
Greenfield Exempted Village School District

Highland County

Single Audit

July 1, 1998 Through June 30, 1999

Fiscal Year Audited Under GAGAS: 1999

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Highland County

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July 1, 1998 Through June 30, 1999

Fiscal Year Audited Under GAGAS: 1999

MICHAEL A. BALESTRA, CPA, INC.
CERTIFIED PUBLIC ACCOUNTANTS
528 S. WEST STREET, P.O. BOX 687
PIKETON, OHIO 45661

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY

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OFFICE OF THE AUDITOR

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Board of Education
Greenfield Exempted Village School District
Greenfield, Ohio

We have reviewed the Independent Auditor's Report of the Greenfield Exempted Village School District, Highland County, prepared by Michael A. Balestra, CPA, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

January 9, 2000

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Independent Auditor's Report

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

We have audited the accompanying general-purpose financial statements of the Greenfield Exempted Village School District, Highland County, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Greenfield Exempted Village School District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Greenfield Exempted Village School District, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type and non-expendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 1999, on our consideration of the Greenfield Exempted Village School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.
December 23, 1999

GENERAL-PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the School District include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of the proprietary fund type.

Greenfield Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,056,296	\$257,259	\$277,769	\$10,287,097
Investments	0	0	0	0
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	263	0
Receivables:				
Taxes	2,292,606	55,741	460,503	0
Interfund Receivable	22,650	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Restricted Assets				
Cash and Cash Equivalents	453,752	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$4,825,304	\$313,000	\$738,535	\$10,287,097

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$112,631	\$419,886	\$583,352	\$0	\$0	\$13,994,290
0	0	1,131,283	0	0	1,131,283
0	0	0	0	0	263
0	0	0	0	0	2,808,850
0	0	0	0	0	22,650
8,026	0	0	0	0	8,026
2,473	0	0	0	0	2,473
0	0	0	0	0	453,752
33,901	0	0	8,416,076	0	8,449,977
0	0	0	0	301,443	301,443
0	0	0	0	5,054,710	5,054,710
<u>\$157,031</u>	<u>\$419,886</u>	<u>\$1,714,635</u>	<u>\$8,416,076</u>	<u>\$5,356,153</u>	<u>\$32,227,717</u>

(continued)

Greenfield Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities,				
Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$43,757	\$11,045	\$0	\$95,494
Contracts Payable	0	0	0	230,811
Accrued Wages and Benefits	1,051,901	32,740	0	0
Compensated Absences Payable	21,567	0	0	0
Interfund Payable	0	21,900	0	0
Intergovernmental Payable	231,095	11,719	0	0
Deferred Revenue	2,174,612	52,796	436,829	0
Undistributed Monies	0	0	0	0
Matured Interest Payable	0	0	263	0
Claims Payable	0	0	0	0
Energy Conservation Loans Payable	0	0	0	0
School Facilities Bonds Payable	0	0	0	0
Total Liabilities	3,522,932	130,200	437,092	326,305
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Endowment	0	0	0	0
Reserved for Encumbrances	436,856	14,428	0	22,927,697
Reserved for Property Taxes	117,994	2,945	23,674	0
Reserved for Textbooks & Instr. Materials	154,440	0	0	0
Reserved for Capital Improvements	154,440	0	0	0
Reserved for Budget Stabilization	144,872	0	0	0
Unreserved:				
Undesignated (Deficit)	293,770	165,427	277,769	(12,966,905)
Total Fund Equity and Other Credits	1,302,372	182,800	301,443	9,960,792
Total Liabilities, Fund Equity and Other Credits	\$4,825,304	\$313,000	\$738,535	\$10,287,097

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$779	\$0	\$2,920	\$0	\$0	\$153,995
0	0	0	0	0	230,811
23,539	0	0	0	0	1,108,180
17,495	0	0	0	1,006,824	1,045,886
750	0	0	0	0	22,650
17,758	0	0	0	97,899	358,471
4,793	0	0	0	0	2,669,030
0	0	93,370	0	0	93,370
0	0	0	0	0	263
0	129,175	0	0	0	129,175
0	0	0	0	111,430	111,430
0	0	0	0	4,140,000	4,140,000
<u>65,114</u>	<u>129,175</u>	<u>96,290</u>	<u>0</u>	<u>5,356,153</u>	<u>10,063,261</u>
0	0	0	8,416,076	0	8,416,076
91,917	290,711	0	0	0	382,628
0	0	1,570,022	0	0	1,570,022
0	0	0	0	0	23,378,981
0	0	0	0	0	144,613
0	0	0	0	0	154,440
0	0	0	0	0	154,440
0	0	0	0	0	144,872
0	0	48,323	0	0	(12,181,616)
<u>91,917</u>	<u>290,711</u>	<u>1,618,345</u>	<u>8,416,076</u>	<u>0</u>	<u>22,164,456</u>
<u>\$157,031</u>	<u>\$419,886</u>	<u>\$1,714,635</u>	<u>\$8,416,076</u>	<u>\$5,356,153</u>	<u>\$32,227,717</u>

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Greenfield Exempted Village School District
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property Taxes	\$1,945,022	\$47,473	\$390,607	\$47,620	\$0	\$2,430,722
Intergovernmental	8,674,475	485,155	45,279	7,461,643	0	16,666,552
Interest	204,713	0	0	209,155	38,605	452,473
Tuition and Fees	41,851	0	0	0	0	41,851
Rent	754	0	0	0	0	754
Extracurricular Activities	0	109,150	0	0	0	109,150
Gifts and Donations	5,098	100	0	18,960	5,000	29,158
Miscellaneous	138,130	25,639	75,818	0	0	239,587
Total Revenues	11,010,043	667,517	511,704	7,737,378	43,605	19,970,247
Expenditures:						
Current:						
Instruction:						
Regular	5,366,863	63,472	0	20,722	0	5,451,057
Special	757,088	269,175	0	0	0	1,026,263
Vocational	372,015	26,110	0	0	0	398,125
Adult/Continuing	0	3,138	0	0	0	3,138
Other	286	0	0	0	0	286
Support Services:						
Pupils	571,657	35,640	0	0	0	607,297
Instructional Staff	81,397	31,136	0	0	0	112,533
Board of Education	20,904	0	0	0	0	20,904
Administration	1,192,108	116,274	0	0	0	1,308,382
Fiscal	301,759	23,231	11,678	1,666	0	338,334
Operation and Maintenance of Plant	1,019,642	0	0	334,810	0	1,354,452
Pupil Transportation	693,350	0	0	0	0	693,350
Operation of Non-Instructional						
Services	469	0	0	0	43,116	43,585
Extracurricular Activities	115,730	114,283	0	0	0	230,013
Capital Outlay	0	529	0	1,684,950	0	1,685,479
Debt Service:						
Principal Retirement	0	0	317,081	0	0	317,081
Interest and Fiscal Charges	0	0	206,632	0	0	206,632
Total Expenditures	10,493,268	682,988	535,391	2,042,148	43,116	13,796,911
Excess of Revenues Over (Under) Expenditures	516,775	(15,471)	(23,687)	5,695,230	489	6,173,336
Other Financing Sources (Uses):						
Proceeds from Sale of Bonds	0	0	0	3,999,100	0	3,999,100
Proceeds from Sale of Fixed Assets	455	0	0	0	0	455
Operating Transfers In	386,100	0	0	0	387	386,487
Operating Transfers Out	(386,100)	0	0	0	0	(386,100)
Total Other Financing Sources (Uses)	455	0	0	3,999,100	387	3,999,942
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	517,230	(15,471)	(23,687)	9,694,330	876	10,173,278
Fund Balances at Beginning of Year	785,142	198,271	325,130	266,462	47,447	1,622,452
Fund Balances at End of Year	\$1,302,372	\$182,800	\$301,443	\$9,960,792	\$48,323	\$11,795,730

See accompanying notes to the general purpose financial statements

Greenfield Exempted Village School District
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$1,915,527	\$1,915,527	\$0	\$46,679	\$46,679	\$0
Intergovernmental	8,674,475	8,674,475	0	485,155	485,155	0
Interest	204,713	204,713	0	0	0	0
Tuition and Fees	41,851	41,851	0	0	0	0
Rent	754	754	0	0	0	0
Extracurricular Activities	0	0	0	109,150	109,150	0
Gifts and Donations	5,098	5,098	0	100	100	0
Miscellaneous	46,012	46,012	0	23,208	23,208	0
Total Revenues	10,888,430	10,888,430	0	664,292	664,292	0
Expenditures:						
Current:						
Instruction:						
Regular	5,358,762	5,358,762	0	65,734	65,734	0
Special	731,074	731,074	0	266,921	266,921	0
Vocational	362,926	362,926	0	26,110	26,110	0
Other	0	0	0	4,675	4,675	0
Support Services:						
Pupils	595,218	595,218	0	35,556	35,556	0
Instructional Staff	77,759	77,759	0	32,594	32,594	0
Board of Education	20,943	20,943	0	0	0	0
Administration	1,046,526	1,046,526	0	115,691	115,691	0
Fiscal	243,666	243,666	0	23,481	23,481	0
Operation and Maintenance of Plant	1,210,143	1,210,143	0	0	0	0
Pupil Transportation	799,541	799,541	0	0	0	0
Operation of Non-Instructional Services						
Extracurricular Activities	115,629	115,629	0	126,925	126,925	0
Capital Outlay	0	0	0	529	529	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	10,562,187	10,562,187	0	698,216	698,216	0
Excess of Revenues Over (Under) Expenditures	326,243	326,243	0	(33,924)	(33,924)	0
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	455	455	0	0	0	0
Refund of Prior Year Expenditures	92,117	92,117	0	0	0	0
Proceeds of Notes	0	0	0	0	0	0
Advances In	0	0	0	10,000	10,000	0
Refund of Prior Year Receipts	(286)	(286)	0	0	0	0
Advances Out	(10,000)	(10,000)	0	0	0	0
Other Financing Sources	0	0	0	2,431	2,431	0
Operating Transfers In	386,100	386,100	0	0	0	0
Operating Transfers Out	(386,100)	(386,100)	0	0	0	0
Total Other Financing Sources (Uses)	82,286	82,286	0	12,431	12,431	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	408,529	408,529	0	(21,493)	(21,493)	0
Fund Balances at Beginning of Year	1,101,364	1,101,364	0	196,685	196,685	0
Prior Year Encumbrances Appropriated	532,465	532,465	0	57,527	57,527	0
Fund Balances at End of Year	\$2,042,358	\$2,042,358	\$0	\$232,719	\$232,719	\$0

See accompanying notes to the general purpose financial statements

Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$385,725	\$385,725	\$0	\$52,750	\$52,750	\$0	\$0	\$0	\$0
45,279	45,279	0	7,461,643	7,461,643	0	0	0	0
0	0	0	209,155	209,155	0	38,605	38,605	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	18,960	18,960	0	5,000	5,000	0
75,818	75,818	0	0	0	0	0	0	0
506,822	506,822	0	7,742,508	7,742,508	0	43,605	43,605	0
0	0	0	20,722	20,722	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
11,678	11,678	0	1,666	1,666	0	0	0	0
0	0	0	332,156	332,156	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	43,116	43,116	0
0	0	0	0	0	0	0	0	0
0	0	0	24,843,279	24,843,279	0	0	0	0
317,081	317,081	0	0	0	0	0	0	0
206,632	206,632	0	0	0	0	0	0	0
535,391	535,391	0	25,197,823	25,197,823	0	43,116	43,116	0
(28,569)	(28,569)	0	(17,455,315)	(17,455,315)	0	489	489	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	3,999,100	3,999,100	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	387	387	0
0	0	0	0	0	0	0	0	0
0	0	0	3,999,100	3,999,100	0	387	387	0
(28,569)	(28,569)	0	(13,456,215)	(13,456,215)	0	876	876	0
306,338	306,338	0	401,764	401,764	0	47,446	47,446	0
0	0	0	90,380	90,380	0	0	0	0
\$277,769	\$277,769	\$0	(\$12,964,071)	(\$12,964,071)	\$0	\$48,322	\$48,322	\$0

Greenfield Exempted Village School District
Combined Statement of Revenues,
Expenses, and Changes in Retained Earnings/Fund Balance
All Proprietary Fund Types and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999

	Enterprise	Internal Service	Non-Expendable Trust	Totals (Memorandum Only)
Operating Revenues:				
Sales	\$226,249	\$0	\$0	\$226,249
Charges for Services	0	1,300,162	0	1,300,162
Gifts and Donations	0	0	1,732	1,732
Total Operating Revenues	226,249	1,300,162	1,732	1,528,143
Operating Expenses:				
Salaries	140,706	0	0	140,706
Fringe Benefits	94,557	0	0	94,557
Purchased Services	1,644	189,799	0	191,443
Materials and Supplies	78,864	0	0	78,864
Cost of Sales	156,011	0	0	156,011
Depreciation	4,786	0	0	4,786
Claims	0	1,062,450	0	1,062,450
Total Operating Expenses	476,568	1,252,249	0	1,728,817
Operating Loss	(250,319)	47,913	1,732	(200,674)
Non-Operating Revenues (Expenses):				
Net Increase in Fair Value of Investments	0	0	193,445	193,445
Federal Donated Commodities	46,405	0	0	46,405
Interest	982	7,722	0	8,704
Federal and State Subsidies	185,006	0	0	185,006
Total Non-Operating Revenues (Expenses)	232,393	7,722	193,445	433,560
Income (Loss) Before Operating Transfers	(17,926)	55,635	195,177	232,886
Operating Transfers - Out	0	0	(387)	(387)
Net Income (Loss)	(17,926)	55,635	194,790	232,499
Retained Earnings/Fund Balance at Beginning of Year - Restated (Note 3)	109,843	235,076	1,375,232	1,720,151
Retained Earnings/Fund Balance at End of Year	\$91,917	\$290,711	\$1,570,022	\$1,952,650

See accompanying notes to the general purpose financial statements

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**Greenfield Exempted Village School District
 Combined Statement of Revenues, Expenses, and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Non-Expendable Trust Fund
 For the Fiscal Year Ended June 30, 1999**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Sales	\$222,424	\$222,424	0
Charges for Services	0	0	0
Federal and State Subsidies	0	0	0
Interest	0	0	0
Gifts and Donations	0	0	0
Other Revenues	3,825	3,825	0
Total Revenues	226,249	226,249	0
Operating Expenses:			
Salaries	137,971	137,971	0
Fringe Benefits	98,269	98,269	0
Purchased Services	870	870	0
Materials and Supplies	181,379	181,379	0
Capital Outlay	1,619	1,619	0
Total Expenses	420,108	420,108	0
Operating Income (Loss)	(193,859)	(193,859)	0
Non-Operating Revenues and Expenses:			
Interest	982	982	0
Federal and State Subsidies	185,006	185,006	0
Total Non-Operating Revenues and Expenses	185,988	185,988	0
Income (Loss) Before Operating Transfers	(7,871)	(7,871)	0
Operating Transfers - Out	0	0	0
Net Income (Loss)	(7,871)	(7,871)	0
Fund Equity at Beginning of Year	115,482	115,482	0
Prior Year Encumbrances Appropriated	3,803	3,803	0
Fund Equity at End of Year	\$111,414	\$111,414	\$0

See accompanying notes to the general purpose financial statements

Internal Service Fund			Non-Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	0	\$0	\$0	0
1,300,162	1,300,162	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,732	1,732	0
0	0	0	0	0	0
1,300,162	1,300,162	0	1,732	1,732	0
0	0	0	0	0	0
0	0	0	0	0	0
1,282,942	1,282,942	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,282,942	1,282,942	0	0	0	0
17,220	17,220	0	1,732	1,732	0
7,722	7,722	0	0	0	0
0	0	0	0	0	0
7,722	7,722	0	0	0	0
24,942	24,942	0	1,732	1,732	0
0	0	0	(387)	(387)	0
24,942	24,942	0	1,345	1,345	0
394,944	394,944	0	518,052	518,052	0
0	0	0	0	0	0
<u>\$419,886</u>	<u>\$419,886</u>	<u>\$0</u>	<u>\$519,397</u>	<u>\$519,397</u>	<u>\$0</u>

Greenfield Exempted Village School District
Combined Statement of Cash Flows
Proprietary Fund Types and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$226,249	\$0	\$0	\$226,249
Cash Received from Quasi-External Transactions With Other Funds	0	1,300,162	0	1,300,162
Cash Received from Contributions and Donations	0	0	1,732	1,732
Cash Payments to Suppliers for Goods and Services	(181,032)	0	0	(181,032)
Cash Payments to Employees for Services	(137,971)	0	0	(137,971)
Cash Payments for Employee Benefits	(98,269)	0	0	(98,269)
Cash Payments for Claims	0	(1,282,942)	0	(1,282,942)
Net Cash Provided by (Used for) Operating Activities	<u>(191,023)</u>	<u>17,220</u>	<u>1,732</u>	<u>(172,071)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	185,006	0	0	185,006
Operating Transfers Out	0	0	(387)	(387)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>185,006</u>	<u>0</u>	<u>(387)</u>	<u>184,619</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Payments for Capital Acquisitions	(1,619)	0	0	(1,619)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,619)</u>	<u>0</u>	<u>0</u>	<u>(1,619)</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	982	7,722	0	8,704
Increase in Fair Value of Investments	0	0	193,445	193,445
Net Cash Provided by (Used for) Investing Activities	982	7,722	193,445	202,149
Net Increase (Decrease) in Cash and Cash Equivalents	(6,654)	24,942	194,790	213,078
Cash and Cash Equivalents at Beginning of Year	119,286	394,944	1,375,232	1,889,462
Cash and Cash Equivalents at End of Year	<u>\$112,632</u>	<u>\$419,886</u>	<u>\$1,570,022</u>	<u>\$2,102,540</u>
<u>Reconciliation of Operating Loss to Net</u>				
<u>Cash (Used for) Operating Activities:</u>				
Operating Loss	(250,319)	\$47,913	\$1,732	(\$200,674)
<u>Adjustments to Reconcile Operating</u>				
<u>Loss to Net Cash Used for Operating Activities:</u>				
Depreciation	4,786	0	0	4,786
Donated Commodities Used During Year	46,405	0	0	46,405
<u>Changes in Assets and Liabilities:</u>				
Decrease in Inventory Held for Resale	8,612	0	0	8,612
Decrease in Materials and Supplies Inventory	(309)	0	0	(309)
Decrease in Accounts Payable	779	0	0	779
Increase in Accrued Wages and Benefits	159	0	0	159
Increase in Compensated Absences Payable	2,236	0	0	2,236
Decrease in Intergovernmental Payable	(3,372)	0	0	(3,372)
Decrease in Claims Payable	0	(30,693)	0	(30,693)
Total Adjustments	<u>59,296</u>	<u>(30,693)</u>	<u>0</u>	<u>28,603</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$191,023)</u>	<u>\$17,220</u>	<u>\$1,732</u>	<u>(\$172,071)</u>
Reconciliation of Non-Expendable Trust Fund to Balance Sheet				
Cash and Cash Equivalents - All Fiduciary Funds				\$1,714,635
Cash and Cash Equivalents - Expendable Trust and Agency Funds				(144,613)
Cash and Cash Equivalents - Non-Expendable Trust Fund				<u>\$1,570,022</u>

See accompanying notes to the general purpose financial statements

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The District was established in 1966 through the consolidation of existing land areas and school districts. The District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes all of the Villages of Greenfield, South Salem and Rainsboro. It is staffed by 82 non-certificated employees and 142 certificated full-time teaching personnel who provide services to 2,375 students and other community members. The District currently operates 7 instructional buildings, 1 administrative/instructional building, 4 modular administrative/instructional buildings and 1 garage.

Reporting Entity:

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

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

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

- ▶ Parent Teacher Organizations
- ▶ Booster Organizations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Greenfield Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Types:

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

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

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types:

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

Account Groups:

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, which are intended to finance fiscal year 2000 operations, and delinquent property taxes whose availability is indeterminable have been recorded as deferred revenue.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

C. Budgetary Process

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

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

Tax Budget:

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999. At year-end, the District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations:

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

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

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

Encumbrances:

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

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

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

During fiscal year 1999, investments were limited to certificates of deposit, passbook savings, common stock, and STAR Ohio. All investments of the District had a maturity of two years or less.

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 1999. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$204,713. The capital project, expendable trust, enterprise and internal service funds also received interest revenue of \$209,155, \$38,605, \$982, and \$7,722 respectively.

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

E. Inventory

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Fixed Assets and Depreciation

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

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

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
School Bus Purchase Reimbursement

Special Revenue Funds

Disadvantaged Pupil Impact Aid

Non-Reimbursable Grants

Special Revenue Funds

Education Management Information Systems
Chapter I
Chapter II
Title VI
Drug-Free Schools
Goals 2000 Intervention
Professional Development Block Grant

Capital Projects Funds

School Net
School Net Plus
Technology Equity

Reimbursable Grants

General Fund

Driver Education

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements received in governmental funds amounted to approximately eighty-three percent of governmental fund revenue during the 1999 fiscal year.

I. Compensated Absences

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

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Interfund Transactions

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

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

L. Interfund Assets/Liabilities

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

M. Estimates

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

N. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes available for advance, capital improvements, textbooks and instructional materials, and budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set aside by statute to protect against cyclical changes in revenues and expenditures.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 20 for the calculation of the year end restricted asset balance and the corresponding fund balance reserves.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Total Columns on General Purpose Financial Statements

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

NOTE 3 - RESTATED FUND BALANCE/EQUITY

Correction of accounting errors in the prior year required that certain adjustments be recorded to the July 1, 1998 fund balances/retained earnings as previously reported. The restatements to the opening fund balances/retained earnings are as follows:

Fund Type	Previously Stated Balances <u>At 6/30/98</u>	<u>Adjustments</u>	Restated Balance <u>at 7/1/98</u>
Enterprise Funds	100,390	9,453	109,843

NOTE 4 - ACCOUNTABILITY

At June 30, 1999, the Title I and Title VI Special Revenue Fund had deficit fund balances of \$30,962 and \$524, respectively. The deficits were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Uniform Supplies Fund had a deficit retained earnings of \$564, due primarily to the recognition of an interfund payable in accordance with generally accepted accounting principles. The District will review this practice to determine possible alternatives.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis)-All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses, and Changes in Fund Equity-Budget and Actual (Budget Basis)-All Proprietary Fund Types and Non-Expendable Trust Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$517,230	(\$15,471)	(\$23,687)	\$9,694,330	\$876
Revenue Accruals	(29,496)	9,206	(4,882)	5,130	0
Expenditure Accruals	397,739	9,312	0	95,495	0
Encumbrances	(476,944)	(24,540)	0	(23,251,170)	0
Budget Basis	<u>\$408,529</u>	<u>(\$21,493)</u>	<u>(\$28,569)</u>	<u>(\$13,456,215)</u>	<u>\$876</u>

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

	Enterprise	Internal Service	Non-Expendable Trust
GAAP Basis	(\$17,926)	\$55,635	\$194,790
Revenue Accruals	(46,405)	0	(193,445)
Expense Accruals	57,677	(30,693)	0
Encumbrances	(1,217)	0	0
Budget Basis	<u>(\$7,871)</u>	<u>\$24,942</u>	<u>\$1,345</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Deposits At fiscal year end, the carrying amount of the District's deposits was \$1,079,595 and the bank balance was \$1,095,160. Of the bank balance:

1. \$400,000 was covered by federal depository insurance; and
2. \$695,160 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

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

	Category 2	Carrying Amount	Fair Value
Stocks	\$1,131,283	\$1,131,283	\$1,131,283
STAR Ohio		\$13,368,710	\$13,368,710
Total Investments		\$14,999,993	\$14,499,993

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

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

	Cash and Cash Equivalents Deposits	Investments
GASB Statement No. 9	\$14,448,305	\$1,131,283
Investments:		
STAR Ohio	(13,368,710)	13,368,710
GASB Statement No. 3	\$1,079,595	\$14,499,993

NOTE 7 - PROPERTY TAXES

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 7 - PROPERTY TAXES (Continued)

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

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

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

The District receives property taxes from Highland, Ross, and Fayette Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 1999, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$117,994 in the General Fund, \$2,945 in the Classroom Facilities Maintenance Special Revenue Fund, and \$23,674 in the Debt Service Fund.

The assessed values upon which fiscal year 1999 taxes were collected are:

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$82,616,820	83.25%	\$87,461,320	84.38%
Public Utility	8,660,510	8.73%	8,177,200	7.89%
Tangible Personal Property	7,957,010	8.02%	8,010,600	7.73%
Total Assessed Value	<u>\$99,234,340</u>	<u>100.00%</u>	<u>\$103,649,120</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.15		\$29.92	

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$143,353
Less Accumulated Depreciation	<u>(109,452)</u>
Net Fixed Assets	<u><u>\$33,901</u></u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

Asset Category	Balance at 6/30/98	Additions	Deletions	Balance at 6/30/99
Land and Improvements	\$259,066	\$0	\$0	\$259,066
Buildings and Improvements	3,394,373	440,399	0	3,834,772
Furniture, Fixtures and Equipment	2,412,054	381,890	24,930	2,769,014
Vehicles	<u>1,553,224</u>	<u>0</u>	<u>0</u>	<u>1,553,224</u>
Total General Fixed Assets	<u><u>\$7,618,717</u></u>	<u><u>\$822,289</u></u>	<u><u>\$24,930</u></u>	<u><u>\$8,416,076</u></u>

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the District contracted with Indiana Insurance for property insurance and with Nationwide Insurance for fleet, liability, and inland marine coverage. Coverages are as follows:

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

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

Medical/surgical and prescription insurance is offered to employees through a self-insurance internal service fund. BAC administers claims for District. The claims liability of \$129,175 reported in the internal service fund at June 30, 1999 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the fiscal year follows:

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 9 - RISK MANAGEMENT (Continued)

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1997	\$154,324	\$928,351	\$870,103	\$212,572
1998	\$212,572	\$1,049,222	\$1,101,926	\$159,868
1999	\$159,868	\$1,093,143	\$1,123,836	\$129,175

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771 or by calling (614)227-4090.

For the fiscal year ended June 30, 1999, plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$675,343, \$537,333, and \$598,693, respectively; 84 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$109,978 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

B. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligation with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$141,854, \$150,739, and \$110,602, respectively; 12 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$106,217 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued).

C. Social security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System of the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, no employees have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. For the District, this amount equaled \$191,531 during fiscal 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998 (the latest information available). For the fiscal year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, (the latest information available) SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$67,195 during the 1999 fiscal year.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all personnel.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 12 - EMPLOYEE BENEFITS (Continued)

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

B. Life Insurance

The District provides life insurance to most employees through CoreSource.

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 1999 were as follows:

	Principal Outstanding 6/30/98	Additions	Deductions	Principal Outstanding 6/30/99
Energy Conservation Note Payable	\$179,411	\$0	\$67,981	\$111,430
School Facilities General Obligation Bond 1998 4.99%	0	3,999,100	184,100	3,815,000
School Facilities General Obligation Bond 1983 9.50%	390,000	0	65,000	325,000
Total Long-Term Bonds and Loans	569,411	3,999,100	317,081	4,251,430
Pension Obligation	99,020	97,899	99,020	97,899
Compensated Absences	894,476	112,977	0	1,007,453
Total General Long-Term Obligations	<u>\$1,562,907</u>	<u>\$4,209,976</u>	<u>\$416,101</u>	<u>\$5,356,782</u>

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

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

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

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

The District's voted legal debt margin was \$9,328,421 with an unvoted debt margin of \$103,649 at June 30, 1999.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 1999, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2000	\$241,220	\$214,546	\$455,766
2001	215,210	202,963	418,173
2002	180,000	190,281	370,281
2003	185,000	178,175	363,175
2004	185,000	169,990	354,990
2005-2009	695,000	734,519	1,429,519
2010-2014	880,000	546,710	1,426,710
2015-2019	1,135,000	281,888	1,416,888
Thereafter	535,000	27,125	562,125
Total	<u>\$4,251,430</u>	<u>\$2,546,197</u>	<u>\$6,797,627</u>

NOTE 14 - INTERFUND ACTIVITY

As of June 30, 1999, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivables	Interfund Payables
General Fund	<u>\$22,650</u>	<u>\$0</u>
Special Revenue Funds:		
District Managed Activities	0	10,200
Title VI	0	11,700
Total Special Revenue Funds	<u>0</u>	<u>21,900</u>
Enterprise Fund:		
Uniform School Supplies	0	750
Total All Funds	<u>\$22,650</u>	<u>\$22,650</u>

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three enterprise funds to account for the operations of food service sales, uniform school supplies and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Greenfield Exempted Village School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Adult Education	Total Enterprise Funds
Operating Revenues	\$222,424	\$0	\$3,825	\$226,249
Operating Expenses less Depreciation	(466,980)	0	(4,802)	(471,782)
Depreciation Expense	(4,786)	0	0	(4,786)
Operating Loss	(249,342)	0	(977)	(250,319)
Donated Commodities	46,405	0	0	46,405
Operating Grants	185,006	0	0	185,006
Net Income (Loss)	(16,949)	0	(977)	(17,926)
Net Working Capital	58,233	(564)	347	58,016
Total Assets	156,481	186	364	157,031
Total Equity	92,134	(564)	347	91,917
Encumbrances Outstanding at June 30, 1999	1,217	0	0	1,217

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The District is a member of the South Central Ohio Computer Association (SCOCA) which is a computer consortium data acquisition site. SCOCA is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of SCOCA consists of two representatives from each of the seven participating counties, two representatives of the school treasurers plus the fiscal agent. The degree of control exercised by any participating district is limited to its representation on the Board. To obtain financial information write to SCOCA at the Pike County Joint Vocational School, P.O. Box 577, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

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

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

NOTE 17 - SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$7,487,117 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of September 30, 1999, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

NOTE 18 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

B. Litigation

The District is not currently party to any legal proceedings.

NOTE 19 - YEAR 2000 DISCLOSURE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

Greenfield Exempted Village School District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education Management and Information System (EMIS)).

The District uses the State of Ohio Uniform Accounting System software for its financial reporting, and the State of Ohio Uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

NOTE 19 - YEAR 2000 DISCLOSURE (Continued)

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for remediating these systems.

Highland, Ross, and Fayette Counties collect property taxes for distribution to the District. Highland, Ross, and Fayette Counties are responsible for remediating their tax collection systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

NOTE 20 - STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 07/01/1998	\$0	\$0	\$67,652	\$67,652
Required Set-Aside	154,440	154,440	77,220	386,100
Offset Credits	0	0	0	0
Qualifying Expenditures	0	0	0	0
Balance 06/30/1999	154,440	154,440	\$144,872	\$453,752

Greenfield Exempted Village School District
Highland County
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 1999

Federal Grantor/Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Pass through the Ohio Department of Education</i>						
NUTRITION CLUSTER						
Food Distribution Program	N/A	10.550	\$0	\$38,550	\$0	\$46,405
School Breakfast Program	05-PU 98	10.553	8,172	0	8,172	0
National School Lunch Program	04-PU 98	10.555	160,974	0	160,974	0
Special Milk Program	02-PU 98	10.556	4,191	0	4,191	0
Total U.S. Department of Agriculture - Nutrition Cluster			173,337	38,550	173,337	46,405
U.S. DEPARTMENT OF EDUCATION						
<i>Pass through the Ohio Department of Education</i>						
SPECIAL EDUCATION CLUSTER						
Title VI-B	6B-SF 97	84.027	130,496	0	131,104	0
Special Education Preschool Grant	PG-S1 98	84.173	5,070	0	6,113	0
Total Special Education Cluster			135,566	0	137,217	0
Title I	C1-S1 98	84.010	289,401	0	300,732	0
Safe & Drug Free Schools	DR-S1 98	84.186	3,690	0	12,814	0
Eisenhower Math Science	MS-S1 97	84.281	10,668	0	10,780	0
Innovative Educational Program Strategy	CL-S1 98	84.298	8,877	0	17,477	0
Total U.S. Department of Education			448,152	0	479,020	0
Total Federal Awards and Expenditures			\$621,489	\$38,550	\$632,357	\$46,405

N/A = Pass through entity number not available

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 1999**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - - FOOD DISTRIBUTIONS

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the School District had no significant food commodities in inventory.

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Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*

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

We have audited the general-purpose financial statements of the Greenfield Exempted Village School District, Highland County, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Greenfield Exempted Village School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing and opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted other immaterial instances of noncompliance that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated December 23, 1999.

Internal Control Over Financial Reporting

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

Members of the Board
Greenfield Exempted Village School District
Greenfield, Ohio 45123
Report on compliance and on internal control
Page 2

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

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

December 23, 1999

MICHAEL A. BALESTRA, CPA, INC.
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Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB circular A-133

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

Compliance

We have audited the compliance of the Greenfield Exempted Village School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Greenfield Exempted Village School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Greenfield Exempted Village School District's management. Our responsibility is to express an opinion on Greenfield Exempted Village School District's compliance based on our audit.

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

In our opinion, Greenfield Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Greenfield Exempted Village School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

Members of the Board
Greenfield Exempted Village School District
Greenfield, Ohio 45123
Report on compliance with OMB circular A - 133
Page 2

In planning and performing our audit, we considered Greenfield Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Michael A. Balestra, CPA, Inc.
Michael A. Balestra, CPA, Inc.

December 23, 1999

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster, CFDA #10.553, 10.555, 10.550, & 10.556
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY
JUNE 30, 1999**

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

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

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



STATE OF OHIO
OFFICE OF THE AUDITOR

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GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

HIGHLAND COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JAN 18 2000