1,022,492	985,239	1,103,652	1,060,003
Central	-	-	61,164	59,283
Operation of Non-Instructional Services	736,951	(80,308)	704,449	(89,289)
Extracurricular Activities	452,680	150,488	397,134	147,351
Interest and Fiscal Charges	73,181	73,181	74,334	74,334
<b>Total</b>	<u><u>\$ 21,856,041</u></u>	<u><u>\$ 17,411,009</u></u>	<u><u>\$ 20,733,060</u></u>	<u><u>\$ 16,635,931</u></u>

\* Certain reclassifications were made to prior year amounts in order to conform to the 2014 presentation.

**THE SCHOOL DISTRICT'S FUNDS**

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$24,389,913 and expenditures and other financing uses of \$22,140,670. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$560,785. This increase is due mainly to revenues exceeding current year expenditures.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

The fund balance of the Title VI-B Fund increased \$200,674. The Title VI-B Fund had revenues in the amount of \$602,739 and expenditures in the amount of \$402,065. The fund balance of the Title I Fund increased \$381,701. The Title I Fund had revenues and other financing sources in the amount of \$1,112,682 and expenditures in the amount of \$730,981. The Title I fund had receivables which were not collected in the available period which would have substantially covered the deficit.

**General Fund Budgeting Highlights**

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

During 2014, there were several revisions to the General Fund budget. In part, these revisions decreased estimated revenues and other financing sources by \$2,996,340 due to decreases in property taxes and intergovernmental revenue and decreased appropriations by \$1,473,553 due to decreases in advances out anticipated. The General fund's ending unobligated cash balance was \$3,880,986.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2014, the School District had \$20,879,613 invested in its capital assets. Table 4 shows the fiscal year 2014 balances compared to 2013.

Table 4  
 Capital Assets  
 (Net of Depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 54,539	\$ 42,231
Land Improvements	50,762	67,840
Buildings and Improvements	19,954,025	20,691,195
Furniture and Equipment	320,854	171,362
Vehicles	499,433	858,709
Totals	\$ 20,879,613	\$ 21,831,337

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

**Debt**

At June 30, 2014, the School District had an outstanding General Obligation Bond in the amount of \$205,000, which was issued for the purpose of improvements. The School District also had Refunding Bonds consisting of \$990,000 in current interest bonds and \$354,998 of capital appreciation bonds. See Note 13 to the basic financial statements for more detailed information relating to debt.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

---

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

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

**This page intentionally left blank.**

**Greenfield Exempted Village School District**  
*Statement of Net Position*  
*June 30, 2014*

	Governmental Activities
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 16,384,010
Accounts Receivable	1,609
Intergovernmental Receivable	1,658,245
Taxes Receivable	4,419,826
Noncurrent Assets:	
Non-Depreciable Capital Assets	54,539
Depreciable Capital Assets, net	20,825,074
<i>Total Assets</i>	43,343,303
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Unamortized Deferred Amount on Refunding	12,084
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	582,963
Accrued Wages and Benefits	1,548,630
Intergovernmental Payable	342,978
Accrued Interest Payable	3,649
Claims Payable	21,503
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	376,135
Due in More Than One Year	2,491,867
<i>Total Liabilities</i>	5,367,725
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes not Levied to Finance Current Year Operations	3,271,462
Total Deferred Inflows of Resources	3,271,462
<b>NET POSITION:</b>	
Net Investment in Capital Assets	19,297,699
Restricted for Debt Service	1,370,628
Restricted for Capital Outlay	1,851,825
Restricted for Other Purposes	603,323
Restricted for Classroom Facilities Maintenance	890,307
Unrestricted	10,702,418
<i>Total Net Position</i>	\$ 34,716,200

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

**Greenfield Exempted Village School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$ 9,888,826	\$ 322,803	\$ 545,307	\$ (9,020,716)
Special	2,487,176	68,372	1,619,217	(799,587)
Vocational	452,815	17,093	128,210	(307,512)
Other	1,396,625	52,720	-	(1,343,905)
<b>Support Services:</b>				
Pupils	1,076,568	28,890	213,270	(834,408)
Instructional Staff	409,977	14,263	29,162	(366,552)
Board of Education	48,821	1,843	-	(46,978)
Administration	1,723,901	63,231	38,225	(1,622,445)
Fiscal	435,763	15,994	1,764	(418,005)
Operation and Maintenance of Plant	1,650,265	59,816	68,148	(1,522,301)
Pupil Transportation	1,022,492	37,253	-	(985,239)
Operation of Non-Instructional Services	736,951	167,840	649,419	80,308
Extracurricular Activities	452,680	165,435	136,757	(150,488)
Interest and Fiscal Charges	73,181	-	-	(73,181)
<b>Total Governmental Activities</b>	<b>\$ 21,856,041</b>	<b>\$ 1,015,553</b>	<b>\$ 3,429,479</b>	<b>(17,411,009)</b>
<b>General Revenues:</b>				
<b>Taxes Levied for:</b>				
General Purposes				3,177,821
Debt Service				382,871
Classroom Facilities				12,577
Income Taxes				1,820,539
Grants and Entitlements, Not Restricted to Specific Programs				12,829,392
Gifts and Donations, Not Restricted to Specific Programs				1,100
Investment Earnings				75,607
Miscellaneous				163,607
<b>Total General Revenues</b>				<b>18,463,514</b>
<b>Change in Net Position</b>				<b>1,052,505</b>
<b>Net Position Beginning of Year</b>				<b>33,663,695</b>
<b>Net Position End of Year</b>				<b>\$ 34,716,200</b>

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

**Greenfield Exempted Village School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2014*

	General	Title VI-B	Title I	All Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 7,393,834	\$ 387,321	\$ 1,629,753	\$ 5,167,370	\$ 14,578,278
Accounts Receivable	1,609	-	-	-	1,609
Interfund Receivable	3,935,290	-	-	-	3,935,290
Intergovernmental Receivable	89,420	402,066	772,643	394,116	1,658,245
Taxes Receivable	3,993,635	-	-	426,191	4,419,826
<i>Total Assets</i>	<u>\$ 15,413,788</u>	<u>\$ 789,387</u>	<u>\$ 2,402,396</u>	<u>\$ 5,987,677</u>	<u>\$ 24,593,248</u>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 459,429	\$ -	\$ -	\$ 123,534	\$ 582,963
Accrued Wages and Benefits	1,508,910	-	-	39,720	1,548,630
Interfund Payable	-	789,386	2,360,733	785,171	3,935,290
Intergovernmental Payable	331,333	-	-	11,645	342,978
<i>Total Liabilities</i>	<u>2,299,672</u>	<u>789,386</u>	<u>2,360,733</u>	<u>960,070</u>	<u>6,409,861</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes not Levied to Finance Current Year Operations	2,910,394	-	-	361,068	3,271,462
Unavailable Revenue - Delinquent Taxes	275,949	-	-	34,566	310,515
Unavailable Revenue - Grants	-	-	49,629	-	49,629
<i>Total Deferred Inflows of Resources</i>	<u>3,186,343</u>	<u>-</u>	<u>49,629</u>	<u>395,634</u>	<u>3,631,606</u>
<b>FUND BALANCES:</b>					
Restricted	-	1	-	4,657,109	4,657,110
Committed	459,378	-	-	-	459,378
Assigned	3,068,774	-	-	-	3,068,774
Unassigned	6,399,621	-	(7,966)	(25,136)	6,366,519
<i>Total Fund Balances</i>	<u>9,927,773</u>	<u>1</u>	<u>(7,966)</u>	<u>4,631,973</u>	<u>14,551,781</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 15,413,788</u>	<u>\$ 789,387</u>	<u>\$ 2,402,396</u>	<u>\$ 5,987,677</u>	<u>\$ 24,593,248</u>

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

**Greenfield Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2014*

<b>Total Governmental Fund Balances</b>		\$ 14,551,781
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,879,613
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	310,515	
Intergovernmental	49,629	
Total	360,144	360,144
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,784,229
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net position.		(3,649)
Long-term liabilities, including bonds, accretion, unamortized deferred amount on refunding premiums, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,182,991)	
General Obligation Bonds	(205,000)	
Refunding Bonds:		
Current Interest Bonds	(990,000)	
Capital Appreciation Bonds	(354,998)	
Accretion on Capital Appreciation Bonds	(91,013)	
Unamortized Deferred Amount on Refunding	12,084	
Unamortized Premium on Refunding Bonds	(44,000)	
Total	(2,855,918)	(2,855,918)
<b>Net Position of Governmental Activities</b>		<b>\$ 34,716,200</b>

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2014

	General	Title VI-B	Title I	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property Taxes	\$ 3,156,204	\$ -	\$ -	\$ 392,350	\$ 3,548,554
Income Tax	1,820,539	-	-	-	1,820,539
Intergovernmental	13,901,460	602,739	1,109,921	1,354,145	16,968,265
Interest	73,278	-	-	-	73,278
Tuition and Fees	622,883	-	-	-	622,883
Rent	910	-	-	-	910
Extracurricular Activities	-	-	-	154,034	154,034
Gifts and Donations	1,100	-	-	31,256	32,356
Customer Sales and Services	69,920	-	-	167,806	237,726
Miscellaneous	163,605	-	-	2	163,607
<i>Total Revenues</i>	<u>19,809,899</u>	<u>602,739</u>	<u>1,109,921</u>	<u>2,099,593</u>	<u>23,622,152</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	8,535,607	245,634	-	353,753	9,134,994
Special	1,795,468	-	668,615	5,409	2,469,492
Vocational	449,979	-	-	-	449,979
Other	1,382,933	-	-	-	1,382,933
<b>Support Services:</b>					
Pupils	769,200	156,431	-	154,810	1,080,441
Instructional Staff	373,768	-	32,125	-	405,893
Board of Education	48,821	-	-	-	48,821
Administration	1,731,687	-	23,109	19,000	1,773,796
Fiscal	422,841	-	-	12,054	434,895
Operation and Maintenance of Plant	1,589,017	-	-	75,072	1,664,089
Pupil Transportation	986,806	-	-	-	986,806
Operation of Non-Instructional Services	-	-	7,132	706,040	713,172
Extracurricular Activities	300,374	-	-	150,652	451,026
Capital Outlay	94,852	-	-	-	94,852
<b>Debt Service:</b>					
Principal	-	-	-	230,000	230,000
Interest	-	-	-	51,720	51,720
<i>Total Expenditures</i>	<u>18,481,353</u>	<u>402,065</u>	<u>730,981</u>	<u>1,758,510</u>	<u>21,372,909</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,328,546</u>	<u>200,674</u>	<u>378,940</u>	<u>341,083</u>	<u>2,249,243</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	-	-	2,761	765,000	767,761
Transfers Out	(767,761)	-	-	-	(767,761)
<i>Total Other Financing Sources and Uses</i>	<u>(767,761)</u>	<u>-</u>	<u>2,761</u>	<u>765,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	560,785	200,674	381,701	1,106,083	2,249,243
<i>Fund Balances at Beginning of Year</i>	<u>9,366,988</u>	<u>(200,673)</u>	<u>(389,667)</u>	<u>3,525,890</u>	<u>12,302,538</u>
<i>Fund Balances at End of Year</i>	<u>\$ 9,927,773</u>	<u>\$ 1</u>	<u>\$ (7,966)</u>	<u>\$ 4,631,973</u>	<u>\$ 14,551,781</u>

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

**Greenfield Exempted Village School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2014*

---

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,249,243

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

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

Capital Asset Additions	105,730	
Current Year Depreciation	(840,115)	
<b>Total</b>	<b>(734,385)</b>	(734,385)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets.

Loss on Disposal of Capital Assets	(217,339)	
<b>Total</b>	<b>(217,339)</b>	(217,339)

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

Taxes	24,715	
Intergovernmental	(740,650)	
Interest	2,329	
<b>Total</b>	<b>(713,606)</b>	(713,606)

The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net position, but does not result in an expenditure in the governmental funds. 7,341

Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements. (2,035)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities. 230,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Decrease in Compensated Absences	6,794	
Accretion of Capital Appreciation Bonds	(24,853)	
Increase in Interest Payable	(1,914)	
<b>Total</b>	<b>(19,973)</b>	(19,973)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities with the exception of interest earnings. 253,259

**Net Change in Net Position of Governmental Activities** \$ 1,052,505

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 24,244,044	\$ 21,247,704	\$ 21,247,704	\$ -
Total Expenditures and Other Financing Uses	24,772,219	23,298,666	23,288,183	10,483
Net Change in Fund Balance	(528,175)	(2,050,962)	(2,040,479)	10,483
Fund Balance at Beginning of Year	4,982,086	4,982,086	4,982,086	-
Prior Year Encumbrances Appropriated	939,379	939,379	939,379	-
Fund Balance at End of Year	<u>\$ 5,393,290</u>	<u>\$ 3,870,503</u>	<u>\$ 3,880,986</u>	<u>\$ 10,483</u>

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2014*

---

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 1,193,302	\$ 587,994	\$ 587,994	\$ -
Total Expenditures and Other Financing Uses	2,181,408	979,249	979,249	-
Net Change in Fund Balance	(988,106)	(391,255)	(391,255)	-
Fund Balance at Beginning of Year	778,576	778,576	778,576	-
Fund Balance at End of Year	\$ (209,530)	\$ 387,321	\$ 387,321	\$ -

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2014*

---

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 2,502,644	\$ 1,151,883	\$ 1,151,883	\$ -
Total Expenditures and Other Financing Uses	4,358,852	1,140,239	1,140,239	-
Net Change in Fund Balance	(1,856,208)	11,644	11,644	-
Fund Balance at Beginning of Year	1,613,818	1,613,818	1,613,818	-
Prior Year Encumbrances Appropriated	2,706	2,706	2,706	-
Fund Balance at End of Year	\$ (239,684)	\$ 1,628,168	\$ 1,628,168	\$ -

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

**Greenfield Exempted Village School District**  
*Statement of Fund Net Position*  
*Governmental Activities - Internal Service Fund*  
*June 30, 2014*

---

	<u>Internal Service</u>
<b>ASSETS:</b>	
Equity in Pooled Cash,Cash Equivalents and Investments	<u>\$ 1,805,732</u>
<i>Total Assets</i>	<u>1,805,732</u>
<b>LIABILITIES:</b>	
Claims Payable	<u>21,503</u>
<i>Total Liabilities</i>	<u>21,503</u>
<b>NET POSITION:</b>	
Unrestricted	<u>1,784,229</u>
<i>Total Net Position</i>	<u><u>\$ 1,784,229</u></u>

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Governmental Activities - Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Internal Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 441,571
<i>Total Operating Revenues</i>	<u>441,571</u>
<b>OPERATING EXPENSES:</b>	
Claims	177,876
Other	10,436
<i>Total Operating Expenses</i>	<u>188,312</u>
<i>Operating Income</i>	253,259
<b>NON-OPERATING REVENUES:</b>	
Interest	2,329
<i>Total Non-Operating Revenues</i>	<u>2,329</u>
<i>Net Change in Net Position</i>	255,588
Net Position at Beginning of Year	<u>1,528,641</u>
Net Position at End of Year	<u>\$ 1,784,229</u>

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

**Greenfield Exempted Village School District**  
*Statement of Cash Flows*  
*Governmental Activities - Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Internal Service
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 441,571
Cash Payments for Claims	(176,811)
Cash Payments for Other Operating Uses	(10,436)
<i>Net Cash Provided by Operating Activities</i>	254,324
<i>Cash Flows from Investing Activities</i>	
Interest on Investments	2,329
<i>Net Increase in Cash and Cash Equivalents</i>	256,653
Cash and Cash Equivalents at Beginning of Year	1,549,079
Cash and Cash Equivalents at End of Year	\$ 1,805,732
<b><i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i></b>	
Operating Income	\$ 253,259
<i>Changes in Liabilities:</i>	
Increase in Claims Payable	1,065
<i>Net Cash Provided by Operating Activities</i>	\$ 254,324

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

**Greenfield Exempted Village School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2014*

---

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS:</b>		
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 1,363,527	\$ 200,968
Investments	2,109,511	
Total Assets	3,473,038	
<b>LIABILITIES:</b>		
Undistributed Monies		\$ 200,968
<b>NET POSITION:</b>		
Held in Trust for Scholarships	3,473,038	
Total Net Position	\$ 3,473,038	

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

**Greenfield Exempted Village School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2014*

---

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Gifts and Contributions	\$ 31,788
Investment Earnings	<u>301,195</u>
<i>Total Additions</i>	332,983
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	<u>88,957</u>
Change in Net Position	244,026
Net Position Beginning of Year	<u>3,229,012</u>
Net Position End of Year	<u><u>\$ 3,473,038</u></u>

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

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

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

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the village of Greenfield, South Salem and Rainsboro. It is staffed by 94 classified employees and 130 certificated employees who provide services to 2,088 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

*Reporting Entity:*

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

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

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

- \* Boosters Clubs
- \* Parent Teacher Organizations

The School District is associated with two organizations which are defined as jointly governed organizations. These organizations are the South Central Ohio Computer Association Council of Governments and the Great Oaks Institute of Technology. These organizations are presented in Note 15 to the basic financial statements.

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

The financial statements of the Greenfield Exempted Village Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

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

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

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

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**General Fund**

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

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

**B. Fund Accounting** (continued)

**Title VI-B Fund**

The Title VI-B fund is used to provide financial assistance to schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels. The major source of revenue for this fund is grant monies received from federal sources.

**Title I Fund**

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

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

**Proprietary Funds**

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

**Internal Service Fund**

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

**Fiduciary Funds**

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

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

**Measurement Focus**

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

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

**B. Fund Accounting** (continued)

**Measurement Focus** (continued)

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

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

**Basis of Accounting**

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

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

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

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

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

**B. Fund Accounting** (continued)

**Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for the unamortized portion of the net loss on refunding of bonds as of June 30, 2014. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**C. Budgetary Process**

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the first permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2014.

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

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

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

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

During fiscal year 2014 the School District's investments were limited to stock for the private purpose trust fund and Federal Home Loan Bank Bonds.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited during fiscal year 2014 amounted to \$73,278 for the General Fund and \$2,329 for the Internal Service Fund.

**E. Capital Assets and Depreciation**

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

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

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

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

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

**F. Interfund Balances**

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

**G. Compensated Absences**

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

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid. The School District had no matured compensated absences payable as of June 30, 2014.

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

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

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

**I. Fund Balance**

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

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

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

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

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

**I. Fund Balance** (continued)

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

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

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**K. Net Position**

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

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

The government-wide statement of net position reports \$4,716,083 in restricted net position, none of which is restricted by enabling legislation.

**L. Interfund Transactions**

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

**NOTE 3 – ACCOUNTABILITY**

At June 30, 2014, the Title I, School Net, and the Improving Teacher Quality Special Revenue Funds had fund balance deficits of \$7,966, \$95, and \$25,041, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) presented for the General Fund, Title VI-B, and Title I Special Revenue 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 as follows:

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

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

	<u>General</u>	<u>Title VI-B</u>	<u>Title I</u>
GAAP Basis	\$ 560,785	\$ 200,674	\$ 381,701
Revenue Accruals	1,505,706	(14,745)	39,201
Expenditure Accruals	(1,318,941)	(577,184)	(407,675)
Perspective Difference: Activity of Funds Reclassified for GAAP Reporting Purposes	(39,849)	-	-
Encumbrances	<u>(2,748,180)</u>	<u>-</u>	<u>(1,583)</u>
Budget Basis	<u><u>\$ (2,040,479)</u></u>	<u><u>\$ (391,255)</u></u>	<u><u>\$ 11,644</u></u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2014**

---

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

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
9. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

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

As of June 30, 2014, the School District's bank balance of \$17,735,704. Of the \$17,735,704 balance, \$12,421,375 was covered by FDIC, while the remaining amount was collateralized by the financial institution's public entity deposit pools in the manner described above.

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

	Carrying/Fair Value	Weighted Average Maturity (Years)
Common Stocks	\$ 2,109,511	<1 Year
FHLB Bonds	496,810	<1 Year
Total	\$ 2,606,321	

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

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits their investments to stocks, Certificates of Deposit, and FHLB Bonds. Investments in preferred stock should be rated "A" or better by Moody's or S&P at the time of purchase. The common stock was not rated. Investments in FHLB Bonds were rated AA+ by Standard & Poor's. The School District's investment policy does not address credit risk beyond the requirements of the Ohio Revised Code.

**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 81% of the School District's investments are in common stocks, with the remaining 19% in FHLB Bonds. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected in 2014 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values upon which fiscal year 2014 taxes were collected are:

	2013 Second- Half Collections		2014 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$158,757,800	94.69%	\$155,373,120	94.63%
Public Utility	8,909,290	5.31%	8,812,960	5.37%
Total Assessed Value	<u>\$167,667,090</u>	<u>100.00%</u>	<u>\$164,186,080</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.10		\$28.10	

The School District receives property taxes from Fayette, Highland and Ross Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2014 and for which there is an enforceable legal claim.

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

The amount available as an advance at June 30, 2014, was \$242,239 in the General Fund, \$4,792 in the Classroom Facilities Non-major Special Revenue Fund, and \$25,616 in the Debt Service Non-major Debt Service Fund.

**NOTE 7 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2014, was as follows:

	Ending Balance 6/30/2013	Additions	Deletions	Ending Balance 6/30/2014
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 42,231	\$ 12,308	\$ -	\$ 54,539
Total Capital Assets, Not Being Depreciated	42,231	12,308	-	54,539
Capital Assets Being Depreciated				
Land Improvements	572,145	-	(49,141)	523,004
Buildings and Improvements	33,609,829	46,720	(54,246)	33,602,303
Furniture and Equipment	3,959,849	33,202	(1,204,895)	2,788,156
Vehicles	2,313,578	13,500	(356,631)	1,970,447
Total Capital Assets Being Depreciated	40,455,401	93,422	(1,664,913)	38,883,910
Less: Accumulated Depreciation:				
Land Improvements	(504,305)	(12,213)	44,276	(472,242)
Buildings and Improvements	(12,918,634)	(733,699)	4,055	(13,648,278)
Furniture and Equipment	(3,788,487)	(56,053)	1,377,238	(2,467,302)
Vehicles	(1,454,869)	(38,150)	22,005	(1,471,014)
Total Accumulated Depreciation	(18,666,295)	(840,115)	1,447,574	(18,058,836)
Total Capital Assets Being Depreciated, Net	21,789,106	(746,693)	(217,339)	20,825,074
Governmental Capital Assets, Net	\$ 21,831,337	\$ (734,385)	\$ (217,339)	\$ 20,879,613

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$799,127
Special Instruction	1,873
Support Services:	
Pupil Transportation	35,602
Operation and Maintenance of Plant	1,451
Operation of Non-Instructional Services	2,062
Total Depreciation Expense	<u>\$840,115</u>

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2014, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Major Funds:	
General	\$ 89,420
Title VI-B	402,066
Title I	772,643
Non-Major Funds:	
Pre-School Grant	164,000
Early Childhood Special Education - IDEA	5,409
Miscellaneous Federal Grants	36,755
Race to the Top	87,848
Improving Teacher Quality	<u>100,104</u>
Total Non-Major Funds	<u>394,116</u>
Total All Funds/Governmental Activities	<u><u>\$ 1,658,245</u></u>

**NOTE 9 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the School District contracted with Ohio Casualty for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$70,202,312
Inland Marine Coverage (\$1,000 deductible)	1,250,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	1,000,000
General Aggregate	2,000,000

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

The School District contracted with Medical Mutual to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District self-insures employee excess costs not covered by Medical Mutual through a self-insurance internal service fund. The claims liability of \$21,503 reported in the Internal Service fund at June 30, 2014 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of cost relating to incurred but not reported claims, be reported.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

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

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

		<u>Balance at</u> <u>Beginning of Year</u>		<u>Current Year</u> <u>Claims</u>		<u>Claim</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2013	\$	21,300	\$	132,055	\$	132,917	\$	20,438
2014	\$	20,438	\$	177,876	\$	176,811	\$	21,503

**NOTE 10 -DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2014, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Fund. The School District's contributions to SERS which were allocated for pension and death benefits for the fiscal years ended June 30, 2014, 2013, and 2012 were \$388,192, \$375,671, and \$176,353, respectively; 95 percent of the required contribution has been made for fiscal year 2014 and 100 percent of the required contribution has been made for fiscal years 2013 and 2012. \$19,161 represents the unpaid contribution for fiscal year 2014 and is recorded as a liability within the respective funds.

**State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**Plan Options** – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 9.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Eligible members who do not make a choice during the reselection period will permanently remain under their current plan.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

**DB Plan Benefits** – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**DC Plan Benefits** – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 9.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Combined Plan Benefits** – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers.

For the fiscal year ended June 30, 2014, plan members were required to contribute 11% of their annual covered salaries. For fiscal years 2013 and 2012, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was allocated for pension benefits.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012 were \$1,018,695, \$1,082,023, and \$1,052,354, respectively; 83 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. \$163,915 represents the unpaid contribution for fiscal year 2014 and is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2014, one of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**State Teachers Retirement System**

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan, which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2014, 2013, and 2012. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$79,715, \$82,960, and \$60,090 for fiscal years 2014, 2013, and 2012, respectively, which equaled the required contributions for those years.

**School Employees Retirement System**

In addition to a cost-sharing, multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two post employment benefit plans.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50 if they participated in one of SERS' health care plans.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2014, 2013, and 2012, the actuarially required allocations were 0.76, 0.74 percent, and 0.75 percent. For the School District, contributions for the years ended June 30, 2014, 2013, and 2012, were \$22,517, \$21,062, and \$20,331, which equaled the required contributions for those years.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e).

Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2014, 2013, and 2012, the health care allocations were 0.14 percent, 0.16 percent, and 0.55 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,250. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2014, 2013, and 2012 fiscal years equaled \$50,871, \$43,837, and \$80,354, respectively, which equaled the required contributions for those years.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 12 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 30 days for all personnel.

**B. Insurance Benefits**

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

**C. Deferred Compensation**

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

**NOTE 13 - LONG-TERM LIABILITIES**

The changes in the School Districts long-term liabilities during fiscal year 2014 were as follows:

	Principal Outstanding 6/30/2013	Additions	Deletions	Principal Outstanding 6/30/2014	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 400,000	\$ -	\$ 195,000	\$ 205,000	\$ 205,000
2010 Refunding Bonds					
2.00%-4.00%	1,025,000	-	35,000	990,000	35,000
Premium	51,341	-	7,341	44,000	-
Capital Appreciation Bonds	354,998	-	-	354,998	-
Accretion	66,160	24,853	-	91,013	-
Compensated Absences	<u>1,189,785</u>	<u>1,154,502</u>	<u>1,161,296</u>	<u>1,182,991</u>	<u>136,135</u>
Total Long-Term Liabilities	<u>\$ 3,087,284</u>	<u>\$ 1,179,355</u>	<u>\$ 1,398,637</u>	<u>\$ 2,868,002</u>	<u>\$ 376,135</u>

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. During 2010 a portion of these bonds were refunded. The general obligation bonds are being repaid from the debt service fund.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

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

On June 8, 2010, the School District issued \$1,464,998 in refunding bonds for the purpose of repaying a portion of the classroom facilities improvement bonds issued in 1998. The refunding bonds consisted of \$1,110,100 in current interest bonds and \$354,998 in capital appreciation bonds. The interest bonds were issued for a ten year period with a final maturity in December 2020. The capital appreciation bonds will mature in 2015 and 2016. All of these bonds are and will be repaid from the debt service fund.

The capital appreciation bonds, issued at \$354,998, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2015 and 2016. The maturity amount of the capital appreciation bonds is \$500,000. For fiscal year 2014, the capital appreciation bonds were accreted \$24,853. Total accretion as of June 30, 2014 was \$91,013.

The bond issuance costs of \$48,015 were originally capitalized as an asset and were being amortized over the life of the bonds. Due to the implementation of GASB's Statement 63 and Statement 65, the School District has recorded a prior period adjustment to eliminate the unamortized portion of this asset. The net loss on the refunding of the bonds in the amount of \$20,347 was originally recorded as a reduction of the bonds and was being amortized (added to) the bond liability over the life of the refunded Bonds. Due to the implementation of GASB's Statement No. 63 and Statement No. 65, the unamortized portion of the net loss of \$12,084 is recorded as a deferred outflow of resources on the Statement of Net Position and no longer is reported as part of the debt.

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

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant fund. The School District's overall legal debt margin was \$14,542,554 with an unvoted debt margin of \$164,186 at June 30, 2014.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2014, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			2010 Refunding Bonds			2010 Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 205,000	\$ 5,638	\$ 210,638	\$ 35,000	\$ 34,388	\$ 69,388	\$ -	\$ -	\$ -
2016	-	-	-	-	33,994	33,994	182,585	67,415	250,000
2017	-	-	-	-	33,994	33,994	172,413	77,587	250,000
2018	-	-	-	255,000	29,850	284,850	-	-	-
2019	-	-	-	260,000	21,156	281,156	-	-	-
2020-2021	-	-	-	440,000	15,303	455,303	-	-	-
Totals	<u>\$205,000</u>	<u>\$5,638</u>	<u>\$210,638</u>	<u>\$990,000</u>	<u>\$168,685</u>	<u>\$1,158,685</u>	<u>\$354,998</u>	<u>\$145,002</u>	<u>\$500,000</u>

The above amortization schedule for the 2010 Capital Appreciation Bonds does not agree with the amount outstanding on the previous page due to accretion of such bonds.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 14 - INTERFUND ACTIVITY**

**Interfund Payables/Receivables**

As of June 30, 2014, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$ 3,935,290	\$ -
Title VI-B	-	789,386
Title I	-	2,360,733
Special Revenue Funds, Non-Major:		
District Managed Activities	-	5,000
Preschool	-	416,000
School Net	-	95
Race to the Top	-	87,848
Preschool	-	5,409
Improving Teacher Quality	-	228,269
Federal Programs	-	42,550
Total Special Revenue Funds	<u>-</u>	<u>785,171</u>
Totals	<u>\$ 3,935,290</u>	<u>\$ 3,935,290</u>

During the year, the District's General fund made advances to other funds in anticipation of intergovernmental grant revenue.

**Interfund Transfers**

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

As of June 30, 2014 transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Fund:		
General Fund	\$ 767,761	\$ -
Title I	-	2,761
Non-Major Debt Service Fund:		
Debt Service Fund	-	10,000
Non-Major Capital Projects Funds:		
Swimming Pool Repair Fund	-	505,000
Permanent Improvement	-	250,000
Total Non-Major Funds	<u>-</u>	<u>765,000</u>
Total All Funds	<u>\$ 767,761</u>	<u>\$ 767,761</u>

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association Council of Governments-* The School District is a participant in the South Central Ohio Computer Association Council of Governments (SCOCA COG) which is an information technology center. SCOCA COG is a council of governments providing information technology services to 59 public education entities, 60 non-public education entities, and public libraries from 24 Ohio counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA COG consists of two representatives from each of the eleven participating counties, two school treasurers, and a representative for the fiscal agent. SCOCA COG is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The School District paid SCOCA COG \$127,810 for services provided during the year. Financial information for SCOCA COG can be obtained from Sandee Benson, P.O. Box 596, 175 Beaver Creek, Suite 2, Piketon, Ohio 45661.

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

**NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

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

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

	Capital Acquisition
Set-Aside Reserve Balance as of June 30, 2013	\$ -
Current Year Set-Aside Requirement	345,329
Current Year Offsets	(345,329)
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	-
Set-Aside Reserve Balance as of June 30, 2014	\$ -

The School District had offsets during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserves. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$382,155 at June 30, 2014.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

**NOTE 17 - CONTINGENCIES**

**A. Grants**

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

**B. Litigation**

The School District is not party to any legal proceedings.

**NOTE 18 – INCOME TAX**

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

**NOTE 19 – FUND BALANCES**

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

Fund Balances	General	Title VI-B	Title I	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted for</b>					
Food Service Operations	\$0	\$0	\$0	\$487,404	\$487,404
Classroom Facilities Maintenance	0	0	0	884,822	884,822
Other Purposes	0	1	0	36,264	36,265
Athletics	0	0	0	55,247	55,247
Capital Projects	0	0	0	1,851,825	1,851,825
Debt Services Payments	0	0	0	1,341,547	1,341,547
Total Restricted	<u>0</u>	<u>1</u>	<u>0</u>	<u>4,657,109</u>	<u>4,657,110</u>
<b>Committed to</b>					
Termination Benefits	<u>459,378</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>459,378</u>
<b>Assigned to</b>					
Other Purposes	<u>3,068,774</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,068,774</u>
<b>Unassigned (Deficit)</b>	<u>6,399,621</u>	<u>0</u>	<u>(7,966)</u>	<u>(25,136)</u>	<u>6,366,519</u>
Total Fund Balances	<u>\$9,927,773</u>	<u>\$1</u>	<u>(\$7,966)</u>	<u>\$4,631,973</u>	<u>\$14,551,781</u>

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2014**

---

**NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES**

For 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 66, “Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62,” GASB Statement No. 69, “Government Combinations and Disposals of Government Operations,” and GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees.”

Statement No. 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, and transfers of operations.

Statement No. 70 improves accounting and financial reporting by state and local governments that extend and receive non exchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The implementation of GASB Statements No. 66, 69, and 70 had no effect on the financial statements.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2014**

---

**NOTE 21 – ENCUMBRANCE COMMITMENTS**

At June 30, 2014, the School District had significant encumbrance commitments in the following governmental funds:

<u>Fund</u>	<u>Amount</u>
Major Fund:	
General	\$2,748,179
Non-Major Funds:	
Permanent Improvement	41,374
Food Service	225,965
Classroom Facilities	65,944
Capital Improvements	76,303
Athletics	<u>33,037</u>
Total Non-Major Funds	<u>442,623</u>
Total Encumbrances	<u><u>\$3,190,802</u></u>

**This page intentionally left blank.**

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Breakfast Program	10.553	\$157,219		\$157,219	
National School Lunch Program	10.555	426,055	\$39,373	426,055	\$39,373
<i>Total Nutrition Cluster</i>		<u>583,274</u>	<u>39,373</u>	<u>583,274</u>	<u>39,373</u>
<b>Total U.S. Department of Agriculture</b>		<b>583,274</b>	<b>39,373</b>	<b>583,274</b>	<b>39,373</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed through Ohio Department of Education:</i>					
Education Consolidation and Improvement Act					
Title I - FY14	84.010	-		723,014	
Title I - FY13	84.010	386,907		-	
<i>Total Title I</i>		<u>386,907</u>		<u>723,014</u>	
Special Education Cluster:					
Special Education Grants to States					
IDEA Part B - FY14	84.027	-		402,066	
IDEA Part B - FY13	84.027	200,673		-	
Early Childhood - FY14	84.173	-		5,409	
Early Childhood - FY13	84.173	2,761		-	
<i>Total Special Education Cluster</i>		<u>203,434</u>		<u>407,475</u>	
Rural & Low Income - FY14	84.358	-		36,755	
Rural & Low Income - FY13	84.358	18,438		-	
<i>Total Rural &amp; Low Income</i>		<u>18,438</u>		<u>36,755</u>	
Improving Teacher Quality - FY14	84.367	-		100,104	
Improving Teacher Quality - FY13	84.367	54,513		-	
<i>Total Improving Teacher Quality</i>		<u>54,513</u>		<u>100,104</u>	
Race to the Top - FY14	84.395	-		78,898	
Race to the Top - FY13	84.395	65,635		10,000	
Race to the Top Mini Grant- FY14	84.395	-		8,950	
Race to the Top Mini Grant- FY13	84.395	6,444		6,444	
<i>Total Race to the Top</i>		<u>72,079</u>		<u>104,292</u>	
<i>Passed through Great Oaks Institute of Technology and Career Development</i>					
Vocational Education Basic Grants to States					
Career Education	84.048	4,000		4,000	
<b>Total Department of Education</b>		<b>739,371</b>	<b>-</b>	<b>1,375,640</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANC</b>		<b>\$1,322,645</b>	<b>\$39,373</b>	<b>\$1,958,914</b>	<b>\$39,373</b>

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports Greenfield Exempted Village School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Greenfield Exempted Village School District  
Highland County  
200 North Fifth Street  
Greenfield, Ohio 45123

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2015.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

March 25, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Greenfield Exempted Village School District  
Highland County  
200 North Fifth Street  
Greenfield, Ohio 45123

To the Board of Education:

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

We have audited the Greenfield Exempted Village School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Greenfield Exempted Village School District's major federal programs for the year ended June 30, 2014. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Greenfield Exempted Village School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 25, 2015

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster: National School Lunch CFDA #10.555 National School Breakfast CFDA #10.553 Title 1 CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

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

None

**This page intentionally left blank.**

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
2013-001	OMB Circular A-133 Subpart C, Section .310 Federal schedule included transfers	Yes	

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

**HIGHLAND COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 7, 2015**