

Greenfield Exempted Village School District

Highland County

Single Audit

July 1, 1999 Through June 30, 2000

Fiscal Year Audited Under GAGAS: 2000

MICHAEL A. BALESTRA, CPA, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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Board of Education
Greenfield Exempted Village School District
200 North 5th St.
Greenfield, OH 45123-1373

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, 1999 through June 30, 2000. 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

December 28, 2000

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	
General-Purpose Financial Statements:	1
Combined Balance Sheet - All Fund Types and Account Groups	2-5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Expendable Trust Fund	8-9
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balance - All Proprietary Fund Types and Non-Expendable Trust Fund	10
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - All Proprietary Fund Types and Non-Expendable Trust Fund	12-13
Combined Statement of Cash Flows - Proprietary Fund Types and Non-Expendable Trust Fund	14
Notes to General Purpose Financial Statements	15-35
Schedule of Federal Awards Expenditures	36
Notes to Schedule of Federal Awards Expenditures	37
Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	38-39
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133	40-41
Schedule of Findings & Questioned Costs OMB Circular A-133 Section .505	42-43

MICHAEL A. BALESTRA, CPA, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of Greenfield Exempted Village School District, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the 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 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 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, 2000, and the results of its operations and the cash flow of its proprietary fund type and non-expendable trust fund for the year ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2000 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

Michael A. Balestra, CPA, Inc.

Michael A. Balestra, CPA, Inc.
Certified Public Accountants

December 22, 2000

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 and Nonexpendable Trust Funds.

Greenfield Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,842,753	\$361,004	\$318,369	\$9,586,505
Investments	0	0	0	0
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	263	0
Receivables:				
Taxes	2,268,639	14,418	116,253	0
Intergovernmental	0	13,502	0	0
Interfund Receivable	155,650	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	839,852	0	0	0
Cash and Cash Equivalents w/Fiscal Agents	0	0	0	664,108
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	\$5,106,894	\$388,924	\$434,885	\$10,250,613

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$76,084	\$220,687	\$591,515	\$0	\$0	\$12,996,917
0	0	877,079	0	0	877,079
0	0	0	0	0	263
0	0	0	0	0	2,399,310
510	0	0	0	0	14,012
0	0	0	0	0	155,650
1,705	0	0	0	0	1,705
1,037	0	0	0	0	1,037
0	0	0	0	0	839,852
0	0	0	0	0	664,108
29,115	0	0	26,302,234	0	26,331,349
0	0	0	0	332,154	332,154
0	0	0	0	4,808,697	4,808,697
<u>\$108,451</u>	<u>\$220,687</u>	<u>\$1,468,594</u>	<u>\$26,302,234</u>	<u>\$5,140,851</u>	<u>\$49,422,133</u>

(continued)

Greenfield Exempted Village School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities,				
Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$38,578	\$3,115	\$0	\$0
Accrued Wages and Benefits	818,593	34,959	0	0
Compensated Absences Payable	24,625	0	0	0
Interfund Payable	0	154,900	0	0
Intergovernmental Payable	202,695	6,968	0	0
Deferred Revenue	2,158,530	12,703	102,468	0
Undistributed Monies	0	0	0	0
Matured Interest Payable	0	0	263	0
Claims Payable	0	0	0	0
Retainage Payable	0	0	0	664,108
Energy Conservation Loans Payable	0	0	0	0
School Facilities Bonds Payable	0	0	0	0
Total Liabilities	3,243,021	212,645	102,731	664,108
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	430,043	31,016	0	7,851,096
Reserved for Property Taxes	110,109	1,715	13,785	0
Reserved for Textbooks & Instr. Materials	308,880	0	0	0
Reserved for Capital Improvements	308,880	0	0	0
Reserved for Budget Stabilization	222,092	0	0	0
Unreserved:				
Undesignated (Deficit)	483,869	143,548	318,369	1,735,409
Total Fund Equity and Other Credits	1,863,873	176,279	332,154	9,586,505
Total Liabilities, Fund Equity and Other Credits	\$5,106,894	\$388,924	\$434,885	\$10,250,613

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)
\$39	\$0	\$0	\$0	\$0	\$41,732
27,774	0	0	0	0	881,326
32,143	0	0	0	1,037,431	1,094,199
750	0	0	0	0	155,650
16,215	0	0	0	93,710	319,588
2,694	0	0	0	0	2,276,395
0	0	89,151	0	0	89,151
0	0	0	0	0	263
0	159,989	0	0	0	159,989
0	0	0	0	0	664,108
0	0	0	0	39,710	39,710
0	0	0	0	3,970,000	3,970,000
79,615	159,989	89,151	0	5,140,851	9,692,111
0	0	0	26,302,234	0	26,302,234
28,836	60,698	0	0	0	89,534
0	0	1,320,495	0	0	1,320,495
0	0	0	0	0	8,312,155
0	0	0	0	0	125,609
0	0	0	0	0	308,880
0	0	0	0	0	308,880
0	0	0	0	0	222,092
0	0	58,948	0	0	2,740,143
28,836	60,698	1,379,443	26,302,234	0	39,730,022
\$108,451	\$220,687	\$1,468,594	\$26,302,234	\$5,140,851	\$49,422,133

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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, 2000

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property Taxes	\$1,971,494	\$46,949	\$377,474	\$0	\$0	\$2,395,917
Intergovernmental	9,105,209	381,151	45,727	16,961,982	0	26,494,069
Interest	244,339	0	0	396,627	43,796	684,762
Tuition and Fees	65,952	0	0	0	0	65,952
Rent	963	0	0	0	0	963
Extracurricular Activities	0	130,100	0	0	0	130,100
Gifts and Donations	2,500	145	0	0	3,799	6,444
Miscellaneous	290,837	7,338	0	0	0	298,175
Total Revenues	11,681,294	565,683	423,201	17,358,609	47,595	30,076,382
Expenditures:						
Current:						
Instruction:						
Regular	5,701,982	3,679	0	7,088	0	5,712,749
Special	676,085	251,832	0	0	0	927,917
Vocational	362,496	0	0	0	0	362,496
Adult/Continuing	0	2,639	0	0	0	2,639
Support Services:						
Pupils	518,087	63,652	0	0	0	581,739
Instructional Staff	79,434	34,810	0	0	0	114,244
Board of Education	45,719	0	0	0	0	45,719
Administration	947,309	92,903	0	0	0	1,040,212
Fiscal	206,240	16,368	12,030	0	0	234,638
Operation and Maintenance of Plant	1,291,321	0	0	6,284	0	1,297,605
Pupil Transportation	845,299	0	0	0	0	845,299
Operation of Non-Instructional Services	0	0	0	0	36,970	36,970
Extracurricular Activities	121,119	106,557	0	0	0	227,676
Capital Outlay	0	0	0	17,969,524	0	17,969,524
Debt Service:						
Principal Retirement	71,720	0	170,000	0	0	241,720
Interest and Fiscal Charges	4,074	0	210,460	0	0	214,534
Total Expenditures	10,870,885	572,440	392,490	17,982,896	36,970	29,855,681
Excess of Revenues Over (Under) Expenditures	810,409	(6,757)	30,711	(624,287)	10,625	220,701
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	1,092	0	0	0	0	1,092
Operating Transfers In	0	0	0	250,000	0	250,000
Operating Transfers Out	(250,000)	0	0	0	0	(250,000)
Total Other Financing Sources (Uses)	(248,908)	0	0	250,000	0	1,092
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	561,501	(6,757)	30,711	(374,287)	10,625	221,793
Fund Balances at Beginning of Year (Restated - Note 3)	1,302,372	183,036	301,443	9,960,792	48,323	11,795,966
Fund Balances at End of Year	\$1,863,873	\$176,279	\$332,154	\$9,586,505	\$58,948	\$12,017,759

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, 2000

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$1,979,379	\$1,979,379	\$0	\$48,179	\$48,179	\$0
Intergovernmental	9,105,209	9,105,209	0	367,649	367,649	0
Interest	244,339	244,339	0	0	0	0
Tuition and Fees	65,952	65,952	0	0	0	0
Rent	963	963	0	0	0	0
Extracurricular Activities	0	0	0	130,100	130,100	0
Gifts and Donations	2,500	2,500	0	145	145	0
Miscellaneous	136,781	136,781	0	3,353	3,353	0
Total Revenues	11,535,123	11,535,123	0	549,426	549,426	0
Expenditures:						
Current:						
Instruction:						
Regular	5,910,928	5,910,928	0	6,345	6,345	0
Special	687,779	687,779	0	258,045	258,045	0
Vocational	370,366	370,366	0	0	0	0
Other	0	0	0	2,678	2,678	0
Support Services:						
Pupils	559,310	559,310	0	63,502	63,502	0
Instructional Staff	103,182	103,182	0	32,213	32,213	0
Board of Education	54,101	54,101	0	0	0	0
Administration	1,120,524	1,120,524	0	92,967	92,967	0
Fiscal	262,516	262,516	0	16,368	16,368	0
Operation and Maintenance of Plant	1,360,131	1,360,131	0	0	0	0
Pupil Transportation	975,136	975,136	0	0	0	0
Operation of Non-Instructional Services						
Extracurricular Activities	121,250	121,250	0	144,681	144,681	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	71,720	71,720	0	0	0	0
Interest and Fiscal Charges	4,074	4,074	0	0	0	0
Total Expenditures	11,601,017	11,601,017	0	616,799	616,799	0
Excess of Revenues Over (Under) Expenditures	(65,894)	(65,894)	0	(67,373)	(67,373)	0
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	1,092	1,092	0	0	0	0
Refund of Prior Year Expenditures	154,056	154,056	0	0	0	0
Advances In	0	0	0	133,000	133,000	0
Advances Out	(133,000)	(133,000)	0	0	0	0
Other Financing Sources	0	0	0	3,985	3,985	0
Operating Transfers In	386,100	386,100	0	0	0	0
Operating Transfers Out	(636,100)	(636,100)	0	0	0	0
Total Other Financing Sources (Uses)	(227,852)	(227,852)	0	136,985	136,985	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(293,746)	(293,746)	0	69,612	69,612	0
Fund Balances at Beginning of Year	2,042,360	2,042,360	0	232,719	232,719	0
Prior Year Encumbrances Appropriated	476,944	476,944	0	24,540	24,540	0
Fund Balances at End of Year	\$2,225,558	\$2,225,558	\$0	\$326,871	\$326,871	\$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)
\$387,362	\$387,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45,727	45,727	0	16,961,982	16,961,982	0	0	0	0
0	0	0	396,627	396,627	0	43,796	43,796	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	3,800	3,800	0
0	0	0	0	0	0	0	0	0
433,089	433,089	0	17,358,609	17,358,609	0	47,596	47,596	0
0	0	0	7,087	7,087	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
12,030	12,030	0	0	0	0	0	0	0
0	0	0	19,152	19,152	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	70,470	70,470	0
0	0	0	0	0	0	0	0	0
0	0	0	26,134,166	26,134,166	0	0	0	0
170,000	170,000	0	0	0	0	0	0	0
210,460	210,460	0	0	0	0	0	0	0
392,490	392,490	0	26,160,405	26,160,405	0	70,470	70,470	0
40,599	40,599	0	(8,801,796)	(8,801,796)	0	(22,874)	(22,874)	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	577,998	577,998	0	0	0	0
0	0	0	(327,998)	(327,998)	0	0	0	0
0	0	0	250,000	250,000	0	0	0	0
40,599	40,599	0	(8,551,796)	(8,551,796)	0	(22,874)	(22,874)	0
277,769	277,769	0	(12,964,072)	(12,964,072)	0	48,322	48,322	0
0	0	0	23,251,170	23,251,170	0	0	0	0
<u>\$318,368</u>	<u>\$318,368</u>	<u>\$0</u>	<u>\$1,735,302</u>	<u>\$1,735,302</u>	<u>\$0</u>	<u>\$25,448</u>	<u>\$25,448</u>	<u>\$0</u>

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, 2000

	Enterprise	Internal Service	Non-Expendable Trust	Totals (Memorandum Only)
Operating Revenues:				
Sales	\$214,923	\$0	\$0	\$214,923
Charges for Services	0	1,358,397	0	1,358,397
Gifts and Donations	0	0	4,677	4,677
Total Operating Revenues	<u>214,923</u>	<u>1,358,397</u>	<u>4,677</u>	<u>1,577,997</u>
Operating Expenses:				
Salaries	165,175	0	0	165,175
Fringe Benefits	105,819	0	0	105,819
Purchased Services	53	218,609	0	218,662
Materials and Supplies	74,570	0	0	74,570
Cost of Sales	152,934	0	0	152,934
Depreciation	4,786	0	0	4,786
Claims	0	1,370,634	0	1,370,634
Total Operating Expenses	<u>503,337</u>	<u>1,589,243</u>	<u>0</u>	<u>2,092,580</u>
Operating Income (Loss)	<u>(288,414)</u>	<u>(230,846)</u>	<u>4,677</u>	<u>(514,583)</u>
Non-Operating Revenues (Expenses):				
Net Increase (Decrease) in Fair Value of Investments	0	0	(254,204)	(254,204)
Federal Donated Commodities	37,851	0	0	37,851
Interest	1,299	833	0	2,132
Federal and State Subsidies	189,222	0	0	189,222
Total Non-Operating Revenues (Expenses)	<u>228,372</u>	<u>833</u>	<u>(254,204)</u>	<u>(24,999)</u>
Income (Loss) Before Operating Transfers	<u>(60,042)</u>	<u>(230,013)</u>	<u>(249,527)</u>	<u>(539,582)</u>
Operating Transfers - Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Income (Loss)	<u>(60,042)</u>	<u>(230,013)</u>	<u>(249,527)</u>	<u>(539,582)</u>
Retained Earnings/Fund Balance at Beginning of Year - Restated (Note 3)	<u>88,878</u>	<u>290,711</u>	<u>1,570,022</u>	<u>1,949,611</u>
Retained Earnings/Fund Balance at End of Year	<u>\$28,836</u>	<u>\$60,698</u>	<u>\$1,320,495</u>	<u>\$1,410,029</u>

See accompanying notes to the general purpose financial statements

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, 2000

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Sales	\$214,923	\$214,923	0
Charges for Services	0	0	0
Gifts and Donations	0	0	0
Total Revenues	<u>214,923</u>	<u>214,923</u>	<u>0</u>
Operating Expenses:			
Salaries	148,715	148,715	0
Fringe Benefits	104,939	104,939	0
Purchased Services	992	992	0
Materials and Supplies	187,534	187,534	0
Total Expenses	<u>442,180</u>	<u>442,180</u>	<u>0</u>
Operating Income (Loss)	(227,257)	(227,257)	0
Non-Operating Revenues and Expenses:			
Interest	1,299	1,299	0
Federal and State Subsidies	188,712	188,712	0
Total Non-Operating Revenues and Expenses	<u>190,011</u>	<u>190,011</u>	<u>0</u>
Income (Loss) Before Operating Transfers	(37,246)	(37,246)	0
Operating Transfers - Out	<u>0</u>	<u>0</u>	<u>0</u>
Net Income (Loss)	(37,246)	(37,246)	0
Fund Equity at Beginning of Year	111,414	111,414	0
Prior Year Encumbrances Appropriated	<u>1,217</u>	<u>1,217</u>	<u>0</u>
Fund Equity at End of Year	<u>\$75,385</u>	<u>\$75,385</u>	<u>\$0</u>

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
1,358,397	1,358,397	0	0	0	0
0	0	0	4,677	4,677	0
<u>1,358,397</u>	<u>1,358,397</u>	<u>0</u>	<u>4,677</u>	<u>4,677</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
1,558,429	1,558,429	0	0	0	0
0	0	0	0	0	0
<u>1,558,429</u>	<u>1,558,429</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(200,032)	(200,032)	0	4,677	4,677	0
833	833	0	0	0	0
0	0	0	0	0	0
<u>833</u>	<u>833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(199,199)	(199,199)	0	4,677	4,677	0
0	0	0	0	0	0
<u>(199,199)</u>	<u>(199,199)</u>	<u>0</u>	<u>4,677</u>	<u>4,677</u>	<u>0</u>
419,885	419,885	0	519,397	519,397	0
0	0	0	0	0	0
<u>\$220,686</u>	<u>\$220,686</u>	<u>\$0</u>	<u>\$524,074</u>	<u>\$524,074</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, 2000

	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	\$214,923	\$0	\$0	\$214,923
Cash Received from Quasi-External Transactions With Other Funds	0	1,358,397	0	1,358,397
Cash Received from Contributions and Donations	0	0	4,677	4,677
Cash Payments to Suppliers for Goods and Services	(187,826)	0	0	(187,826)
Cash Payments to Employees for Services	(148,715)	0	0	(148,715)
Cash Payments for Employee Benefits	(104,939)	0	0	(104,939)
Cash Payments for Claims	0	(1,558,429)	0	(1,558,429)
Net Cash Provided by (Used for) Operating Activities	<u>(226,557)</u>	<u>(200,032)</u>	<u>4,677</u>	<u>(421,912)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	<u>188,712</u>	<u>0</u>	<u>0</u>	<u>188,712</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>188,712</u>	<u>0</u>	<u>0</u>	<u>188,712</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	1,298	833	0	2,131
Increase in Fair Value of Investments	<u>0</u>	<u>0</u>	<u>(254,204)</u>	<u>(254,204)</u>
Net Cash Provided by (Used for) Investing Activities	1,298	833	(254,204)	(252,073)
Net Increase (Decrease) in Cash and Cash Equivalents	(36,547)	(199,199)	(249,527)	(485,273)
Cash and Cash Equivalents at Beginning of Year	<u>112,631</u>	<u>419,886</u>	<u>1,570,022</u>	<u>2,102,539</u>
Cash and Cash Equivalents at End of Year	<u>\$76,084</u>	<u>\$220,687</u>	<u>\$1,320,495</u>	<u>\$1,617,266</u>
<u>Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:</u>				
Operating Loss	<u>(\$288,414)</u>	<u>(\$230,846)</u>	<u>\$4,677</u>	<u>(\$514,583)</u>
<u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u>				
Depreciation	4,786	0	0	4,786
Donated Commodities Used During Year	37,851	0	0	37,851
<u>Changes in Assets and Liabilities:</u>				
Decrease in Inventory Held for Resale	945	0	0	945
Decrease in Materials and Supplies Inventory	1,675	0	0	1,675
Decrease in Accounts Payable	(740)	0	0	(740)
Increase in Accrued Wages and Benefits	4,235	0	0	4,235
Increase in Compensated Absences Payable	14,648	0	0	14,648
Decrease in Intergovernmental Payable	(1,543)	0	0	(1,543)
Decrease in Claims Payable	0	30,814	0	30,814
Total Adjustments	<u>61,857</u>	<u>30,814</u>	<u>0</u>	<u>92,671</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$226,557)</u>	<u>(\$200,032)</u>	<u>\$4,677</u>	<u>(\$421,912)</u>
Reconciliation of Non-Expendable Trust Fund to Balance Sheet				
Cash and Cash Equivalents - All Fiduciary Funds			\$1,468,594	
Cash and Cash Equivalents - Expendable Trust and Agency Funds			<u>(148,099)</u>	
Cash and Cash Equivalents - Non-Expendable Trust Fund			<u>\$1,320,495</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, 2000

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 87 non-certificated employees and 140 certificated full-time teaching personnel who provide services to 2,327 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, 2000

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, 2000

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 and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund 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, 2000, which are intended to finance fiscal year 2001 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, 2000

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 2000. 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, 2000

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 2000, 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, 2000

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, 2000.

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 2000 amounted to \$244,339. The capital project, expendable trust, enterprise and internal service funds also received interest revenue of \$396,627, \$43,796, \$1,299, and \$833 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, 2000, 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, 2000

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
- Title I
- Title VI-B
- Drug-Free Schools
- Special Education Preschool
- Eisenhower Math & Science
- 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
- Special Milk Program

Grants and entitlements received in governmental funds amounted to approximately eighty-eight percent of governmental fund revenue during the 2000 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, 2000

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 19 for the calculation of the year end restricted asset balance and the corresponding fund balance reserves. During fiscal year 2000, the School District held monies for the construction of a new school building. Retainage amounts at June 30, 2000 have been restricted and are presented as "Cash with Fiscal Agents" on the balance sheet.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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, 1999 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 6/30/99</u>	<u>Adjustments</u>	Restated Balance <u>at 7/1/99</u>
Special Revenue	\$182,800	\$236	\$183,036
Enterprise Funds	91,917	(3,039)	88,878

NOTE 4 - ACCOUNTABILITY

At June 30, 2000, the Title I, Title VI and Drug Free Special Revenue Funds had deficit fund balances of \$80,289, \$75,314 and \$13,405 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 and Adult Education Enterprise funds had deficit retained earnings of \$564 and \$16, respectively 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, 2000

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	\$561,501	\$(6,757)	\$30,711	\$(374,287)	\$10,625
Revenue Accruals	393,985	120,728	9,888	327,998	1
Expenditure Accruals	(782,927)	(10,228)	0	(654,302)	0
Encumbrances	(466,305)	(34,131)	0	(7,851,205)	(33,500)
Budget Basis	\$(293,746)	\$69,612	\$40,599	\$(8,551,796)	\$(22,874)

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	\$(60,042)	\$(230,013)	\$(249,527)
Revenue Accruals	(38,361)	0	0
Expense Accruals	61,857	30,814	254,204
Encumbrances	(700)	0	0
Budget Basis	\$(37,246)	\$(199,199)	\$4,677

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, 2000

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, 2000

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

Deposits At fiscal year end, the carrying amount of the District's deposits was \$1,150,024 and the bank balance was \$3,304,587. Of the bank balance:

1. \$400,000 was covered by federal depository insurance; and
2. \$2,904,587 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	\$877,079	\$877,079	\$877,079
STAR Ohio		13,350,853	13,350,853
Total Investments		\$14,227,932	\$14,227,932

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	
GASB Statement No. 9	\$14,500,877	\$877,079
Investments:		
STAR Ohio	(13,350,853)	13,350,853
GASB Statement No. 3	\$1,150,024	\$14,227,932

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, 2000

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, 2000, are available to finance fiscal year 2001 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, 2000. 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, 2000, was \$110,109 in the General Fund, \$1,715 in the Classroom Facilities Maintenance Special Revenue Fund, and \$13,785 in the Debt Service Fund.

The assessed values upon which fiscal year 2000 taxes were collected are:

	<u>1999 Second- Half Collections</u>		<u>2000 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$87,461,320	84.38%	\$90,586,361	84.88%
Public Utility	8,177,200	7.89%	8,740,442	8.19%
Tangible Personal Property	<u>8,010,600</u>	<u>7.73%</u>	<u>7,394,097</u>	<u>6.93%</u>
Total Assessed Value	<u><u>\$103,649,120</u></u>	<u><u>100.00%</u></u>	<u><u>\$106,720,900</u></u>	<u><u>100.00%</u></u>
Tax rate per \$1,000 of assessed valuation	\$29.92		\$29.92	

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$143,353
Less Accumulated Depreciation	<u>(114,238)</u>
Net Fixed Assets	<u><u>\$29,115</u></u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 6/30/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$259,066	\$224,248	\$0	\$483,314
Buildings and Improvements	3,834,772	0	0	3,834,772
Furniture, Fixtures and Equipment	2,769,014	20,843	0	2,789,857
Construction in Progress	0	17,641,067		17,641,067
Vehicles	<u>1,553,224</u>	<u>0</u>	<u>0</u>	<u>1,553,224</u>
Total General Fixed Assets	<u><u>\$8,416,076</u></u>	<u><u>\$17,886,158</u></u>	<u><u>\$0</u></u>	<u><u>\$26,302,234</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 2000, 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 \$159,989 reported in the internal service fund at June 30, 2000 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, 2000

NOTE 9 - RISK MANAGEMENT (Continued)

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1998	\$212,572	\$1,049,222	\$1,101,926	\$159,868
1999	\$159,868	\$1,093,143	\$1,123,836	\$129,175
2000	\$129,175	\$1,339,820	\$1,309,006	\$159,989

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, 2000, 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. 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, 2000, 1999, and 1998 were \$313,962, \$580,638, and \$537,333, respectively; 78 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$58,615 representing the unpaid contribution for fiscal year 2000, 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 2000, 7.7 percent of annual covered salary was the portion 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, 2000, 1999, and 1998 were \$94,552, \$132,746, and \$150,739, respectively; 11 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$83,469 representing the unpaid contribution for fiscal year 2000, 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, 2000

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, 2000, no employees have elected Social Security.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

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 eight percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$418,615 during fiscal 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999 (the latest information available). For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 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. 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 2000, 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 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, (the latest information available) SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$95,972 during the 2000 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, 2000

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 2000 were as follows:

	<u>Principal Outstanding 6/30/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/00</u>
Energy Conservation Note Payable	\$111,430	\$0	\$71,720	\$39,710
School Facilities General Obligation Bond 1998 4.99%	3,815,000	0	105,000	3,710,000
School Facilities General Obligation Bond 1983 9.50%	<u>325,000</u>	<u>0</u>	<u>65,000</u>	<u>260,000</u>
Total Long-Term Bonds and Loans	4,251,430	0	241,720	4,009,710
Pension Obligation	97,899	93,710	97,899	93,710
Compensated Absences	<u>1,007,453</u>	<u>29,978</u>	<u>0</u>	<u>1,037,431</u>
Total General Long-Term Obligations	<u><u>\$5,356,782</u></u>	<u><u>\$123,688</u></u>	<u><u>\$339,619</u></u>	<u><u>\$5,140,851</u></u>

Energy Conservation Note Payable - On February 26, 1993, Greenfield Exempted Village School District issued \$362,820 in unvoted general obligation notes for the purpose of providing energy conservation measures for the District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with 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 \$9,604,881 with an unvoted debt margin of \$106,720 at June 30, 2000.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2000, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
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	534,500	27,125	561,625
Total	<u>\$4,009,710</u>	<u>\$2,331,651</u>	<u>\$6,341,361</u>

NOTE 14 - INTERFUND ACTIVITY

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivables	Interfund Payables
General Fund	<u>\$155,650</u>	<u>\$0</u>
Special Revenue Funds:		
Title I	0	44,000
District Managed Activities	0	10,200
Title VI	0	86,700
Drug Free	0	14,000
Total Special Revenue Funds	<u>0</u>	<u>154,900</u>
Enterprise Fund:		
Uniform School Supplies	0	750
Total All Funds	<u>\$155,650</u>	<u>\$155,650</u>

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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, 2000.

	Food Service	Uniform School Supplies	Adult Education	Total Enterprise Funds
Operating Revenues	\$211,527	\$0	\$3,396	\$214,923
Operating Expenses less Depreciation	(494,792)	0	(3,759)	(498,551)
Depreciation Expense	(4,786)	0	0	(4,786)
Operating Loss	(288,051)	0	(362)	(288,414)
Donated Commodities	37,851	0	0	37,851
Operating Grants	189,222	0	0	189,222
Net Income (Loss)	(59,680)	0	(362)	(60,042)
Net Working Capital	300	(564)	(15)	(279)
Total Assets	108,264	186	1	108,451
Total Equity	29,415	(564)	(15)	28,836
Encumbrances Outstanding at June 30, 2000	700	0	0	700

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, 2000

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 \$8,706,845 of school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total of \$24,169,986 under this program.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County 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 appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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, 2000.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Greenfield Exempted Village School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 19 - 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, 2000, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 07/01/1999	\$154,440	\$154,440	\$144,872	\$453,752
Required Set-Aside	233,118	233,118	77,220	543,456
Offset Credits	0	0	0	0
Qualifying Expenditures	(78,678)	(78,678)	0	(157,356)
Balance 06/30/2000	308,880	308,880	\$222,092	\$839,852

NOTE 20 - CONTRACTUAL COMMITMENTS

As of June 30, 2000, the School District had contractual purchase commitments for professional design services for the construction of new school facilities as follows:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/00
Breckenridge	\$405,545	\$386,405	\$19,140
C & T Design	156,000	155,159	841
C. T. & L.	68,591	52,807	15,784
Continental	323,644	308,470	15,174
Croson-Teepe	2,754,459	2,100,944	653,515
Dalmation Fire	413,009	349,780	63,229
Eagle	1,005,973	648,969	357,004
Hamilton	23,418	15,936	7,482
Johnson Controls	461,856	396,299	65,557
Kleen-All	230,215	65,802	164,413
Lepi	34,413	30,115	4,298
Quantum	11,548,818	10,493,948	1,054,870
Stonecreek	174,615	173,244	1,371
Trane	261,420	254,651	6,769
Triad	1,716,368	1,463,679	252,689
Wellers	2,050,329	2,032,146	18,183
Farnham	274,900	218,224	56,676
Reddy	<u>3,562,277</u>	<u>2,840,438</u>	<u>721,839</u>
Totals	<u>\$25,465,850</u>	<u>\$21,987,016</u>	<u>\$3,478,834</u>

Greenfield Exempted Village School District
Highland County
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2000

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	\$35,752	\$0	\$37,851
School Breakfast Program	05-PU 00	10.553	2,956		2,956	
National School Lunch Program	03/04-PU 00	10.555	171,247		171,247	
Special Milk Program	02-PU 00	10.556	3,538		3,538	
<i>Total U.S. Department of Agriculture - Nutrition Cluster</i>			<u>177,741</u>	<u>35,752</u>	<u>177,741</u>	<u>37,851</u>
U.S. DEPRATMENT OF EDUCATION						
<i>Pass through the Ohio Department of Education</i>						
SPECIAL EDUCATION CLUSTER						
Title VI-B	6B-SF 2000	84.027	57,970	0	57,728	0
Special Education Preschool Grant	PG-S1 2000	84.173	<u>5,591</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Special Education Cluster</i>			<u>63,561</u>	<u>0</u>	<u>57,728</u>	<u>0</u>
Title I	C1-S1 2000	84.010	247,088	0	259,530	0
Safe & Drug Free Schools	DR-S1 2000	84.186	15,972	0	18,953	0
Eisenhower Math Science	MS-S1 2000	84.281	11,009	0	12,579	0
<i>Total U.S. Department of Education</i>			<u>337,630</u>	<u>0</u>	<u>348,790</u>	<u>0</u>
<i>Total Federal Awards and Expenditures</i>			<u>\$515,371</u>	<u>\$35,752</u>	<u>\$526,531</u>	<u>\$37,851</u>

Legend
N/A=Not Applicable

See Notes to Schedule of Federal Awards Expenditures.

Greenfield Exempted Village School District
Notes to Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2000

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

Non-monetary 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, 2000, the School District had no significant food commodities in inventory.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose financial statements of Greenfield Exempted Village School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 22, 2000. 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, regulation, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express 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 22, 2000.

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 the financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation 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 weakness. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management in a separate letter dated December 22, 2000.

Members of the Board
Greenfield Exempted Village School District
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS
Page 2

This report is intended for the information of the audit committee, management, members of the Board, 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 22, 2000

MICHAEL A. BALESTRA, CPA, INC.
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Greenfield Exempted Village School District with the types of compliance requirements described in the *U.S. Office Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. Greenfield Exempted Village School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Greenfield Exempted Village School District's management. Our responsibility is to express an opinion on Greenfield Exempted Village School District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Greenfield Exempted Village School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit we considered Greenfield Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Members of the Board
Greenfield Exempted Village School District
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulation, 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 of the audit committee, management, members of the Board, 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 22, 2000

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
JUNE 30, 2000

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

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 Food 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

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
JUNE 30, 2000

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

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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2001**