



***GREENFIELD EXEMPTED VILLAGE  
SCHOOL DISTRICT***

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**HIGHLAND COUNTY**

**SINGLE AUDIT**

**For the Fiscal Year Ended June 30, 2010**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountant's Report* of the Greenfield Exempted Village School District, Highland County, prepared by J.L. Uhrig and Associates, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

April 8, 2011

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**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

*Table of Contents*

*For the Fiscal Year Ended June 30, 2010*

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FINANCIAL SECTION

Independent Accountant’s Report .....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets .....	9
Statement of Activities . .....	10
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	11
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund .....	15
Statement of Fund Net Assets - Governmental Activities .....	16
Internal Service Fund	
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	17
Governmental Activities - Internal Service Fund	
Statement of Cash Flows - Governmental Activities.....	18
Internal Service Fund	
Statement of Fiduciary Net Assets - Fiduciary Funds .....	19
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds .....	20
Notes to the Basic Financial Statements .....	21

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

*Table of Contents*

*For the Fiscal Year Ended June 30, 2010*

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SUPPLEMENTAL SCHEDULE

Schedule of Federal Awards Expenditures ..... 45

AUDIT REPORTS

Independent Accountant’s Report on Internal Control over Financial Reporting and on..... 46  
on Compliance and Other Matters Required by Government Auditing Standards

Independent Accountant’s Report on Compliance with Requirements Applicable to ..... 48  
Each Major Federal Program and Internal Control over Compliance in Accordance with  
OMB Circular A-133

Schedule of Findings and Questioned Costs ..... 50

Schedule of Prior Audit Findings..... 51

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## Independent Accountant's Report

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District (the District), Highland County as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.



Board of Education  
Greenfield Exempted Village School District  
Independent Accountant's Report

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

March 1, 2011

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*(Unaudited)*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Greenfield Exempted Village Schools (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2010. 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 exceeded its liabilities at June 30, 2010 by \$29,053,879.
- The School District's net assets of governmental activities increased \$1,606,732.
- General revenues accounted for \$17,916,038 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 \$4,188,445 or 19 percent of total revenues of \$22,104,483.
- The School District had \$20,497,751 in expenses related to governmental activities; \$4,188,445 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

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

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

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

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

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

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

- Governmental Activities. 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, 2010*  
*(Unaudited)*

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

**Fund Financial Statements**

The analysis of the School District's funds begins on page 7. 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 fund is the General Fund.

**Governmental Funds.** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational support services. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. 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, 2010*  
*(Unaudited)*

**THE SCHOOL DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2010 compared to 2009.

Table 1  
Net Assets

	Governmental Activities	
	2010	2009
Assets:		
Current and Other Assets	\$ 14,247,257	\$ 13,845,740
Capital Assets, Net	<u>23,889,225</u>	<u>24,700,323</u>
Total Assets	<u>38,136,482</u>	<u>38,546,063</u>
Liabilities:		
Current and Other Liabilities	4,961,849	6,992,793
Long-Term Liabilities	<u>4,120,754</u>	<u>4,106,123</u>
Total Liabilities	<u>9,082,603</u>	<u>11,098,916</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	21,394,301	22,075,977
Restricted	2,756,424	2,024,046
Unrestricted	<u>4,903,154</u>	<u>3,347,124</u>
Total Net Assets	<u>\$ 29,053,879</u>	<u>\$ 27,447,147</u>

Total net assets of the School District as a whole increased \$1,606,732. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash and cash equivalents and intergovernmental receivables, which were partially offset by a decrease in property taxes receivable. Intergovernmental receivables increased significantly in 2010 as a result of an increased award in the Title I program and because the School District requested the majority of its money in the available period for most of its federal grants. The decrease in capital assets was primarily due to current year depreciation expense. The decrease in current and other liabilities is due to a decrease in deferred revenue, which is a direct result of the decrease in taxes receivable attributed to the phase out of the tangible personal property tax.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2010  
(Unaudited)

Table 2 shows the changes in net assets for 2010 compared to 2009.

Table 2  
Change in Net Assets

	Governmental Activities	
	2010	2009
<b>Revenue</b>		
Program Revenues:		
Charges for Services and Sales	\$ 1,005,913	\$ 942,584
Operating Grants and Contributions	3,182,532	2,539,779
Total Program Revenues	<u>4,188,445</u>	<u>3,482,363</u>
General Revenue:		
Income Taxes	1,641,099	1,839,750
Grants and Entitlements, Not Restricted for Specific Programs	12,361,521	11,968,708
Investment Earnings	112,727	105,288
Miscellaneous	186,340	183,912
Property Taxes	3,614,351	3,352,766
Total General Revenues	<u>17,916,038</u>	<u>17,450,424</u>
Total Revenues	<u>22,104,483</u>	<u>20,932,787</u>
<b>Program Expenses</b>		
Instruction		
Regular	9,530,739	9,764,228
Special	1,931,338	1,794,203
Vocational	507,232	528,006
Other	904,510	968,827
Support Services		
Pupils	815,098	741,997
Instructional Staff	378,966	279,518
Board of Education	47,850	65,533
Administration	1,627,285	1,579,595
Fiscal	428,514	397,734
Operation and Maintenance of Plant	2,086,719	1,776,921
Pupil Transportation	969,532	1,070,160
Central	56,296	2,078
Operation of Non-Instructional Services	752,339	684,991
Extracurricular Activities	327,833	363,332
Interest and Fiscal Charges	133,500	141,006
Total Expenses	<u>20,497,751</u>	<u>20,158,129</u>
Increase (Decrease) in Net Assets	1,606,732	774,658
Net Assets at Beginning of Year	27,447,147	26,672,489
Net Assets at End of Year	<u>\$ 29,053,879</u>	<u>\$ 27,447,147</u>

**Governmental Activities**

Charges for services and sales comprised 5 percent of revenue for governmental activities, while operating grants and contributions comprised 14 percent of revenue for governmental activities of the School District for fiscal year 2010. Income tax revenue comprised 7 percent of revenue for governmental activities. Property tax revenue comprised 16 percent of revenue for governmental activities for fiscal year 2010. 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, 2010  
(Unaudited)

Operating grants increased due to an increase in awards from the American Recovery and Reinvestment Act. The increase to grants and entitlements, not restricted for specific programs is due to a significant increase in foundation funding.

As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 47 percent of governmental program expenses. Regular instruction decreased from 2009 to 2010 as a result of an increase in federal funds moving expenditures to other classifications, a retired employee not being replaced, and a teacher on a leave of absence. Special instruction increased from 2009 to 2010 due to an increase in cost for special needs children, SERRC center costs, and salary increases.

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

Table 3  
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2010	2010	2009	2009
Program Expenses				
Instruction:				
Regular	\$ 9,530,739	\$ 8,313,356	\$ 9,764,228	\$ 8,851,894
Special	1,931,338	1,481,748	1,794,203	805,564
Vocational	507,232	485,634	528,006	509,832
Other	904,510	866,324	968,827	935,389
Support Services:				
Pupils	815,098	738,810	741,997	681,503
Instructional Staff	378,966	252,479	279,518	238,440
Board of Education	47,850	45,830	65,533	63,271
Administration	1,627,285	1,419,553	1,579,595	1,418,968
Fiscal	428,514	410,279	397,734	382,870
Operation and Maintenance of Plant	2,086,719	1,222,858	1,776,921	1,649,672
Pupil Transportation	969,532	920,831	1,070,160	990,969
Central	56,296	53,919	2,078	2,006
Operation of Non-Instructional Services	752,339	(92,106)	684,991	(63,674)
Extracurricular Activities	327,833	56,534	363,332	68,319
Interest and Fiscal Charges	133,500	133,257	141,006	140,743
Total	<u>\$ 20,497,751</u>	<u>\$ 16,309,306</u>	<u>\$ 20,158,129</u>	<u>\$ 16,675,766</u>

**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 \$23,828,083 and expenditures and other financing uses of \$21,706,095. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$1,449,170. This increase is due mainly to increased revenues from property taxes as well as an overall decrease in expenses.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2010*  
*(Unaudited)*

**General Fund Budgeting Highlights**

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

During 2010, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$578,008 and increased appropriations by \$1,105,346. The General fund's ending unobligated cash balance was \$3,515,098. The increase in final budgeted expenditures is due mainly to the increase in special instruction and pupil transportation. The variance between final budgeted and actual expenditures is due mainly to the overbudgeting of operation and maintenance of plant and pupil transportation.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2010, the School District had \$23,889,225 invested in its capital assets. Table 4 shows the fiscal year 2010 balances compared to 2009.

Table 4  
 Capital Assets  
 (Net of Depreciation)

	Governmental Activities	
	2010	2009
Land	\$ 42,231	\$ 42,231
Land Improvements	101,887	119,967
Buildings and Improvements	22,902,648	23,662,166
Furniture and Equipment	186,126	199,039
Vehicles	656,333	676,920
Totals	\$ 23,889,225	\$ 24,700,323

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

**Debt**

At June 30, 2010, the School District had an outstanding General Obligation Bond in the amount of \$925,000, which was issued for the purpose of improvements. The School District also issued Refunding Bonds consisting of \$1,110,000 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.

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

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

**Greenfield Exempted Village School District**  
*Statement of Net Assets*  
*June 30, 2010*

	Governmental Activities
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 9,044,305
Accrued Interest Receivable	8,781
Accounts Receivable	2,694
Intergovernmental Receivable	1,199,318
Taxes Receivable	3,944,144
Noncurrent Assets:	
Unamortized Financing Costs	48,015
Non-Depreciable Capital Assets	42,231
Depreciable Capital Assets, net	23,846,994
<i>Total Assets</i>	38,136,482
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	286,008
Accrued Wages and Benefits	1,354,526
Intergovernmental Payable	436,357
Accrued Interest Payable	9,807
Matured Compensated Absences Payable	21,752
Deferred Revenue	2,793,967
Claims Payable	59,432
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	270,874
Due in More Than One Year	3,849,880
<i>Total Liabilities</i>	9,082,603
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	21,394,301
Restricted for Debt Service	898,402
Restricted for Capital Outlay	701,169
Restricted for Other Purposes	1,156,853
Unrestricted	4,903,154
<i>Total Net Assets</i>	\$ 29,053,879

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, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$ 9,530,739	\$ 331,338	\$ 886,045	\$ (8,313,356)
Special	1,931,338	64,171	385,419	(1,481,748)
Vocational	507,232	21,598	-	(485,634)
Other	904,510	38,186	-	(866,324)
<b>Support Services:</b>				
Pupils	815,098	32,654	43,634	(738,810)
Instructional Staff	378,966	10,654	115,833	(252,479)
Board of Education	47,850	2,020	-	(45,830)
Administration	1,627,285	61,976	145,756	(1,419,553)
Fiscal	428,514	16,623	1,612	(410,279)
Operation and Maintenance of Plant	2,086,719	50,462	813,399	(1,222,858)
Pupil Transportation	969,532	40,041	8,660	(920,831)
Central	56,296	2,377	-	(53,919)
Operation of Non-Instructional Services	752,339	182,908	661,537	92,106
Extracurricular Activities	327,833	150,662	120,637	(56,534)
Interest and Fiscal Charges	133,500	243	-	(133,257)
<b>Total Governmental Activities</b>	<b>\$ 20,497,751</b>	<b>\$ 1,005,913</b>	<b>\$ 3,182,532</b>	<b>(16,309,306)</b>
<b>General Revenues:</b>				
Taxes Levied for:				
General Purposes				3,215,003
Debt Service				353,828
Classroom Facilities				45,520
Income Taxes				1,641,099
Grants and Entitlements, Not Restricted to Specific Programs				12,361,521
Investment Earnings				112,727
Miscellaneous				186,340
<b>Total General Revenues</b>				<b>17,916,038</b>
<b>Change in Net Assets</b>				<b>1,606,732</b>
<b>Net Assets Beginning of Year</b>				<b>27,447,147</b>
<b>Net Assets End of Year</b>				<b>\$ 29,053,879</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, 2010*

	<u>General</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 4,133,652	\$ 3,867,764	\$ 8,001,416
Accounts Receivable	2,694	-	2,694
Interfund Receivable	2,092,543	-	2,092,543
Intergovernmental Receivable	-	1,199,318	1,199,318
Taxes Receivable	3,550,809	393,335	3,944,144
<i>Total Assets</i>	<u>\$ 9,779,698</u>	<u>\$ 5,460,417</u>	<u>\$ 15,240,115</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$ 126,015	\$ 159,993	\$ 286,008
Accrued Wages and Benefits	1,284,125	70,401	1,354,526
Interfund Payable	-	2,092,543	2,092,543
Intergovernmental Payable	387,962	48,395	436,357
Matured Compensated Absences Payable	21,752	-	21,752
Deferred Revenue	2,630,778	583,189	3,213,967
<i>Total Liabilities</i>	<u>4,450,632</u>	<u>2,954,521</u>	<u>7,405,153</u>
<b>FUND BALANCES:</b>			
<b>Reserved:</b>			
Reserved for Encumbrances	492,546	311,092	803,638
Reserved for Property Taxes	416,568	54,082	470,650
<b>Unreserved, Undesignated, Reported in:</b>			
General Fund	4,419,952	-	4,419,952
Special Revenue Funds	-	619,092	619,092
Debt Service Funds	-	835,576	835,576
Capital Projects Funds	-	686,054	686,054
<i>Total Fund Balances</i>	<u>5,329,066</u>	<u>2,505,896</u>	<u>7,834,962</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 9,779,698</u>	<u>\$ 5,460,417</u>	<u>\$ 15,240,115</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 Assets of Governmental Activities  
 June 30, 2010*

<b>Total Governmental Fund Balances</b>		\$ 7,834,962
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,889,225
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	176,064	
Intergovernmental	243,936	
Unamortized Financing Costs	48,015	
<b>Total</b>	<b>468,015</b>	468,015
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 assets.		992,238
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net assets.		(9,807)
Long-term liabilities, including bonds, captial lease obligations 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	(1,624,590)	
General Obligation Bonds	(925,000)	
Refunding Bonds:		
Current Interest Bonds	(1,110,000)	
Capital Appreciation Bonds	(354,998)	
Accretion on Capital Appreciation Bonds	(1,240)	
Unamortized Loss on Refunding Bonds	20,224	
Unamortized Premium on Refunding Bonds	(73,408)	
Capital Lease Obligations	(51,742)	
<b>Total</b>	<b>(4,120,754)</b>	<b>(4,120,754)</b>
<b>Net Assets of Governmental Activities</b>		<b>\$ 29,053,879</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, 2010*

	General	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Property Taxes	\$ 3,099,868	\$ 400,100	\$ 3,499,968
Income Tax	1,641,099	-	1,641,099
Intergovernmental	12,203,209	3,275,389	15,478,598
Interest	98,812	70	98,882
Tuition and Fees	656,976	-	656,976
Rent	1,137	-	1,137
Extracurricular Activities	-	142,379	142,379
Gifts and Donations	-	3,432	3,432
Customer Sales and Services	22,711	182,710	205,421
Miscellaneous	108,535	77,805	186,340
<i>Total Revenues</i>	<u>17,832,347</u>	<u>4,081,885</u>	<u>21,914,232</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	7,761,036	997,606	8,758,642
Special	1,510,323	420,569	1,930,892
Vocational	504,056	-	504,056
Other	904,510	-	904,510
<b>Support Services:</b>			
Pupils	766,752	47,613	814,365
Instructional Staff	251,433	126,397	377,830
Board of Education	47,850	-	47,850
Administration	1,448,493	159,049	1,607,542
Fiscal	392,545	11,018	403,563
Operation and Maintenance of Plant	1,188,619	887,581	2,076,200
Pupil Transportation	947,033	-	947,033
Central	56,296	-	56,296
Operation of Non-Instructional Services	4,680	720,159	724,839
Extracurricular Activities	196,194	131,639	327,833
Capital Outlay	-	520	520
<b>Debt Service:</b>			
Principal	22,604	160,000	182,604
Interest	5,753	127,405	133,158
Issuance Costs	-	48,015	48,015
<i>Total Expenditures</i>	<u>16,008,177</u>	<u>3,837,571</u>	<u>19,845,748</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,824,170</u>	<u>244,314</u>	<u>2,068,484</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	-	375,000	375,000
Refunding Bonds Issued	-	1,464,998	1,464,998
Premium on Refunding Bonds Issued	-	73,853	73,853
Payment to Refunded Bond Escrow Agent	-	(1,485,347)	(1,485,347)
Transfers Out	(375,000)	-	(375,000)
<i>Total Other Financing Sources and Uses</i>	<u>(375,000)</u>	<u>428,504</u>	<u>53,504</u>
<i>Net Change in Fund Balances</i>	1,449,170	672,818	2,121,988
<i>Fund Balances at Beginning of Year</i>	<u>3,879,896</u>	<u>1,833,078</u>	<u>5,712,974</u>
<i>Fund Balances at End of Year</i>	<u>\$ 5,329,066</u>	<u>\$ 2,505,896</u>	<u>\$ 7,834,962</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, 2010*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 2,121,988
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.</p>		
Capital Asset Additions	107,556	
Current Year Depreciation	<u>(918,654)</u>	
Total		(811,098)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Taxes	114,384	
Intergovernmental	<u>62,024</u>	
Total		176,408
<p>Proceeds from the issuance of refunding bonds in the statement of revenues, expenditures and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities.</p>		
		(1,464,998)
<p>Premiums from the issuance of refunding bonds in the statement of revenues, expenditures, and changes in fund balances that are reported as other financing sources are not reported as revenues in the statement of activities.</p>		
		(73,853)
<p>The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net assets, but does not result in an expenditure in the governmental funds.</p>		
		445
<p>Bond issuance costs are recorded as an expenditure in the governmental funds, but are recognized as an asset and are not recorded in the statement of activities.</p>		
		48,015
<p>Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements.</p>		
		(123)
<p>Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.</p>		
		160,000
<p>Repayment of capital leases obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities.</p>		
		22,604
<p>Payments to Refunded Escrow Agent that are reported as other financing uses are not reported as expenses in the statement of activities.</p>		
		1,485,347
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Increase in Compensated Absences	(142,813)	
Accretion of Capital Appreciation Bonds	(1,240)	
Decrease in Interest Payable	<u>574</u>	
Total		(143,479)
<p>The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.</p>		
		<u>85,476</u>
<b>Net Change in Net Assets of Governmental Activities</b>		<u><u>\$ 1,606,732</u></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)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2010*

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 18,813,935	\$ 19,391,943	\$ 19,230,977	\$ (160,966)
Total Expenditures and Other Financing Uses	19,110,292	20,215,638	19,276,056	939,582
Net Change in Fund Balance	(296,357)	(823,695)	(45,079)	778,616
Fund Balance at Beginning of Year	2,722,478	2,722,478	2,722,478	-
Prior Year Encumbrances Appropriated	837,699	837,699	837,699	-
Fund Balance at End of Year	<u>\$ 3,263,820</u>	<u>\$ 2,736,482</u>	<u>\$ 3,515,098</u>	<u>\$ 778,616</u>

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

**Greenfield Exempted Village School District**  
*Statement of Fund Net Assets*  
*Governmental Activities - Internal Service Fund*  
*June 30, 2010*

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	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,042,889
Accrued Interest Receivable	<u>8,781</u>
<i>Total Assets</i>	<u>1,051,670</u>
LIABILITIES:	
Claims Payable	<u>59,432</u>
<i>Total Liabilities</i>	<u>59,432</u>
NET ASSETS:	
Unrestricted	<u>992,238</u>
<i>Total Net Assets</i>	<u><u>\$ 992,238</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 Assets*  
*Governmental Activities - Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Internal Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 299,210
<i>Total Operating Revenues</i>	<u>299,210</u>
<b>OPERATING EXPENSES:</b>	
Claims	214,775
Other	12,804
<i>Total Operating Expenses</i>	<u>227,579</u>
<i>Operating Income</i>	71,631
<b>NON-OPERATING REVENUES:</b>	
Interest	13,845
<i>Total Non-Operating Revenues</i>	<u>13,845</u>
<i>Net Change in Net Assets</i>	85,476
Net Assets at Beginning of Year	<u>906,762</u>
Net Assets at End of Year	<u>\$ 992,238</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, 2010*

	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	\$ 299,210
Cash Payments for Claims	(180,868)
Cash Payments for Other Operating Uses	(12,804)
<i>Net Cash Provided by Operating Activities</i>	105,538
<i>Cash Flows from Investing Activities</i>	
Interest on Investments	21,613
<i>Net Increase in Cash and Cash Equivalents</i>	127,151
Cash and Cash Equivalents at Beginning of Year	915,738
Cash and Cash Equivalents at End of Year	\$ 1,042,889
<b><i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i></b>	
Operating Income	\$ 71,631
<i>Changes in Liabilities:</i>	
Decrease in Claims Payable	33,907
<i>Net Cash Provided by Operating Activities</i>	\$ 105,538

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

**Greenfield Exempted Village School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2010*

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 1,093,843	\$ 196,753
Investments	1,151,558	
Accrued Interest Receivable	9,952	
Total Assets	2,255,353	
<b>LIABILITIES:</b>		
Undistributed Monies		\$ 196,753
<b>NET ASSETS:</b>		
Held in Trust for Scholarships	2,255,353	
Total Net Assets	\$ 2,255,353	

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 Assets*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2010*

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	Private Purpose Trust Funds
ADDITIONS:	
Gifts and Contributions	\$ 55,809
Investment Earnings	39,276
Interest	76,176
<i>Total Additions</i>	171,261
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	132,844
Change in Net Assets	38,417
Net Assets Beginning of Year	2,216,936
Net Assets End of Year	\$ 2,255,353

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, 2010**

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

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

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the village of Greenfield, South Salem and Rainsboro. It is staffed by 140 non-certificated employees, 100 certificated full-time teaching personnel and 9 administrative employees who provide services to 2,200 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, 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, 2010**

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

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

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

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**General Fund**

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2010**

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

**B. Fund Accounting** (continued)

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 assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

**Internal Service Fund**

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. 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 and all liabilities associated with the operation of the School District are included on the statement of net assets. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets.

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

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2010**

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

**B. Fund Accounting** (continued)

**Measurement Focus** (continued)

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

**Basis of Accounting**

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

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

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

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

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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

**Expenses/Expenditures**

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

**C. Budgetary Process**

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement 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 2010.

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

**Encumbrances**

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds. A reserve for encumbrance is not reported on the government-wide financial statements. Encumbrances are reported as part of expenditures on a Non-GAAP budgetary basis in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund.

**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 Permanent Fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Cash Equivalents on the financial statements.

During fiscal year 2010, the School District's investments were limited to funds invested in stocks.



**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2010**

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

**D. Cash and Cash Equivalents and Investments** (continued)

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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$98,812 and \$70 for all other governmental funds.

**E. Capital Assets and Depreciation**

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

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

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

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

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

**F. Interfund Balances**

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

**G. Compensated Absences**

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2010**

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

**G. Compensated Absences** (continued)

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and 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 Reserves**

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

**J. Estimates**

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

**K. Net Assets**

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

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

The government-wide statement of net assets reports \$2,756,424 in restricted net assets, none of which is restricted by enabling legislation.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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

**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, 2010, the Pre-School and Title VI Grant Special Revenue Funds had fund balance deficits of \$16,112 and \$130,240, respectively which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**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 is 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); and
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$ 1,449,170
Revenue Accruals	1,398,630
Expenditure Accruals	(2,274,325)
Encumbrances	<u>(618,554)</u>
Budget Basis	<u>\$ (45,079)</u>

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2010**

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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

10. 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
11. 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.

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, 2010, the School District's bank balance of \$11,431,660 was either covered by FDIC or 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	\$ 1,151,558	<1 Year

**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 stock and Certificates of Deposit. 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. The School District's investment policy does not address 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, 2010**

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

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. 100% of the School District’s investments are in common stocks. 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.

**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 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, 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 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected in 2010 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.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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

The assessed values upon which fiscal year 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$155,420,220	95.44%	\$164,162,851	96.31%
Public Utility	7,429,810	4.56%	6,289,699	3.69%
Total Assessed Value	<u>\$162,850,030</u>	<u>100.00%</u>	<u>\$170,452,550</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, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2010 and for which there is an enforceable legal claim.

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

The amount available as an advance at June 30, 2010, was \$416,568 in the General Fund, \$8,335 in the Classroom Facilities Non-major Special Revenue Fund, and \$45,747 in the Debt Service Non-major Debt Service Fund.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

**NOTE 7 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

	Ending Balance 6/30/2009	Additions	Deletions	Ending Balance 6/30/2010
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 42,231	\$ -	\$ -	\$ 42,231
Total Capital Assets, Not Being Depreciated	42,231	-	-	42,231
Capital Assets Being Depreciated				
Land Improvements	556,618	-	-	556,618
Buildings and Improvements	33,587,738	-	-	33,587,738
Furniture and Equipment	3,525,654	92,189	-	3,617,843
Vehicles	1,976,218	15,367	-	1,991,585
Total Capital Assets Being Depreciated	39,646,228	107,556	-	39,753,784
Less: Accumulated Depreciation:				
Land Improvements	(436,651)	(18,080)	-	(454,731)
Buildings and Improvements	(9,925,572)	(759,518)	-	(10,685,090)
Furniture and Equipment	(3,326,615)	(105,102)	-	(3,431,717)
Vehicles	(1,299,298)	(35,954)	-	(1,335,252)
Total Accumulated Depreciation	(14,988,136)	(918,654)	-	(15,906,790)
Total Capital Assets Being Depreciated, Net	24,658,092	(811,098)	-	23,846,994
Governmental Capital Assets, Net	\$ 24,700,323	\$ (811,098)	\$ -	\$ 23,889,225

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$842,861
Special Instruction	108
Vocational Instruction	811
Support Services:	
Instructional Staff	206
Administration	201
Fiscal	23,754
Operation and Maintenance of Plant	3,851
Pupil Transportation	21,073
Operation of Non-Instructional Services	25,789
Total Depreciation Expense	<u>\$918,654</u>



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2010, consisted of taxes, accounts, interest, 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:

Non-Major Special Revenue Funds:	<u>Amount</u>
Preschool	\$ 20,000
Title VI	500,131
Technology Title II-D	4,185
Chapter 1 Programs	552,797
Drug Free	7,043
Preschool	5,249
Improving Teacher Quality	<u>109,913</u>
Total Non-Major Special Revenue Funds	<u><u>\$ 1,199,318</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 2010, 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)	\$68,825,797
Inland Marine Coverage (\$1,000 deductible)	2,000,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	250,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

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

The School District contracted with United Healthcare 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 United Healthcare through a self-insurance internal service fund. The claims liability of \$59,432 reported in the Internal Service fund at June 30, 2010 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, 2010**

**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>
2009	\$ 42,179	\$ 203,593	\$ 220,247	\$ 25,525
2010	\$ 25,525	\$ 214,775	\$ 180,868	\$ 59,432

**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 2010, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 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, 2010, 2009 and 2008 were \$355,944, \$206,735, and \$281,250, respectively; 56 percent of the required contribution has been made for fiscal year 2009 and 100 percent of the required contribution has been made for fiscal years 2009 and 2008. \$156,099 represents the unpaid contribution for fiscal year 2010 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 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both 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 Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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**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 of 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 10.5% 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.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit 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 Defined Benefit 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 Defined Benefit 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, 2010**

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**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 10% for members and 14% for employers.

For the fiscal years ended June 30, 2010, 2009, and 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,097,382, \$971,679, and \$1,054,340, respectively; 84 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. \$176,633 represents the unpaid contribution for fiscal year 2010 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, 2010, none of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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 Ohio 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, 2010, 2009 and 2008. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$82,854, \$74,893, and \$81,436 for fiscal years 2010, 2009, and 2008, respectively, which equaled the required contributions for those years.

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, 2010**

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**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 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

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 2010, 2009, and 2008, the actuarially required allocations were 0.76 percent, 0.75 percent, and 0.66 percent. For the School District, contributions for the years ended June 30, 2010, 2009, and 2008, were \$18,292, \$17,873, and \$19,448, 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 HMO's, PPO's, 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. 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 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. At June 30, 2010, 2009, and 2008, the health care allocations were 0.46 percent, 4.16 percent, and 4.18 percent, respectively. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2010, 2009, and 2008 fiscal years equaled \$55,498, \$131,513 and \$143,332, 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 by contacting SERS, 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 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, 2010**

**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 2010 were as follows:

	Principal Outstanding 6/30/2009	Additions	Deletions	Principal Outstanding 6/30/2010	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 2,550,000	\$ -	\$1,625,000	\$ 925,000	\$ 165,000
2010 Refunding Bonds					
2.00%-4.00%	-	1,110,000	-	1,110,000	15,000
Premium	-	73,853	445	73,408	-
Accounting Loss	-	(20,347)	(123)	(20,224)	-
Capital Appreciation Bonds	-	354,998	-	354,998	-
Accretion	-	1,240	-	1,240	-
Capital Leases	74,346	0	22,604	51,742	24,716
Compensated Absences	1,481,777	1,566,277	1,423,464	1,624,590	66,158
Total Long-Term Liabilities	<u>\$ 4,106,123</u>	<u>\$ 3,086,021</u>	<u>\$3,071,390</u>	<u>\$ 4,120,754</u>	<u>\$ 270,874</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, 2010**

**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.

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 2010, the capital appreciation bonds were accreted \$1,240. Total accretion as of June 30, 2010 was \$1,240.

This refunding resulted in an accounting loss of \$20,347 which is being amortized over the remaining life of the refunded bonds.

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.

Capital leases will be paid from the General Fund. 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 \$13,733,124 with an unvoted debt margin of \$170,453 at June 30, 2010.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30,				2010 Refunding Bonds			2010 Capital Appreciation
	Principal	Interest	Total	Principal	Interest	Total	Principal
2011	\$165,000	\$119,269	\$284,269	\$15,000	\$36,309	\$51,309	\$0
2012	175,000	110,005	285,005	35,000	36,532	71,532	0
2013	185,000	110,194	295,194	35,000	35,832	70,832	0
2014	195,000	89,839	284,839	35,000	35,132	70,132	0
2015	205,000	78,888	283,888	35,000	34,388	69,388	0
2016-2020	-	-	-	780,000	241,805	1,021,805	500,000
2021	-	-	-	175,000	3,500	178,500	0
Totals	<u>\$925,000</u>	<u>\$508,195</u>	<u>\$1,433,195</u>	<u>\$1,110,000</u>	<u>\$423,498</u>	<u>\$1,533,498</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, 2010**

**NOTE 14 - INTERFUND ACTIVITY**

**Interfund Payables/Receivables**

As of June 30, 2010, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Fund:		
General Fund	\$ 2,092,543	\$ -
Special Revenue Funds, Non-Major:		
District Managed Activities	-	10,000
Preschool	-	120,000
School Net	-	95
Title VI	-	698,856
Technology Title II-D	-	4,676
Title I	-	985,577
Drug Free	-	7,826
Preschool	-	20,748
Improving Teacher Quality	-	144,765
Federal Programs	-	-
Total Special Revenue Funds	<u>-</u>	<u>1,992,543</u>
Capital Projects Funds, Non-Major:		
Permanent Improvement	<u>-</u>	<u>100,000</u>
Total Capital Projects Funds	<u>-</u>	<u>100,000</u>
Totals	<u><u>\$ 2,092,543</u></u>	<u><u>\$ 2,092,543</u></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, 2010 transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Fund:		
General Fund	\$ 375,000	\$ -
Non-Major Special Revenue Fund		
Food Service	-	165,000
Non-Major Capital Projects Funds		
Swimming Pool Repair Fund	-	155,000
Permanent Improvement	<u>-</u>	<u>55,000</u>
Total Non-Major Funds	<u>-</u>	<u>375,000</u>
Total All Funds	<u><u>\$ 375,000</u></u>	<u><u>\$ 375,000</u></u>



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association* - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter school districts, and one representative from the fiscal agent. Financial information can be obtained from their fiscal agent, the Pike County Career Technology Center, at P. O. Box 577, 23365 St. Rt. 124, 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 purchase of textbooks and other instructional materials and an equal amount for the acquisition or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in restricted cash at year-end and carried forward to be used for the same purposes in future years.

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

	Textbooks	Capital Acquisition
Set-Aside Reserve Balance as of June 30, 2009	\$ -	\$ -
Current Year Set-Aside Requirement	369,714	369,714
Current Year Offsets	-	(369,714)
Prior Year Carryover	(550,774)	-
Current Year Qualifying Expenditures	(250,006)	-
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	(431,066)	-
Set-Aside Reserve Balance as of June 30, 2010	\$ -	\$ -

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero in the Textbooks and Capital Acquisition Reserves. The excess amount in the Textbooks Reserve may be carried forward and used to reduce the set-aside requirements of future fiscal years. 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, 2010.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2010**

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**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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

**B. Litigation**

The School District is not party to 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 tax was effective on January 1, 2004, and will continue for five years. 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 – CAPITAL LEASES**

During a previous fiscal year, the School District entered into a lease purchase agreement to purchase copiers. The lease meets the criteria of a capital lease as defined by the Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. Principal payments in fiscal year 2010 totaled \$22,604 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2010.

Fiscal Year Ending June 30,	
2011	\$ 28,357
2012	<u>28,357</u>
Total Minimum Lease Payments	56,714
Less: Amounts Representing Interest	<u>(4,972)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 51,742</u></u>

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2010**

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**NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES**

For 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, “Accounting and Financial Reporting for Intangible Assets,” Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments,” Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,” and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies.”

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any material change to the School District’s basic financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District’s basic financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District’s basic financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District’s basic financial statements.

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2010

Federal Grantor / Pass Through Grantor / Program Title	Pass Through Entity Number	Federal CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Expenditures	Non-Cash Expenditures
<b>U.S. Department of Agriculture</b>						
<i>Passed Through Ohio Department of Education:</i>						
<i>Nutrition Cluster:</i>						
National School Breakfast Program	05-PU-2010	10.553	\$135,191	\$0	\$135,191	\$0
National School Lunch Program	LL-P4-2010	10.555	392,640	40,643	311,595	40,643
<i>Total Nutrition Cluster</i>			<u>527,831</u>	<u>40,643</u>	<u>446,786</u>	<u>40,643</u>
<b>Total U.S. Department of Agriculture</b>			527,831	40,643	446,786	40,643
<b>U.S. Department of Education</b>						
<i>Passed Through Ohio Department of Education:</i>						
<i>Title I Cluster:</i>						
Title I Grants to Local Educational Agencies	C1-S1-2010	84.010	434,450	0	527,592	0
Title I - ARRA Funds	C1-S1-2010	84.389	88,048	0	84,660	0
<i>Total Title I Cluster</i>			<u>522,498</u>	<u>0</u>	<u>612,252</u>	<u>0</u>
<i>Special Education Cluster:</i>						
Special Education - Grants to States (IDEA Part B)	6B-SD-2010	84.027	368,264	0	405,998	0
Special Education - Grants to States (IDEA Part B) ARRA	6B-SD-2010	84.391	252,339	0	252,339	0
Preschool Stimulus Grant		84.392	14,942	0	14,942	0
Special Education - Preschool Grant		84.173	6,577	0	6,700	0
<i>Total Special Education Cluster</i>			<u>642,122</u>	<u>0</u>	<u>679,979</u>	<u>0</u>
Safe and Drug-Free Schools and Communities	DR-S1-10	84.186	6,809	0	13,852	0
State Grants for Innovative Programs	N/A	84.298	1,572	0	1,572	0
Technology Literacy Challenge	TJ-S1-2010	84.318	8,122	0	14,290	0
Improving Teacher Quality	TR-S1-2010	84.367	100,103	0	128,218	0
State Fiscal Stabilization Fund (SFSF) - Stimulus	N/A	84.394	758,103	0	774,963	0
<i>Passed Through The Great Oaks Institute of Technology and Career Development:</i>						
Vocational Education Basic Grant	N/A	84.048	4,979	0	4,979	0
<b>Total U.S. Department of Education</b>			<u>2,044,308</u>	<u>0</u>	<u>2,230,105</u>	<u>0</u>
<b>U.S. Department of Health and Human Services</b>						
<i>Passed Through Ohio Department of Job and Family Services:</i>						
Medicare Assistance Programs	N/A	93.778	58,406	0	58,406	0
<b>Total U.S. Department of Health and Human Services</b>			<u>58,406</u>	<u>0</u>	<u>58,406</u>	<u>0</u>
<b>Total Federal Financial Assistance</b>			<u>\$2,630,545</u>	<u>\$40,643</u>	<u>\$2,735,297</u>	<u>\$40,643</u>

**Note 1 - Noncash Federal Financial Assistance**

During the year ended June 30, 2010, the District received fair value inventory under the Nutrition Cluster - Food Distribution (Commodities) Program, that is included with 10.555 in the above schedule. Program regulations do not require the Government to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received. Donated commodities are used first, and the ending inventory consists of purchased commodities. At June 30, 2010, the District had no significant food commodities inventory.

**Note 2 - Significant Accounting Policies**

The District prepares its Schedule of Federal Awards Expenditures on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

**Independent Accountant's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards**

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Education  
Greenfield Exempted Village School District  
Independent Accountant's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Required by  
Government Auditing Standards

### **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 have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

March 1, 2011

**Independent Accountant's Report on Compliance with Requirements  
Applicable to Each Major Federal Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

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

**Compliance**

We have audited the compliance of Greenfield Exempted Village School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2010.

**Internal Control over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

**Internal Control over Compliance – (Continued)**

*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 compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a significant 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.

March 1, 2011



**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

*Schedule of Findings and Questioned Costs*

*For the Fiscal Year Ended June 30, 2010*

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

1. <i>Type of Financial Statement Opinion</i>	Unqualified
2. <i>Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</i>	No
3. <i>Were there any other significant internal control deficiencies reported at the financial statement level (GAGAS)?</i>	No
4. <i>Was there any material noncompliance reported at the financial statement level (GAGAS)?</i>	No
5. <i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
6. <i>Were there any other reportable internal control weaknesses reported for major federal programs?</i>	No
7. <i>Type of Major Programs' Compliance Opinion</i>	Unqualified
8. <i>Are there any reportable findings under § .510?</i>	No
9. <i>Major Programs (list):</i>	Improving Teacher Quality #84.367 Special Education #84.027, 84.173, 84.391, 84.392 State Fiscal Stabilization Fund #84.394 Title I #84.010, 84.389
10. <i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: All Other Programs
11. <i>Low Risk Auditee?</i>	No

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

There were no findings related to the financial statements required to be reported in accordance with GAGAS.

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

There are no findings and questioned costs for federal awards.

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**  
*Schedule of Prior Audit Findings*  
*For the Fiscal Year Ended June 30, 2010*

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<b>Finding Number</b>	<b>Description</b>	<b>Status</b>	<b>Comments</b>
2009-001	The District had internal control deficiencies that led to misstatements in the financial statements which required audit adjustments.	Corrected	N/A
2009-002	The District did not file their Single Audit Reporting package with the Federal Audit Clearing House within nine months of fiscal year end.	Corrected	N/A



# 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  
MAY 5, 2011**