



Dave Yost • Auditor of State



**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

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**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General, Title VI-B, and Title I funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 20 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

March 29, 2016

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**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(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, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

- The School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$11,256,403.
- The School District's net position of governmental activities increased \$1,822,605.
- General revenues accounted for \$20,120,229 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 \$4,790,976 or 19 percent of total revenues of \$24,911,205.
- The School District had \$22,896,746 in expenses related to governmental activities; \$4,790,976 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

**USING THIS ANNUAL FINANCIAL REPORT**

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

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

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

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

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

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

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

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(Unaudited)*

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

**Fund Financial Statements**

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

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

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

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

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

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

**THE SCHOOL DISTRICT AS A WHOLE**

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2015 compared to 2014.

Table 1  
Net Position

	Governmental Activities	
	2015	2014*
<b>Assets:</b>		
Current and Other Assets	\$ 24,325,758	\$ 22,463,690
Capital Assets, Net	20,359,853	20,879,613
Total Assets	44,685,611	43,343,303
<b>Deferred Outflows of Resources:</b>		
Pensions	1,653,408	1,408,083
Unamortized Deferred Amount on Refunding	10,049	12,084
Total Deferred Outflows of Resources	1,663,457	1,420,167
<b>Liabilities:</b>		
Current and Other Liabilities	2,676,520	2,499,723
Long-Term Liabilities:		
Due Within One Year	366,245	376,135
Due in More than One Year:		
Net Pension Liabilities	22,464,359	26,690,485
Other Amounts	2,382,107	2,491,867
Total Liabilities	27,889,231	32,058,210
<b>Deferred Inflows of Resources:</b>		
Pensions	4,151,978	-
Property Taxes not Levied to Finance Current Year Operations	3,051,456	3,271,462
Total Deferred Inflows of Resources	7,203,434	3,271,462
<b>Net Position:</b>		
Net Investment in Capital Assets	19,023,245	19,297,699
Restricted	5,935,165	4,716,083
Unrestricted	(13,702,007)	(14,579,984)
Total Net Position	\$ 11,256,403	\$ 9,433,798

\*As Restated – See Note 20

During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(Unaudited)*

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

As a result of implementing GASB 68 and GASB 71, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$34,716,200 to \$9,433,798.

Total net position of the School District as a whole increased \$1,822,605. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash, cash equivalents and investments. The decrease in capital assets was primarily due to depreciation expense, which was partially offset by additions. The increase in current liabilities was primarily due to the increase in accrued wages and benefits and matured compensated absences payable. Long-term liabilities decreased due to principle payments made during the year and a reduction in the net pension liability. Deferred inflows of resources increased due to the implementation of GASB 68 which increased deferred inflows of resources related to pensions.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

Table 2 shows the changes in net position for 2015 compared to 2014.

Table 2  
Change in Net Position

	Governmental Activities 2015	2014*
<b>Revenue</b>		
Program Revenues:		
Charges for Services and Sales	\$ 1,281,791	\$ 1,015,553
Operating Grants and Contributions	3,509,185	3,429,479
Total Program Revenues	4,790,976	4,445,032
General Revenue:		
Income Taxes	1,883,477	1,820,539
Grants and Entitlements, Not Restricted for Specific Programs	14,145,151	12,829,392
Gifts and Donations, Not Restricted for Specific Programs	55,260	1,100
Investment Earnings	57,247	75,607
Miscellaneous	211,526	163,607
Property Taxes	3,767,568	3,573,269
Total General Revenues	20,120,229	18,463,514
Total Revenues	24,911,205	22,908,546
<b>Program Expenses</b>		
Instruction		
Regular	10,839,193	9,888,826
Special	2,472,186	2,487,176
Vocational	489,999	452,815
Other	1,507,727	1,396,625
Support Services		
Pupils	791,654	1,076,568
Instructional Staff	386,394	409,977
Board of Education	52,134	48,821
Administration	1,919,889	1,723,901
Fiscal	449,991	435,763
Operation and Maintenance of Plant	1,670,393	1,650,265
Pupil Transportation	1,046,930	1,022,492
Central	46	-
Operation of Non-Instructional Services	754,943	736,951
Extracurricular Activities	453,268	452,680
Interest and Fiscal Charges	61,999	73,181
Total Expenses	22,896,746	21,856,041
Transfers	(147)	-
Special Item - Return of Classroom Facilities Grant	(191,707)	-
Increase in Net Position	1,822,605	1,052,505
Net Position at Beginning of Year	9,433,798	N/A
Net Position at End of Year	\$ 11,256,403	\$ 9,433,798

\*As Restated – See Note 20

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(Unaudited)*

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,406,887 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,091,539. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$22,896,746
Pension expense under GASB 68	(1,091,539)
2015 contractually required contribution	<u>1,492,759</u>
Adjusted 2015 program expenses	23,297,966
Total 2014 program expenses under GASB 27	<u>21,856,041</u>
Increase in program expenses not related to pension	<u><u>\$1,441,925</u></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 2015. Income tax revenue comprised 8 percent of revenue for governmental activities. Property tax revenue comprised 15 percent of revenue for governmental activities for fiscal year 2015. Grants and entitlements, not restricted for specific programs, comprised 57 percent of revenue for governmental activities.

Charges for Services and Sales increased due to increased tuition and fees revenue related to an increase in enrollment. Grants and Entitlements, Not Restricted to Specific Programs increased due to additional foundation monies. As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 47 percent of governmental program expenses. Regular instruction increased as a direct result of the increase in enrollment. Pupils support services decreased due to a decrease in contract services related to nursing services and psychological services.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

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

Table 3  
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2015	2015	2014	2014
Program Expenses				
Instruction:				
Regular	\$ 10,839,193	\$ 9,833,571	\$ 9,888,826	\$ 9,020,716
Special	2,472,186	735,897	2,487,176	799,587
Vocational	489,999	342,362	452,815	307,512
Other	1,507,727	1,432,601	1,396,625	1,343,905
Support Services:				
Pupils	791,654	595,776	1,076,568	834,408
Instructional Staff	386,394	347,318	409,977	366,552
Board of Education	52,134	49,551	48,821	46,978
Administration	1,919,889	1,674,224	1,723,901	1,622,445
Fiscal	449,991	426,613	435,763	418,005
Operation and Maintenance of Plant	1,670,393	1,538,178	1,650,265	1,522,301
Pupil Transportation	1,046,930	996,973	1,022,492	985,239
Central	46	44	-	-
Operation of Non-Instructional Services	754,943	(91,009)	736,951	(80,308)
Extracurricular Activities	453,268	161,672	452,680	150,488
Interest and Fiscal Charges	61,999	61,999	73,181	73,181
Total	<u>\$ 22,896,746</u>	<u>\$ 18,105,770</u>	<u>\$ 21,856,041</u>	<u>\$ 17,411,009</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 \$24,445,315 and expenditures and other financing uses of \$23,885,698. 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 \$944,854. This increase is due mainly to revenues exceeding current year expenditures.

The fund balance of the Title VI-B Fund decreased \$387,321. The Title VI-B Fund had revenues in the amount of \$0 and expenditures in the amount of \$387,321. The fund balance of the Title I Fund decreased \$812,533. The Title I Fund had revenues in the amount of \$0 and expenditures in the amount of \$812,533. The Title VI-B and Title I funds had receivables which were not collected in the available period which would have substantially covered the deficits.

**Greenfield Exempted Village School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(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 2015, there were several revisions to the General Fund budget. In part, these revisions increased estimated revenues and other financing sources by \$5,512,226 due to increases in property taxes and intergovernmental revenue and increased appropriations by \$4,397,633 due to increases in advances out anticipated. The General fund's ending unobligated cash balance was \$4,926,865.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2015, the School District had \$20,359,853 invested in its capital assets. Table 4 shows the fiscal year 2015 balances compared to 2014.

Table 4  
 Capital Assets  
 (Net of Depreciation)

	Governmental Activities	
	2015	2014*
Land	\$ 54,539	\$ 54,539
Land Improvements	54,538	50,762
Buildings and Improvements	19,386,550	19,959,597
Furniture and Equipment	293,098	315,282
Vehicles	571,128	499,433
Totals	\$ 20,359,853	\$ 20,879,613

\*Beginning balances reclassified. This reclassification had no effect on net position.

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

**Debt**

At June 30, 2015, the School District had Refunding Bonds consisting of \$955,000 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 Position*  
*June 30, 2015*

	Governmental Activities
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 18,240,418
Accounts Receivable	1,184
Intergovernmental Receivable	1,667,967
Taxes Receivable	4,416,189
Noncurrent Assets:	
Non-Depreciable Capital Assets	54,539
Depreciable Capital Assets, net	20,305,314
<i>Total Assets</i>	44,685,611
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pensions:	
State Teachers Retirement System	1,227,507
School Employees Retirement System	425,901
Unamortized Deferred Amount on Refunding	10,049
<i>Total Deferred Outflows of Resources</i>	1,663,457
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	556,581
Accrued Wages and Benefits	1,606,459
Intergovernmental Payable	303,963
Accrued Interest Payable	4,608
Matured Compensated Absences Payable	168,150
Claims Payable	36,759
Noncurrent Liabilities:	
Due Within One Year	366,245
Due in More Than One Year	
Net Pension Liability (See Note 10)	22,464,359
Other Amounts Due in More Than One Year	2,382,107
<i>Total Liabilities</i>	27,889,231
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions:	
State Teachers Retirement System	3,460,683
School Employees Retirement System	691,295
Property Taxes not Levied to Finance Current Year Operations	3,051,456
<i>Total Deferred Inflows of Resources</i>	7,203,434
<b>NET POSITION:</b>	
Net Investment in Capital Assets	19,023,245
Restricted for Debt Service	1,434,600
Restricted for Capital Outlay	2,569,638
Restricted for Other Purposes	891,147
Restricted for Classroom Facilities Maintenance	1,039,780
Unrestricted	(13,702,007)
<i>Total Net Position</i>	\$ 11,256,403

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, 2015

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental Activities:</b>				<b>Governmental Activities</b>
<b>Instruction:</b>				
Regular	\$ 10,839,193	\$ 464,162	\$ 541,460	\$ (9,833,571)
Special	2,472,186	90,405	1,645,884	(735,897)
Vocational	489,999	24,220	123,417	(342,362)
Other	1,507,727	74,688	438	(1,432,601)
<b>Support Services:</b>				
Pupils	791,654	29,673	166,205	(595,776)
Instructional Staff	386,394	17,932	21,144	(347,318)
Board of Education	52,134	2,583	-	(49,551)
Administration	1,919,889	85,955	159,710	(1,674,224)
Fiscal	449,991	21,694	1,684	(426,613)
Operation and Maintenance of Plant	1,670,393	78,953	53,262	(1,538,178)
Pupil Transportation	1,046,930	49,957	-	(996,973)
Central	46	2	-	(44)
<b>Operation of Non-Instructional Services</b>	754,943	190,869	655,083	91,009
<b>Extracurricular Activities</b>	453,268	150,698	140,898	(161,672)
<b>Interest and Fiscal Charges</b>	61,999	-	-	(61,999)
<b>Total Governmental Activities</b>	<u>\$ 22,896,746</u>	<u>\$ 1,281,791</u>	<u>\$ 3,509,185</u>	<u>(18,105,770)</u>
<b>General Revenues and Transfers:</b>				
<b>Taxes Levied for:</b>				
General Purposes				3,348,742
Debt Service				351,187
Classroom Facilities				67,639
Income Taxes				1,883,477
Grants and Entitlements, Not Restricted to Specific Programs				14,145,151
Gifts and Donations, Not Restricted to Specific Programs				55,260
Investment Earnings				57,247
Miscellaneous				211,526
Transfers				(147)
<b>Total General Revenues and Transfers</b>				<u>20,120,082</u>
<b>Special Item:</b>				
Return of Classroom Facilities Grant				(191,707)
<b>Change in Net Position</b>				1,822,605
<b>Net Position Beginning of Year - As Restated See Note 20</b>				<u>9,433,798</u>
<b>Net Position End of Year</b>				<u>\$ 11,256,403</u>

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, 2015*

	<u>General</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 8,034,163	\$ 397,947	\$ 938,401	\$ 6,076,031	\$ 15,446,542
Accounts Receivable	1,184	-	-	-	1,184
Interfund Receivable	4,334,413	-	-	-	4,334,413
Intergovernmental Receivable	68,753	387,321	814,175	397,718	1,667,967
Taxes Receivable	3,986,200	-	-	429,989	4,416,189
<i>Total Assets</i>	<u>\$ 16,424,713</u>	<u>\$ 785,268</u>	<u>\$ 1,752,576</u>	<u>\$ 6,903,738</u>	<u>\$ 25,866,295</u>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 520,560	\$ -	\$ -	\$ 30,441	\$ 551,001
Accrued Wages and Benefits	1,561,027	-	-	45,432	1,606,459
Interfund Payable	-	785,267	1,758,900	790,246	3,334,413
Matured Compensated Absences Payable	168,150	-	-	-	168,150
Intergovernmental Payable	292,245	-	-	11,718	303,963
<i>Total Liabilities</i>	<u>2,541,982</u>	<u>785,267</u>	<u>1,758,900</u>	<u>877,837</u>	<u>5,963,986</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes not Levied to Finance Current Year Operations	2,712,986	-	-	338,470	3,051,456
Unavailable Revenue - Delinquent Taxes	297,118	-	-	37,560	334,678
Unavailable Revenue - Grants	-	387,321	814,175	394,988	1,596,484
<i>Total Deferred Inflows of Resources</i>	<u>3,010,104</u>	<u>387,321</u>	<u>814,175</u>	<u>771,018</u>	<u>4,982,618</u>
<b>FUND BALANCES:</b>					
Restricted	-	-	-	5,643,822	5,643,822
Committed	408,341	-	-	-	408,341
Assigned	1,824,612	-	-	-	1,824,612
Unassigned	8,639,674	(387,320)	(820,499)	(388,939)	7,042,916
<i>Total Fund Balances</i>	<u>10,872,627</u>	<u>(387,320)</u>	<u>(820,499)</u>	<u>5,254,883</u>	<u>14,919,691</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 16,424,713</u>	<u>\$ 785,268</u>	<u>\$ 1,752,576</u>	<u>\$ 6,903,738</u>	<u>\$ 25,866,295</u>

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

**Greenfield Exempted Village School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2015*

<b>Total Governmental Fund Balances</b>		\$ 14,919,691
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		20,359,853
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	334,678	
Intergovernmental	1,596,484	
Total	1,931,162	1,931,162
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,751,537
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net position.		(4,608)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.		
Deferred outflows of resources related to pensions	1,653,408	
Deferred inflows of resources related to pensions	(4,151,978)	
Net Pension Liability	(22,464,359)	(24,962,929)
The unamortized deferred amount on refunding and long-term liabilities, including bonds, accretion, refunding premiums, and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,284,361)	
Refunding Bonds:		
Current Interest Bonds	(955,000)	
Capital Appreciation Bonds	(354,998)	
Accretion on Capital Appreciation Bonds	(117,334)	
Unamortized Deferred Amount on Refunding	10,049	
Unamortized Premium on Refunding Bonds	(36,659)	
Total	(2,738,303)	(2,738,303)
<b>Net Position of Governmental Activities</b>		<b>\$ 11,256,403</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, 2015

	General	Title VI-B	Title I	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property Taxes	\$ 3,327,573	\$ -	\$ -	\$ 415,832	\$ 3,743,405
Income Tax	1,883,477	-	-	-	1,883,477
Intergovernmental	15,292,633	-	-	771,722	16,064,355
Interest	57,247	-	-	-	57,247
Tuition and Fees	709,029	-	-	5,405	714,434
Rent	1,529	-	-	-	1,529
Extracurricular Activities	-	-	-	136,337	136,337
Gifts and Donations	55,260	-	-	43,126	98,386
Customer Sales and Services	243,649	-	-	185,842	429,491
Miscellaneous	211,277	-	-	249	211,526
<i>Total Revenues</i>	<u>21,781,674</u>	<u>-</u>	<u>-</u>	<u>1,558,513</u>	<u>23,340,187</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	9,459,853	286,864	-	361,578	10,108,295
Special	1,877,393	-	641,611	5,402	2,524,406
Vocational	492,690	-	-	-	492,690
Other	1,508,847	-	-	508	1,509,355
<b>Support Services:</b>					
Pupils	618,973	100,457	-	92,383	811,813
Instructional Staff	368,502	-	24,533	-	393,035
Board of Education	52,597	-	-	-	52,597
Administration	1,742,699	-	140,712	44,592	1,928,003
Fiscal	433,802	-	-	12,199	446,001
Operation and Maintenance of Plant	1,603,547	-	-	61,798	1,665,345
Pupil Transportation	1,021,467	-	-	-	1,021,467
Central	46	-	-	-	46
Operation of Non-Instructional Services	-	-	5,677	751,757	757,434
Extracurricular Activities	296,363	-	-	163,478	459,841
Capital Outlay	305,894	-	-	24,176	330,070
<b>Debt Service:</b>					
Principal	-	-	-	240,000	240,000
Interest	-	-	-	40,025	40,025
<i>Total Expenditures</i>	<u>19,782,673</u>	<u>387,321</u>	<u>812,533</u>	<u>1,797,896</u>	<u>22,780,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,999,001</u>	<u>(387,321)</u>	<u>(812,533)</u>	<u>(239,383)</u>	<u>559,764</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	-	-	-	1,105,128	1,105,128
Transfers Out	(1,054,147)	-	-	(51,128)	(1,105,275)
<i>Total Other Financing Sources and Uses</i>	<u>(1,054,147)</u>	<u>-</u>	<u>-</u>	<u>1,054,000</u>	<u>(147)</u>
Special Item - Return of Classroom Facilities Grant				(191,707)	(191,707)
<i>Net Change in Fund Balances</i>	944,854	(387,321)	(812,533)	622,910	367,910
<i>Fund Balances at Beginning of Year</i>	<u>9,927,773</u>	<u>1</u>	<u>(7,966)</u>	<u>4,631,973</u>	<u>14,551,781</u>
<i>Fund Balances at End of Year</i>	<u>\$ 10,872,627</u>	<u>\$ (387,320)</u>	<u>\$ (820,499)</u>	<u>\$ 5,254,883</u>	<u>\$ 14,919,691</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, 2015*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ 367,910
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.		
Capital Asset Additions	330,070	
Current Year Depreciation	<u>(849,830)</u>	
Total		(519,760)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	24,163	
Intergovernmental	<u>1,546,855</u>	
Total		1,571,018
The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net position, but does not result in an expenditure in the governmental funds.		7,341
Deferred amounts on refunding are included as expenditures in the funds, but are deferred and amortized over the life of the bonds in the government-wide financial statements.		(2,035)
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.		240,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in Compensated Absences	(101,370)	
Accretion of Capital Appreciation Bonds	(26,321)	
Decrease in Interest Payable	<u>(959)</u>	
Total		(128,650)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		1,411,012
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(1,091,539)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities with the exception of interest earnings.		<u>(32,692)</u>
<b>Net Change in Net Position of Governmental Activities</b>		<u><u>\$ 1,822,605</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, 2015*

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 20,443,030	\$ 25,955,256	\$ 25,955,256	\$ -
Total Expenditures and Other Financing Uses	23,298,666	27,696,299	27,657,557	38,742
Net Change in Fund Balance	(2,855,636)	(1,741,043)	(1,702,301)	38,742
Fund Balance at Beginning of Year	3,880,986	3,880,986	3,880,986	-
Prior Year Encumbrances Appropriated	2,748,180	2,748,180	2,748,180	-
Fund Balance at End of Year	\$ 3,773,530	\$ 4,888,123	\$ 4,926,865	\$ 38,742

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2015*

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 800,013	\$ 800,013	\$ 800,013	\$ -
Total Expenditures and Other Financing Uses	979,249	1,187,334	789,387	397,947
Net Change in Fund Balance	(179,236)	(387,321)	10,626	397,947
Fund Balance at Beginning of Year	387,321	387,321	387,321	-
Fund Balance at End of Year	\$ 208,085	\$ -	\$ 397,947	\$ 397,947

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



**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budgetary Basis)*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2015*

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 1,729,815	\$ 1,729,816	\$ 1,729,815	\$ (1)
Total Expenditures and Other Financing Uses	1,140,239	3,359,567	2,421,819	937,748
Net Change in Fund Balance	589,576	(1,629,751)	(692,004)	937,747
Fund Balance at Beginning of Year	1,628,168	1,628,168	1,628,168	-
Prior Year Encumbrances Appropriated	1,583	1,583	1,583	-
Fund Balance at End of Year	\$ 2,219,327	\$ -	\$ 937,747	\$ 937,747

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

**Greenfield Exempted Village School District**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*June 30, 2015*

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	<u>Internal Service</u>
<b>ASSETS:</b>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 2,793,876
<i>Total Assets</i>	<u>2,793,876</u>
<b>LIABILITIES:</b>	
Accounts Payable	5,580
Interfund Payable	1,000,000
Claims Payable	36,759
<i>Total Liabilities</i>	<u>1,042,339</u>
<b>NET POSITION:</b>	
Unrestricted	1,751,537
<i>Total Net Position</i>	<u>\$ 1,751,537</u>

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

**Greenfield Exempted Village School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2015*

	<u>Internal Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services	\$ 450,271
<i>Total Operating Revenues</i>	<u>450,271</u>
<b>OPERATING EXPENSES:</b>	
Purchased Services	5,580
Claims	156,619
Other	320,764
<i>Total Operating Expenses</i>	<u>482,963</u>
<i>Change in Net Position</i>	(32,692)
Net Position at Beginning of Year	<u>1,784,229</u>
Net Position at End of Year	<u>\$ 1,751,537</u>

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

**Greenfield Exempted Village School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2015

	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	\$ 450,271
Cash Payments for Claims	(141,363)
Cash Payments for Other Operating Uses	(320,764)
<i>Net Cash Provided by Operating Activities</i>	(11,856)
<i>Cash Flows from Noncapital Financing Activities</i>	
Advance In	1,000,000
<i>Net Increase in Cash and Cash Equivalents</i>	988,144
Cash and Cash Equivalents at Beginning of Year	1,805,732
Cash and Cash Equivalents at End of Year	\$ 2,793,876
<b><i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i></b>	
Operating Income	\$ (32,692)
<i>Changes in Liabilities:</i>	
Increase in Accounts Payable	5,580
Increase in Claims Payable	15,256
<i>Net Cash Provided by Operating Activities</i>	\$ (11,856)

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

**Greenfield Exempted Village School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2015*

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	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
<b>ASSETS:</b>		
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 1,374,010	<u>\$ 190,002</u>
Investments	<u>2,283,844</u>	
Total Assets	<u>3,657,854</u>	
<b>LIABILITIES:</b>		
Undistributed Monies		<u>\$ 190,002</u>
<b>NET POSITION:</b>		
Held in Trust for Scholarships	<u>3,657,854</u>	
Total Net Position	<u>\$ 3,657,854</u>	

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

**Greenfield Exempted Village School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2015*

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	Private Purpose Trust Funds
ADDITIONS:	
Gifts and Contributions	\$ 29,950
Investment Earnings	258,119
Transfers In	147
<i>Total Additions</i>	288,216
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	103,400
Change in Net Position	184,816
Net Position Beginning of Year	3,473,038
Net Position End of Year	\$ 3,657,854

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, 2015**

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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 98 classified employees and 140 certificated employees who provide services to 2,088 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

*Reporting Entity:*

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

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

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

- \* Boosters Clubs
- \* Parent Teacher Organizations

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

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

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

*Government-wide Financial Statements:*

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

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

*Fund Financial Statements:*

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**General Fund**

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



**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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

**B. Fund Accounting** (continued)

**Title VI-B Fund**

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

**Title I Fund**

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

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

**Proprietary Funds**

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

**Internal Service Fund**

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

**Fiduciary Funds**

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

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

**Measurement Focus**

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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

**B. Fund Accounting** (continued)

**Measurement Focus** (continued)

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

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

**Basis of Accounting**

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

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

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

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

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

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2015**

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

**B. Fund Accounting** (continued)

**Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for the unamortized portion of the net loss on refunding of bonds as of June 30, 2015 and for pensions. The deferred outflows of resources related to the pension are explained in Note 10. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes and grants which are not collected in the available period and pensions. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Deferred inflows of resources related to pension are only reported on the Statement of Net Position. (See Note 10)

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt 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 2015.

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

During fiscal year 2015 the School District's investments were limited to stock for the private purpose trust fund and Federal Home Loan Bank Bonds.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited during fiscal year 2015 amounted to \$57,247 for the General Fund and \$258,119 for the Private Purpose Trust Fund.

**E. Capital Assets and Depreciation**

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

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

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

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

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

**F. Interfund Balances**

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

**G. Compensated Absences**

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

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

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

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

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

**I. Fund Balance**

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

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

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

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

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

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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

**I. Fund Balance** (continued)

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

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

**J. Estimates**

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

**K. Net Position**

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

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

The government-wide statement of net position reports \$5,935,165 in restricted net position, none of which is restricted by enabling legislation.

**L. Interfund Transactions**

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

**M. Pensions**

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**NOTE 3 – ACCOUNTABILITY**

At June 30, 2015, the Preschool Grant, Early Childhood Special Education, Title I, Special Education, Improving Teacher Quality, and the Rural and Low-Income Special Revenue Funds had fund balance deficits of \$251,992, \$5,403, 387,320, \$820,499, \$126,844 and \$4,700, 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, Title VI-B, and Title I Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

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

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

	Net Change in Fund Balance		
	<u>General</u>	<u>Title VI-B</u>	<u>Title I</u>
GAAP Basis	\$ 944,854	\$ (387,321)	\$ (812,533)
Revenue Accruals	4,303,263	800,013	1,729,815
Expenditure Accruals	(4,611,958)	(402,066)	(1,608,636)
Perspective Difference:			
Activity of Funds Reclassified for GAAP Reporting Purposes	(27,218)	-	-
Encumbrances	<u>(2,311,242)</u>	<u>-</u>	<u>(650)</u>
Budget Basis	<u>\$ (1,702,301)</u>	<u>\$ 10,626</u>	<u>\$ (692,004)</u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2015**

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

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. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
9. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

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

As of June 30, 2015, the School District’s bank balance of \$18,999,704. Of the \$18,999,704 balance, \$12,939,184 was covered by FDIC, while the remaining amount was collateralized by the financial institution’s public entity deposit pools in the manner described above.

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

	Carrying/Fair Value	Weighted Average Maturity (Years)
Common Stocks	\$ 2,283,844	<1 Year
FHLB Bonds	999,020	<1 Year
Total	\$ 3,282,864	

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

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

**Concentration of credit risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. 70% of the School District’s investments are in common stocks, with the remaining 30% in FHLB Bonds. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**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 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien on December 31, 2013, were levied after April 1, 2014, and are collected in 2015 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values upon which fiscal year 2015 taxes were collected are:

	2014 Second- Half Collections		2015 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$155,373,120	94.63%	\$169,435,420	93.17%
Public Utility	8,812,960	5.37%	12,414,160	6.83%
Total Assessed Value	<u>\$164,186,080</u>	<u>100.00%</u>	<u>\$181,849,580</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, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2015 and for which there is an enforceable legal claim.

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

The amount available as an advance at June 30, 2015, was \$429,006 in the General Fund, \$8,447 in the Classroom Facilities Non-major Special Revenue Fund, and \$45,512 in the Debt Service Non-major Debt Service Fund.

**NOTE 7 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Ending Balance 6/30/2014*	Additions	Deletions	Ending Balance 6/30/2015
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 54,539	\$ -	\$ -	\$ 54,539
Total Capital Assets, Not Being Depreciated	54,539	-	-	54,539
Capital Assets Being Depreciated				
Land Improvements	523,004	16,189	-	539,193
Buildings and Improvements	33,607,875	172,391	-	33,780,266
Furniture and Equipment	2,782,584	27,630	-	2,810,214
Vehicles	1,970,447	113,860	-	2,084,307
Total Capital Assets Being Depreciated	38,883,910	330,070	-	39,213,980
Less: Accumulated Depreciation:				
Land Improvements	(472,242)	(12,413)	-	(484,655)
Buildings and Improvements	(13,648,278)	(745,438)	-	(14,393,716)
Furniture and Equipment	(2,467,302)	(49,814)	-	(2,517,116)
Vehicles	(1,471,014)	(42,165)	-	(1,513,179)
Total Accumulated Depreciation	(18,058,836)	(849,830)	-	(18,908,666)
Total Capital Assets Being Depreciated, Net	20,825,074	(519,760)	-	20,305,314
Governmental Capital Assets, Net	\$ 20,879,613	\$ (519,760)	\$ -	\$ 20,359,853

\*Beginning balances reclassified. This reclassification had no effect on net position.

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$791,178
Special Instruction	781
Vocational Instruction	1,245
Support Services:	
Pupil Transportation	38,790
Operation and Maintenance of Plant	15,319
Operation of Non-Instructional Services	2,517
Total Depreciation Expense	<u>\$849,830</u>

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2015, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Major Funds:	
General	\$ 68,753
Title VI-B	387,321
Title I	814,175
Non-Major Funds:	
Pre-School Grant	252,000
Early Childhood Special Education - IDEA	5,402
Miscellaneous Federal Grants	35,783
Food Service	676
Race to the Top	2,054
Improving Teacher Quality	<u>101,803</u>
Total Non-Major Funds	<u>397,718</u>
Total All Funds/Governmental Activities	<u><u>\$ 1,667,967</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 2015, the School District contracted with Ohio Casualty for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

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

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

The School District contracted with Medical Mutual to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District self-insures employee excess costs not covered by Medical Mutual through a self-insurance internal service fund. The claims liability of \$36,759 reported in the Internal Service fund at June 30, 2015 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, 2015**

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**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>
2014	\$	20,438	\$	177,876	\$	176,811	\$	21,503
2015	\$	21,503	\$	156,619	\$	141,363	\$	36,759

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

For fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68” were effective. These GASB pronouncements had a significant effect on beginning net position as reported June 30, 2014, as more fully described in Note 20. The net pension liability reported on the statement of net position represents a liability to employees for pensions.

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in the intergovernmental payable on both the accrual and modified accrual basis of accounting.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$357,334 for fiscal year 2015. Of this amount \$24,264 is reported as an intergovernmental payable.

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

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

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2015**

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

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

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS Ohio was \$1,135,425 for fiscal year 2015. Of this amount \$174,224 is reported as an intergovernmental payable.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

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

The net pension liability reported as of June 30, 2015 was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share as well as the pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$4,259,290	\$18,205,069	\$22,464,359
Proportion of the Net Pension Liability	0.084160%	0.07484572%	
Pension Expense	\$250,481	\$841,058	\$1,091,539

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$36,251	\$175,263	\$211,514
Differences between School District contributions and proportionate share of contributions	30,882	-	30,882
School District contributions subsequent to the measurement date	<u>358,768</u>	<u>1,052,244</u>	<u>1,411,012</u>
Total	<u>\$425,901</u>	<u>\$1,227,507</u>	<u>\$1,653,408</u>

<b>Deferred Inflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between projected and actual investment earnings	\$691,295	\$3,368,007	\$4,059,302
Differences between School District contributions and proportionate share of contributions	-	92,676	92,676
Total	<u>\$691,295</u>	<u>\$3,460,683</u>	<u>\$4,151,978</u>



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

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

\$1,411,012 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	(\$156,040)	(\$821,355)	(\$977,395)
2017	(156,040)	(821,355)	(977,395)
2018	(156,041)	(821,355)	(977,396)
2019	(156,041)	(821,355)	(977,396)
Total	(\$624,162)	(\$3,285,420)	(\$3,909,582)

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

**Actuarial Assumptions - SERS** (continued)

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement. The most recent experience study was completed June 30, 2010.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$6,076,741	\$4,259,290	\$2,730,656

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u><u>100.00 %</u></u>	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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

**Actuarial Assumptions – STRS** (continued)

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$26,062,543	\$18,205,069	\$11,560,292

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2015, one of the School District's members of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**State Teachers Retirement System**

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

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

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent contribution rate, 0 percent, 1 percent, and 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2015, 2014, and 2013, respectively. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$0, \$79,715, and \$82,960, for fiscal years 2015, 2014, and 2013, respectively, which equaled the required allocations for those years.

**School Employees Retirement System**

**Health Care Plan Description** - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**Greenfield Exempted Village School District**  
***Notes to the Basic Financial Statements***  
**For the Fiscal Year Ended June 30, 2015**

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. 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 2015, the School District's surcharge obligation was \$42,263.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$60,533, \$50,781, and \$43,837, respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

**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.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**NOTE 13 - LONG-TERM LIABILITIES**

The changes in the School District's long-term liabilities during fiscal year 2015 were as follows:

	Principal Outstanding 6/30/2014*	Additions	Deletions	Principal Outstanding 6/30/2015	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 205,000	\$ -	\$ 205,000	\$ -	\$ -
2010 Refunding Bonds					
2.00%-4.00%	990,000	-	35,000	955,000	-
Premium	44,000	-	7,341	36,659	-
Capital Appreciation Bonds	354,998	-	-	354,998	182,585
Accretion	91,013	26,321	-	117,334	60,350
Net Pension Liability:					
STRS	21,685,760	-	3,480,691	18,205,069	-
SERS	5,004,725	-	745,435	4,259,290	-
Total Net Pension Liability	26,690,485	-	4,226,126	22,464,359	-
Compensated Absences	1,182,991	1,246,361	1,144,991	1,284,361	123,310
Total Long-Term Liabilities	<u>\$ 29,558,487</u>	<u>\$ 1,272,682</u>	<u>\$5,618,458</u>	<u>\$ 25,212,711</u>	<u>\$ 366,245</u>

\*As restated – See Note 20

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 were repaid from the debt service fund. Long-term general obligation bonds were paid off during the year.

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**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 2016 and 2017. All of these bonds are and will be repaid from the debt service fund.

The capital appreciation bonds, issued at \$354,998, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2016 and 2017. The maturity amount of the capital appreciation bonds is \$500,000. For fiscal year 2015, the capital appreciation bonds were accreted \$26,321. Total accretion as of June 30, 2015 was \$117,334.

The net loss on the refunding of the bonds in the amount of \$20,347 was originally recorded as a reduction of the bonds and was being amortized (added to) the bond liability over the life of the refunded Bonds. Due to the implementation of GASB's Statement No. 63 and Statement No. 65, the unamortized portion of the net loss of \$10,049 is recorded as a deferred outflow of resources on the Statement of Net Position and no longer is reported as part of the debt.

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

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant fund. The School District's overall legal debt margin was \$16,414,259 with an unvoted debt margin of \$181,850 at June 30, 2015.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2015, are as follows:

Fiscal Year Ending June 30,	<u>2010 Refunding Bonds</u>			<u>2010 Capital Appreciation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	-	33,994	33,994	182,585	67,415	250,000
2017	-	33,994	33,994	172,413	77,587	250,000
2018	255,000	29,850	284,850	-	-	-
2019	260,000	21,156	281,156	-	-	-
2020	265,000	11,803	276,803	-	-	-
2021	175,000	3,500	178,500	-	-	-
Totals	<u>\$955,000</u>	<u>\$134,297</u>	<u>\$1,089,297</u>	<u>\$354,998</u>	<u>\$145,002</u>	<u>\$500,000</u>

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**NOTE 14 - INTERFUND ACTIVITY**

**Interfund Payables/Receivables**

As of June 30, 2015, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivable	Interfund Payable
Major Funds:		
General Fund	\$ 4,334,413	\$ -
Title VI-B	-	785,267
Title I	-	1,758,900
Special Revenue Funds, Non-Major:		
District Managed Activities	-	5,000
Preschool	-	503,999
School Net	-	95
Race to the Top	-	2,054
Career Tech	-	4,000
Preschool	-	10,825
Improving Teacher Quality	-	223,592
Federal Programs	-	40,681
Total Special Revenue Funds	-	790,246
Internal Service Fund	-	1,000,000
Totals	\$ 4,334,413	\$ 4,334,413

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

**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, 2015 transfers that resulted from various interfund transactions were as follows:

	Transfer From	Transfer To
Major Fund:		
General Fund	\$ 1,054,147	\$ -
Non-Major Debt Service Fund:		
Debt Service Fund	51,128	-
Non-Major Capital Projects Funds:		
Classroom Facilities Maintenance	-	51,128
Capital Improvements	-	504,000
Permanent Improvement	-	450,000
Total Non-Major Capital Projects Funds	-	1,005,128
Non-Major Special Revenue Fund:		
Extracurricular Activities	-	100,000
Total Non-Major Special Revenue Funds	-	100,000
Total Non-Major Funds	51,128	1,105,128
Private Purpose Trust Funds	-	147
Total All Funds	\$ 1,105,275	\$ 1,105,275



**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

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**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

*South Central Ohio Computer Association Council of Governments-* The School District is a participant in the South Central Ohio Computer Association Council of Governments (SCOCA COG) which is an information technology center. SCOCA COG is a council of governments providing information technology services to 59 public education entities, 60 non-public education entities, and public libraries from 24 Ohio counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA COG consists of two representatives from each of the eleven participating counties, two school treasurers, and a representative for the fiscal agent. SCOCA COG is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The School District paid SCOCA COG \$217,589 for services provided during the year. Financial information for SCOCA COG can be obtained from Sandee Benson, P.O. Box 596, 175 Beaver Creek, Suite 2, Piketon, Ohio 45661.

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

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

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

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

	Capital Acquisition
Set-Aside Reserve Balance as of June 30, 2014	\$ -
Current Year Set-Aside Requirement	342,601
Current Year Offsets	(342,601)
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	-
Set-Aside Reserve Balance as of June 30, 2015	\$ -

The School District had offsets during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserves. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$382,155 at June 30, 2015.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2015, if applicable, cannot be determined at this time.

**B. Litigation**

The School District is not party to any legal proceedings.

**C. Foundation**

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

**NOTE 18 – INCOME TAX**

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

**Greenfield Exempted Village School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2015**

**NOTE 19 – FUND BALANCES**

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

Fund Balances	General	Title VI-B	Title I	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted for</b>					
Food Service Operations	\$0	\$0	\$0	\$515,398	\$515,398
Classroom Facilities Maintenance	0	0	0	1,033,512	1,033,512
Other Purposes	0	0	0	1,419	1,419
Athletics	0	0	0	120,547	120,547
Capital Projects	0	0	0	2,569,638	2,569,638
Debt Services Payments	0	0	0	1,403,308	1,403,308
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,643,822</u>	<u>5,643,822</u>
<b>Committed to</b>					
Termination Benefits	<u>408,341</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>408,341</u>
<b>Assigned to</b>					
Other Purposes	<u>1,824,612</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,824,612</u>
<b>Unassigned (Deficit)</b>	<u>8,639,674</u>	<u>(387,320)</u>	<u>(820,499)</u>	<u>(388,939)</u>	<u>7,042,916</u>
Total Fund Balances	<u>\$10,872,627</u>	<u>(\$387,320)</u>	<u>(\$820,499)</u>	<u>\$5,254,883</u>	<u>\$14,919,691</u>

**NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES**

For 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No.27” and GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.”

Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI).

Statement No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability

The impact of the application of Statement No. 68 and Statement No. 71 had the following effect on beginning net position.

Net position, July 1, 2014-As previously stated	\$34,716,200
School District Share of Beginning Plan Net Pension Liability	(26,690,485)
School District Share of 2014 Employer Contributions	<u>1,408,083</u>
Net position, July 1, 2014-As restated	<u>\$9,433,798</u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**Greenfield Exempted Village School District**  
*Notes to the Basic Financial Statements*  
**For the Fiscal Year Ended June 30, 2015**

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**NOTE 21 – ENCUMBRANCE COMMITMENTS**

At June 30, 2015, the School District had significant encumbrance commitments in the following governmental funds:

<u>Fund</u>	<u>Amount</u>
Major Fund:	
General	\$2,311,242
Non-Major Funds:	
Permanent Improvement	56,600
Food Service	242,038
Classroom Facilities	61,035
Capital Improvements	341,422
Athletics	<u>26,544</u>
Total Non-Major Funds	<u>727,639</u>
Total Encumbrances	<u><u>\$3,038,881</u></u>

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

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	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 17,881,827,171	\$ 17,247,161,078
Plan net position	<u>12,820,884,107</u>	<u>11,300,482,029</u>
Net pension liability	5,060,943,064	5,946,679,049
School District's proportion of the net pension liability	0.084160%	0.084160%
School District's proportionate share of the net pension liability	\$ 4,259,290	\$ 5,004,725
School District's covered-employee payroll	\$ 2,571,692	\$ 2,714,386
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.60%	184.40%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.50%

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

	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 96,167,057,104	\$ 94,366,693,720
Plan net position	<u>71,843,596,331</u>	<u>65,392,746,348</u>
Net pension liability	24,323,460,773	28,973,947,372
School District's proportion of the net pension liability	0.07484572%	0.07484572%
School District's proportionate share of the net pension liability	\$ 18,205,069	\$ 21,685,760
School District's covered-employee payroll	\$ 7,647,400	\$ 8,323,254
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	238.10%	260.50%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 357,334	\$ 338,949	\$ 375,671	\$ 176,353	\$ 302,865	\$ 355,944	\$ 206,735	\$ 281,250	\$ 250,291	\$ 236,103
Contributions in relation to the contractually required contribution	<u>(357,334)</u>	<u>(338,949)</u>	<u>(375,671)</u>	<u>(176,353)</u>	<u>(302,865)</u>	<u>(355,944)</u>	<u>(206,735)</u>	<u>(281,250)</u>	<u>(250,291)</u>	<u>(236,103)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$2,578,167	\$2,571,692	\$2,714,386	\$1,311,175	\$2,409,427	\$2,628,833	\$2,100,965	\$2,864,053	\$2,343,549	\$2,231,597
Contributions as a percentage of covered employee payroll	13.86%	13.18%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 1,135,425	\$ 994,162	\$ 1,082,023	\$ 1,052,354	\$ 1,034,131	\$ 1,097,382	\$ 971,679	\$ 1,054,340	\$ 1,007,285	\$ 1,031,039
Contributions in relation to the contractually required contribution	<u>(1,135,425)</u>	<u>(994,162)</u>	<u>(1,082,023)</u>	<u>(1,052,354)</u>	<u>(1,034,131)</u>	<u>(1,097,382)</u>	<u>(971,679)</u>	<u>(1,054,340)</u>	<u>(1,007,285)</u>	<u>(1,031,039)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered-employee payroll	\$ 8,110,179	\$ 7,647,400	\$ 8,323,254	\$ 8,095,031	\$ 7,954,854	\$ 8,441,400	\$ 7,474,454	\$ 8,110,308	\$ 7,748,346	\$ 7,931,069
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%



**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Breakfast Program	10.553	155,184		155,184	
National School Lunch Program	10.555	426,158	52,037	426,158	52,037
<i>Total Nutrition Cluster</i>		581,342	52,037	581,342	52,037
<b>Total U.S. Department of Agriculture</b>		<b>581,342</b>	<b>52,037</b>	<b>581,342</b>	<b>52,037</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed through Ohio Department of Education:</i>					
Education Consolidation and Improvement Act					
Title I - FY14	84.010	723,014		-	
Title I - FY15	84.010	-		820,502	
<i>Total Title I</i>		723,014		820,502	
Special Education Cluster:					
Special Education Grants to States					
IDEA Part B - FY14	84.027	402,066		-	
IDEA Part B - FY15	84.027	-		387,321	
Early Childhood - FY14	84.173	5,409		-	
Early Childhood - FY15	84.173	-		5,402	
<i>Total Special Education Cluster</i>		407,475		392,723	
Rural & Low Income - FY14	84.358	36,755		-	
Rural & Low Income - FY15	84.358	-		35,783	
<i>Total Rural &amp; Low Income</i>		36,755		35,783	
Improving Teacher Quality - FY14	84.367	100,104		-	
Improving Teacher Quality - FY15	84.367	-		101,802	
<i>Total Improving Teacher Quality</i>		100,104		101,802	
Race to the Top - FY14 - ARRA	84.395	78,898		-	
Race to the Top - FY15 -ARRA	84.395	-		2,054	
Race to the Top Mini Grant- FY14 -ARRA	84.395	8,950		-	
Race to the Top Mini Grant- FY15 -ARRA	84.395	14,336		14,336	
<i>Total Race to the Top</i>		102,184		16,390	
<i>Passed through Great Oaks Institute of Technology and Career Development</i>					
Vocational Education Basic Grants to States					
Career Education	84.048	4,000		4,000	
<b>Total Department of Education</b>		<b>1,373,532</b>	-	<b>1,371,200</b>	-
<b>TOTAL FEDERAL FINANCIAL ASSISTANC</b>		<b>\$ 1,954,874</b>	<b>\$ 52,037</b>	<b>\$ 1,952,542</b>	<b>\$ 52,037</b>

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenfield Exempted Village School District, Highland County, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 29, 2016, wherein we noted that the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 29, 2016



# Dave Yost • Auditor of State

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

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

To the Board of Education:

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

We have audited the Greenfield Exempted Village School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

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

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

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

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

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

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

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

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

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

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

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

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 29, 2016

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT  
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2015**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I CFDA#84.010 Special Education Cluster: IDEA Part B CFDA# 84.027 Preschool Subsidy CFDA #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

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

None.

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# Dave Yost • Auditor of State

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT**

**HIGHLAND COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 12, 2016**