



Dave Yost • Auditor of State

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

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HIGHLAND COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Title VI-B, and Title I funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

March 17, 2014

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Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Greenfield Exempted Village Schools (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2013 by \$33,663,695.
- The School District's net position of governmental activities increased \$1,155,353.
- General revenues accounted for \$18,698,418 in revenue or 85 percent of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$3,189,995 or 15 percent of total revenues of \$21,888,413.
- The School District had \$20,733,060 in expenses related to governmental activities; \$3,189,995 of these expenses was offset by program specific charges for services and sales and operating grants and contributions and capital grants and contributions.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE SCHOOL DISTRICT AS A WHOLE

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

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

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

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

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's funds begins on page 7. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major funds are the General Fund, Title VI-B, and the Title I Special Revenue Funds.

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

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

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

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

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2013 compared to 2012.

Table 1
Net Position

	Governmental Activities	
	2013	2012*
Assets:		
Current and Other Assets	\$ 20,028,946	\$ 18,722,134
Capital Assets, Net	21,831,337	22,682,270
Total Assets	41,860,283	41,404,404
Deferred Outflows of Resources:		
Unamortized Deferred Amount on Refunding	14,119	16,154
Liabilities:		
Current and Other Liabilities	1,928,975	1,784,269
Long-Term Liabilities	3,087,284	3,852,981
Total Liabilities	5,016,259	5,637,250
Deferred Inflows of Resources:		
Property Taxes not Levied to Finance Current Year Operations	3,194,448	3,274,966
Net Position:		
Net Investment in Capital Assets	20,014,117	20,601,331
Restricted	3,764,885	3,315,400
Unrestricted	9,884,693	8,591,611
Total Net Position	\$ 33,663,695	\$ 32,508,342

* As restated, see Note 20. Certain reclassifications were also made to conform with the current year presentation

Total net position of the School District as a whole increased \$1,155,353. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash and cash equivalents. The decrease in capital assets was primarily due to current year depreciation expense, which was partially offset by current year additions. Long-term liabilities decreased due to principle payments made during the year in addition to a decrease in compensated absences as a result of lower leave balances.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Table 2 shows the changes in net position for 2013 compared to 2012.

Table 2
Change in Net Position

	Governmental Activities 2013	2012*
Revenue		
Program Revenues:		
Charges for Services and Sales	\$ 821,999	\$ 852,477
Operating Grants and Contributions	2,255,998	2,883,509
Capital Grants and Contributions	111,998	-
Total Program Revenues	3,189,995	3,735,986
General Revenue:		
Income Taxes	1,826,116	1,737,664
Grants and Entitlements, Not Restricted for Specific Programs	13,056,459	13,152,312
Investment Earnings	21,218	32,337
Miscellaneous	295,077	178,452
Property Taxes	3,499,548	3,515,631
Total General Revenues	18,698,418	18,616,396
Total Revenues	21,888,413	22,352,382
Program Expenses		
Instruction		
Regular	8,977,466	9,427,898
Special	2,021,653	1,373,978
Vocational	414,321	444,992
Other	1,281,473	1,281,314
Support Services		
Pupils	942,949	852,588
Instructional Staff	631,480	806,711
Board of Education	67,254	38,849
Administration	1,826,384	1,674,517
Fiscal	416,531	438,572
Operation and Maintenance of Plant	1,812,816	1,648,635
Pupil Transportation	1,103,652	1,152,705
Central	61,164	64,430
Operation of Non-Instructional Services	704,449	687,178
Extracurricular Activities	397,134	414,065
Interest and Fiscal Charges	74,334	95,516
Total Expenses	20,733,060	20,401,948
Increase in Net Position	1,155,353	1,950,434
Net Position at Beginning of Year - Restated	32,508,342	30,557,908
Net Position at End of Year	\$ 33,663,695	\$ 32,508,342

* As restated, see Note 20.

Governmental Activities

Charges for services and sales comprised 4 percent of revenue for governmental activities, while operating grants and contributions comprised 10 percent of revenue for governmental activities of the School District for fiscal year 2013. Income tax revenue comprised 8 percent of revenue for governmental activities. Property tax revenue comprised 16 percent of revenue for governmental activities for fiscal year 2013. Grants and entitlements, not restricted for specific programs, comprised 60 percent of revenue for governmental activities.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Operating Grants and Contributions decreased due to revenues received from the Education Jobs Program in the prior year. As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 43 percent of governmental program expenses. Regular instruction decreased as a direct result of the decrease in Education Jobs revenues of \$668,473. Special instruction increased while instructional staff decreased as a result of coding changes required by the Ohio Department of Education for the new report card. Operation and maintenance of plant increased due to increase maintenance costs and utility expenses during 2013.

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

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2013	2013	2012	2012
Program Expenses				
Instruction:				
Regular	\$ 8,977,466	\$ 8,182,271	\$ 9,427,898	\$ 7,967,929
Special	2,021,653	1,668,961	1,373,978	1,052,479
Vocational	414,321	401,604	444,992	430,620
Other	1,281,473	1,242,061	1,281,314	1,239,854
Support Services:				
Pupils	942,949	698,542	852,588	673,913
Instructional Staff	631,480	254,038	806,711	528,515
Board of Education	67,254	65,186	38,849	37,592
Administration	1,826,384	1,682,300	1,674,517	1,552,626
Fiscal	416,531	402,694	438,572	423,614
Operation and Maintenance of Plant	1,812,816	1,698,021	1,648,635	1,533,180
Pupil Transportation	1,103,652	1,060,003	1,152,705	1,083,353
Central	61,164	54,988	64,430	62,345
Operation of Non-Instructional Services	704,449	(89,289)	687,178	(138,936)
Extracurricular Activities	397,134	147,351	414,065	131,956
Interest and Fiscal Charges	74,334	74,334	95,516	86,922
Total	<u>\$ 20,733,060</u>	<u>\$ 17,543,065</u>	<u>\$ 20,401,948</u>	<u>\$ 16,665,962</u>

THE SCHOOL DISTRICT'S FUNDS

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$21,438,431 and expenditures and other financing uses of \$21,151,009. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$533,643. This increase is due mainly to revenues exceeding current year expenditures.

The fund balance of the Title VI-B Fund decreased \$200,673. The Title V-BI Fund had revenues in the amount of \$200,663 and expenditures in the amount of \$401,336. The fund balance of the Title I Fund decreased \$389,667. The Title I Fund had revenues in the amount of \$441,605 and expenditures in the amount of \$831,272. Both the Title VI-B and the Title I funds had receivables which were not collected in the available period which would have substantially covered these deficits.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

General Fund Budgeting Highlights

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

During 2013, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$3,312,096 and increased appropriations by \$3,043,200. The General fund's ending unobligated cash balance was \$4,982,086. The increase in final budgeted expenditures is due mainly to an increase in advances out. The increase in estimated resources is due mainly to the increase in advances in.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013, the School District had \$21,831,337 invested in its capital assets. Table 4 shows the fiscal year 2013 balances compared to 2012.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2013	2012
Land	\$ 42,231	\$ 42,231
Land Improvements	67,840	82,833
Buildings and Improvements	20,691,195	21,424,894
Furniture and Equipment	171,362	232,987
Vehicles	858,709	899,325
Totals	\$ 21,831,337	\$ 22,682,270

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

Debt

At June 30, 2013, the School District had an outstanding General Obligation Bond in the amount of \$400,000, which was issued for the purpose of improvements. The School District also had Refunding Bonds consisting of \$1,025,000 in current interest bonds and \$354,998 of capital appreciation bonds. See Note 13 to the basic financial statements for more detailed information relating to debt.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Greenfield Exempted Village School District
Statement of Net Position
June 30, 2013

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 14,780,808
Accounts Receivable	2,858
Intergovernmental Receivable	932,120
Taxes Receivable	4,313,160
Noncurrent Assets:	
Non-Depreciable Capital Assets	42,231
Depreciable Capital Assets, net	21,789,106
<i>Total Assets</i>	41,860,283
 DEFERRED OUTFLOWS OF RESOURCES:	
Unamortized Deferred Amount on Refunding	14,119
 LIABILITIES:	
Current Liabilities:	
Accounts Payable	157,504
Accrued Wages and Benefits	1,417,630
Intergovernmental Payable	331,668
Accrued Interest Payable	1,735
Claims Payable	20,438
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	390,457
Due in More Than One Year	2,696,827
<i>Total Liabilities</i>	5,016,259
 DEFERRED INFLOWS OF RESOURCES	
Property Taxes not Levied to Finance Current Year Operations	3,194,448
<i>Total Deferred Inflows of Resources</i>	3,194,448
 NET POSITION:	
Net Investment in Capital Assets	20,014,117
Restricted for Debt Service	1,216,072
Restricted for Capital Outlay	1,174,980
Restricted for Other Purposes	513,541
Restricted for Classroom Facilities Maintenance	860,292
Unrestricted	9,884,693
<i>Total Net Position</i>	\$ 33,663,695

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

Greenfield Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 8,977,466	\$ 237,741	\$ 445,456	\$ 111,998	\$ (8,182,271)
Special	2,021,653	51,849	300,843	-	(1,668,961)
Vocational	414,321	12,717	-	-	(401,604)
Other	1,281,473	39,412	-	-	(1,242,061)
Support Services:					
Pupils	942,949	21,424	222,983	-	(698,542)
Instructional Staff	631,480	6,829	370,613	-	(254,038)
Board of Education	67,254	2,068	-	-	(65,186)
Administration	1,826,384	53,073	91,011	-	(1,682,300)
Fiscal	416,531	12,069	1,768	-	(402,694)
Operation and Maintenance of Plant	1,812,816	53,617	61,178	-	(1,698,021)
Pupil Transportation	1,103,652	32,369	11,280	-	(1,060,003)
Central	61,164	1,881	4,295	-	(54,988)
Operation of Non-Instructional Services	704,449	167,704	626,034	-	89,289
Extracurricular Activities	397,134	129,246	120,537	-	(147,351)
Interest and Fiscal Charges	74,334	-	-	-	(74,334)
Total Governmental Activities	\$ 20,733,060	\$ 821,999	\$ 2,255,998	111,998	(17,543,065)
General Revenues:					
Taxes Levied for:					
General Purposes					3,091,408
Debt Service					341,641
Classroom Facilities					66,499
Income Taxes					1,826,116
Grants and Entitlements, Not Restricted to Specific Programs					13,056,459
Investment Earnings					21,218
Miscellaneous					295,077
Total General Revenues					18,698,418
Change in Net Position					1,155,353
Net Position Beginning of Year - As Restated, See Note 20					32,508,342
Net Position End of Year					\$ 33,663,695

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

Greenfield Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Equity in Pooled Cash and Cash Equivalents	\$ 6,648,678	\$ 778,576	\$ 1,616,525	\$ 4,187,950	\$ 13,231,729
Accounts Receivable	2,127	-	-	731	2,858
Interfund Receivable	3,659,598	-	-	-	3,659,598
Intergovernmental Receivable	98,892	200,673	386,907	245,648	932,120
Taxes Receivable	3,875,564	-	-	437,596	4,313,160
<i>Total Assets</i>	<u>\$ 14,284,859</u>	<u>\$ 979,249</u>	<u>\$ 2,003,432</u>	<u>\$ 4,871,925</u>	<u>\$ 22,139,465</u>
LIABILITIES:					
Accounts Payable	\$ 139,461	\$ -	\$ -	\$ 18,043	\$ 157,504
Accrued Wages and Benefits	1,378,676	-	-	38,954	1,417,630
Interfund Payable	-	979,249	2,006,192	674,157	3,659,598
Intergovernmental Payable	327,249	-	-	4,419	331,668
<i>Total Liabilities</i>	<u>1,845,386</u>	<u>979,249</u>	<u>2,006,192</u>	<u>735,573</u>	<u>5,566,400</u>
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes not Levied to Finance Current Year Operations	2,818,153	-	-	376,295	3,194,448
Unavailable Revenue - Delinquent Taxes	254,332	-	-	31,468	285,800
Unavailable Revenue - Grants	-	200,673	386,907	202,699	790,279
<i>Total Deferred Inflows of Resources</i>	<u>3,072,485</u>	<u>200,673</u>	<u>386,907</u>	<u>610,462</u>	<u>4,270,527</u>
FUND BALANCES:					
Restricted	-	-	-	3,718,747	3,718,747
Committed	459,378	-	-	-	459,378
Assigned	1,095,478	-	-	-	1,095,478
Unassigned	7,812,132	(200,673)	(389,667)	(192,857)	7,028,935
<i>Total Fund Balances</i>	<u>9,366,988</u>	<u>(200,673)</u>	<u>(389,667)</u>	<u>3,525,890</u>	<u>12,302,538</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 14,284,859</u>	<u>\$ 979,249</u>	<u>\$ 2,003,432</u>	<u>\$ 4,871,925</u>	<u>\$ 22,139,465</u>

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

Greenfield Exempted Village School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2013*

Total Governmental Fund Balances		\$ 12,302,538
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		21,831,337
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	285,800	
Intergovernmental	790,279	
Total	1,076,079	1,076,079
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,528,641
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net position.		(1,735)
Long-term liabilities, including bonds and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,189,785)	
General Obligation Bonds	(400,000)	
Refunding Bonds:		
Current Interest Bonds	(1,025,000)	
Capital Appreciation Bonds	(354,998)	
Accretion on Capital Appreciation Bonds	(66,160)	
Unamortized Deferred Amount on Refunding	14,119	
Unamortized Premium on Refunding Bonds	(51,341)	
Total	(3,073,165)	(3,073,165)
Net Position of Governmental Activities		\$ 33,663,695

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Title VI-B	Title I	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	\$ 3,066,738	\$ -	\$ -	\$ 406,169	\$ 3,472,907
Income Tax	1,826,116	-	-	-	1,826,116
Intergovernmental	12,997,368	200,663	441,605	995,985	14,635,621
Interest	21,183	-	-	35	21,218
Tuition and Fees	500,569	-	-	-	500,569
Rent	1,967	-	-	-	1,967
Extracurricular Activities	724	-	-	121,128	121,852
Gifts and Donations	-	-	-	75,493	75,493
Customer Sales and Services	29,907	-	-	167,704	197,611
Miscellaneous	294,732	-	-	345	295,077
<i>Total Revenues</i>	<u>18,739,304</u>	<u>200,663</u>	<u>441,605</u>	<u>1,766,859</u>	<u>21,148,431</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	8,087,681	276,806	-	358,078	8,722,565
Special	1,743,146	-	326,850	5,520	2,075,516
Vocational	449,634	-	-	-	449,634
Other	1,296,245	-	-	-	1,296,245
Support Services:					
Pupils	726,795	124,530	-	121,821	973,146
Instructional Staff	260,138	-	409,452	-	669,590
Board of Education	67,254	-	-	-	67,254
Administration	1,729,729	-	91,549	9,000	1,830,278
Fiscal	392,495	-	-	12,221	404,716
Operation and Maintenance of Plant	1,741,378	-	-	67,589	1,808,967
Pupil Transportation	1,075,636	-	-	12,462	1,088,098
Central	60,604	-	-	-	60,604
Operation of Non-Instructional Services					
Extracurricular Activities	263,811	-	3,421	691,127	694,548
Capital Outlay	1,115	-	-	38,978	40,093
Debt Service:					
Principal	-	-	-	220,000	220,000
Interest	-	-	-	62,775	62,775
<i>Total Expenditures</i>	<u>17,895,661</u>	<u>401,336</u>	<u>831,272</u>	<u>1,732,740</u>	<u>20,861,009</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>843,643</u>	<u>(200,673)</u>	<u>(389,667)</u>	<u>34,119</u>	<u>287,422</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In	-	-	-	290,000	290,000
Transfers Out	(290,000)	-	-	-	(290,000)
<i>Total Other Financing Sources and Uses</i>	<u>(290,000)</u>	<u>-</u>	<u>-</u>	<u>290,000</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	553,643	(200,673)	(389,667)	324,119	287,422
<i>Fund Balances at Beginning of Year</i>	<u>8,813,345</u>	<u>-</u>	<u>-</u>	<u>3,201,771</u>	<u>12,015,116</u>
<i>Fund Balances at End of Year</i>	<u>\$ 9,366,988</u>	<u>\$ (200,673)</u>	<u>\$ (389,667)</u>	<u>\$ 3,525,890</u>	<u>\$ 12,302,538</u>

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

Greenfield Exempted Village School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2013*

Net Change in Fund Balances - Total Governmental Funds \$ 287,422

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

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

Capital Asset Additions	38,978	
Current Year Depreciation	(889,481)	
Total	(850,503)	(850,503)

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

Loss on Disposal of Capital Assets	(430)	
Total	(430)	(430)

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

Taxes	26,641	
Intergovernmental	713,341	
Total	739,982	739,982

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

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

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities. 220,000

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

Decrease in Compensated Absences	561,824	
Accretion of Capital Appreciation Bonds	(23,468)	
Decrease in Interest Payable	6,603	
Total	544,959	544,959

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 208,617

Net Change in Net Position of Governmental Activities **\$ 1,155,353**

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 20,931,948	\$ 24,244,044	\$ 24,244,044	\$ -
Total Expenditures and Other Financing Uses	21,729,018	24,772,218	24,772,218	-
Net Change in Fund Balance	(797,070)	(528,174)	(528,174)	-
Fund Balance at Beginning of Year	4,874,320	4,874,320	4,874,320	-
Prior Year Encumbrances Appropriated	635,940	635,940	635,940	-
Fund Balance at End of Year	<u>\$ 4,713,190</u>	<u>\$ 4,982,086</u>	<u>\$ 4,982,086</u>	<u>\$ -</u>

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Title VI-B Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 1,043,206	\$ 1,193,302	\$ 1,947,784	\$ 754,482
Total Expenditures and Other Financing Uses	1,273,159	2,181,408	1,780,073	401,335
Net Change in Fund Balance	(229,953)	(988,106)	167,711	1,155,817
Fund Balance at Beginning of Year	610,865	610,865	610,865	-
Fund Balance at End of Year	\$ 380,912	\$ (377,241)	\$ 778,576	\$ 1,155,817

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 1,672,545	\$ 2,502,644	\$ 4,011,474	\$ 1,508,830
Total Expenditures and Other Financing Uses	2,140,152	4,358,852	3,508,618	850,234
Net Change in Fund Balance	(467,607)	(1,856,208)	502,856	2,359,064
Fund Balance at Beginning of Year	1,110,962	1,110,962	1,110,962	-
Fund Balance at End of Year	\$ 643,355	\$ (745,246)	\$ 1,613,818	\$ 2,359,064

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

Greenfield Exempted Village School District
Statement of Fund Net Position
Governmental Activities - Internal Service Fund
June 30, 2013

	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,549,079
<i>Total Assets</i>	<u>1,549,079</u>
LIABILITIES:	
Claims Payable	<u>20,438</u>
<i>Total Liabilities</i>	<u>20,438</u>
NET POSITION:	
Unrestricted	<u>1,528,641</u>
<i>Total Net Position</i>	<u>\$ 1,528,641</u>

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

Greenfield Exempted Village School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2013

	<u>Internal Service</u>
OPERATING REVENUES:	
Charges for Services	\$ 374,477
<i>Total Operating Revenues</i>	<u>374,477</u>
OPERATING EXPENSES:	
Claims	132,055
Other	37,766
<i>Total Operating Expenses</i>	<u>169,821</u>
<i>Operating Income</i>	204,656
NON-OPERATING REVENUES:	
Interest	3,961
<i>Total Non-Operating Revenues</i>	<u>3,961</u>
<i>Net Change in Net Position</i>	208,617
Net Position at Beginning of Year	<u>1,320,024</u>
Net Position at End of Year	<u>\$ 1,528,641</u>

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

Greenfield Exempted Village School District
Statement of Cash Flows
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2013

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 374,477
Cash Payments for Claims	(132,917)
Cash Payments for Other Operating Uses	(37,766)
<i>Net Cash Provided by Operating Activities</i>	203,794
<i>Cash Flows from Noncapital Financing Activities</i>	
Advance Out	(560,000)
<i>Cash Flows from Investing Activities</i>	
Interest on Investments	3,961
<i>Net Decrease in Cash and Cash Equivalents</i>	(352,245)
Cash and Cash Equivalents at Beginning of Year	1,901,324
Cash and Cash Equivalents at End of Year	\$ 1,549,079
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>	
Operating Income	\$ 204,656
<i>Changes in Liabilities:</i>	
Decrease in Claims Payable	(862)
<i>Net Cash Provided by Operating Activities</i>	\$ 203,794

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

Greenfield Exempted Village School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 1,443,745	<u>\$ 196,770</u>
Investments	<u>1,785,267</u>	
Total Assets	<u>3,229,012</u>	
LIABILITIES:		
Undistributed Monies		<u>\$ 196,770</u>
NET POSITION:		
Held in Trust for Scholarships	<u>3,229,012</u>	
Total Net Position	<u>\$ 3,229,012</u>	

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

Greenfield Exempted Village School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Gifts and Contributions	\$ 71,411
Investment Earnings	<u>501,462</u>
<i>Total Additions</i>	572,873
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	<u>65,800</u>
Change in Net Position	507,073
Net Position Beginning of Year	<u>2,721,939</u>
Net Position End of Year	<u><u>\$ 3,229,012</u></u>

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the village of Greenfield, South Salem and Rainsboro. It is staffed by 98 classified employees and 146 certificated employees who provide services to 2,029 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

Reporting Entity:

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

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

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

- * Boosters Clubs
- * Parent Teacher Organizations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Title VI-B Fund

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

Title I Fund

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

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

Proprietary Funds

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

Internal Service Fund

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

Fiduciary Funds

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

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

Measurement Focus

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Measurement Focus (continued)

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Deferred Outflows and Deferred Inflows of Resources

As more fully described in Note 20 to the basic financial statements, the School District has implemented both GASB Statement No. 63 and GASB Statement No. 65, effective for fiscal year 2013. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for the unamortized portion of the net loss on refunding of bonds as of June 30, 2013. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position.

Expenses/Expenditures

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

C. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the first permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2013.

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash, Cash Equivalents, and Investments

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

During fiscal year 2013 the School District's investments were limited to stock for the private purpose trust fund and Federal Home Loan Bank Bonds.

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

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 2013 amounted to \$21,183 and \$35 for all other governmental funds.

E. Capital Assets and Depreciation

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

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

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

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

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

F. Interfund Balances

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid. The School District had no matured compensated absences payable as of June 30, 2013.

H. Accrued Liabilities and Long-Term Obligations

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

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

I. Fund Balance

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

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

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Balance (continued)

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

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

J. Estimates

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

K. Net Position

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

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

The government-wide statement of net position reports \$3,764,885 in restricted net position, none of which is restricted by enabling legislation.

L. Interfund Transactions

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

NOTE 3 – ACCOUNTABILITY

At June 30, 2013, the Title VI-B, Title I, Pre-School Grant, Race to the Top, Early Childhood, and the Title II-A Special Revenue Funds had fund balance deficits of \$200,673, \$389,667, \$61,348, \$49,192, \$2,762 and \$79,555, which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

	<u>General</u>	<u>Title VI-B</u>	<u>Title I</u>
GAAP Basis	\$ 553,643	\$ (200,673)	\$ (389,667)
Revenue Accruals	5,685,862	1,747,121	3,569,869
Expenditure Accruals	(5,698,911)	(1,376,031)	(2,677,346)
Perspective Difference:			
Activity of Funds Reclassified for GAAP Reporting Purposes	(129,389)	-	-
Encumbrances	<u>(939,379)</u>	<u>(2,706)</u>	<u>-</u>
Budget Basis	<u>\$ (528,174)</u>	<u>\$ 167,711</u>	<u>\$ 502,856</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;
10. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
11. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

As of June 30, 2013, the School District's bank balance of \$16,055,822 was either covered by FDIC or collateralized by the financial institution's public entity deposit pools in the manner described above.

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

	Carrying/Fair Value	Weighted Average Maturity (Years)
Common Stocks	\$ 1,785,267	<1 Year
FHLB Bonds	488,710	<1 Year
Total	\$ 2,273,977	

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

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

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 79% of the School District's investments are in common stocks, with the remaining 21% in FHLB Bonds. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected in 2013 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The assessed values upon which fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$167,221,870	95.28%	\$158,757,800	94.69%
Public Utility	8,277,950	4.72%	8,909,290	5.31%
Total Assessed Value	<u>\$175,499,820</u>	<u>100.00%</u>	<u>\$167,667,090</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.10		\$28.10	

The School District receives property taxes from Fayette, Highland and Ross Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 6 - PROPERTY TAXES (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2013 and for which there is an enforceable legal claim.

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

The amount available as an advance at June 30, 2013, was \$241,039 in the General Fund, \$4,789 in the Classroom Facilities Non-major Special Revenue Fund, and \$25,044 in the Debt Service Non-major Debt Service Fund.

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Ending Balance 6/30/2012	Additions	Deletions	Ending Balance 6/30/2013
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 42,231	\$ -	\$ -	\$ 42,231
Total Capital Assets, Not Being Depreciated	42,231	-	-	42,231
Capital Assets Being Depreciated				
Land Improvements	572,145	-	-	572,145
Buildings and Improvements	33,609,829	-	-	33,609,829
Furniture and Equipment	3,920,871	38,978	-	3,959,849
Vehicles	2,317,878	-	(4,300)	2,313,578
Total Capital Assets Being Depreciated	40,420,723	38,978	(4,300)	40,455,401
Less: Accumulated Depreciation:				
Land Improvements	(489,312)	(14,993)	-	(504,305)
Buildings and Improvements	(12,184,935)	(733,699)	-	(12,918,634)
Furniture and Equipment	(3,687,884)	(100,603)	-	(3,788,487)
Vehicles	(1,418,553)	(40,186)	3,870	(1,454,869)
Total Accumulated Depreciation	(17,780,684)	(889,481)	3,870	(18,666,295)
Total Capital Assets Being Depreciated, Net	22,640,039	(850,503)	(430)	21,789,106
Governmental Capital Assets, Net	\$ 22,682,270	\$ (850,503)	\$ (430)	\$ 21,831,337

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$821,235
Special Instruction	3,426
Vocational Instruction	844
Support Services:	
Administration	201
Fiscal	11,877
Pupil Transportation	38,313
Operation and Maintenance of Plant	776
Operation of Non-Instructional Services	12,809
Total Depreciation Expense	<u>\$889,481</u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 8 - RECEIVABLES

Receivables at June 30, 2013, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Major Funds:	
General	\$ 98,892
Title VI-B	200,673
Title I	386,907
Non-Major Funds:	
Early Childhood Education	61,351
Early Childhood Special Education - IDEA	2,761
Miscellaneous Federal Grants	18,438
Race to the Top	72,080
Permanent Improvement	36,505
Title II-A	<u>54,513</u>
Total Non-Major Funds	<u>245,648</u>
Total All Funds/Governmental Activities	<u><u>\$ 932,120</u></u>

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with Ohio Casualty for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

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

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

The School District contracted with United Healthcare to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District self-insures employee excess costs not covered by Medical Mutual through a self-insurance internal service fund. The claims liability of \$20,438 reported in the Internal Service fund at June 30, 2013 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of cost relating to incurred but not reported claims, be reported.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 9 - RISK MANAGEMENT (continued)

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

		<u>Balance at</u> <u>Beginning of Year</u>		<u>Current Year</u> <u>Claims</u>		<u>Claim</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2012	\$	3,632	\$	182,290	\$	164,622	\$	21,300
2013	\$	21,300	\$	132,055	\$	132,917	\$	20,438

NOTE 10 -DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2013, the allocation to pension and death benefits is 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Fund. The School District's contributions to SERS which were allocated for pension and death benefits for the fiscal years ended June 30, 2013, 2012 and 2011 were \$375,671, \$176,353, and \$302,865, respectively; 95 percent of the required contribution has been made for fiscal year 2013 and 100 percent of the required contribution has been made for fiscal years 2012 and 2011. \$19,095 represents the unpaid contribution for fiscal year 2013 and is recorded as a liability within the respective funds.

State Teachers Retirement System

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

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

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 10 -DEFINED BENEFIT PENSION PLANS (continued)

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

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

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

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

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 10 -DEFINED BENEFIT PENSION PLANS (continued)

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal years ended June 30, 2013, 2012, and 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,082,023, \$1,052,354, and \$1,034,131, respectively; 83 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. \$181,517 represents the unpaid contribution for fiscal year 2013 and is recorded as a liability within the respective funds.

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2013, none of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

State Teachers Retirement System

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

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

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2013, 2012 and 2011. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$82,960, \$60,090, and \$80,042 for fiscal years 2013, 2012, and 2011, respectively, which equaled the required contributions for those years.

School Employees Retirement System

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2013, 2012, and 2011, the actuarially required allocations were 0.74 percent, 0.75 percent, and 0.76 percent. For the School District, contributions for the years ended June 30, 2013, 2012, and 2011, were \$21,062, \$20,331, and \$19,234, which equaled the required contributions for those years.

Health Care Plan

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

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

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

Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. At June 30, 2013, 2012, and 2011, the health care allocations were 0.16 percent, 0.55 percent, and 1.43 percent, respectively. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2013, 2012, and 2011 fiscal years equaled \$43,837, \$80,354 and \$80,025, respectively, which equaled the required contributions for those years.

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

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

C. Deferred Compensation

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

NOTE 13 - LONG-TERM LIABILITIES

The changes in the School Districts long-term liabilities during fiscal year 2013 were as follows:

	Principal Outstanding 6/30/2012*	Additions	Deletions	Principal Outstanding 6/30/2013	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 585,000	\$ -	\$ 185,000	\$ 400,000	\$ 195,000
2010 Refunding Bonds					
2.00%-4.00%	1,060,000	-	35,000	1,025,000	35,000
Premium	58,682	-	7,341	51,341	-
Capital Appreciation Bonds	354,998	-	-	354,998	-
Accretion	42,692	23,468	-	66,160	-
Compensated Absences	<u>1,751,609</u>	<u>1,078,258</u>	<u>1,640,082</u>	<u>1,189,785</u>	<u>160,457</u>
Total Long-Term Liabilities	<u>\$ 3,852,981</u>	<u>\$ 1,101,726</u>	<u>\$ 1,867,423</u>	<u>\$ 3,087,284</u>	<u>\$ 390,457</u>

* Restated, see note disclosure on next page.

On July 27, 1998, the School District issued long-term general obligation bonds in the amount of \$3,999,100, as a result of the School District being approved for a \$19,699,000 school facilities loan through the State Department of Education for the construction of an education complex. The 4.99% bonds will be retired in December, 2020. As a requirement of the loans, the School District was required to pass a 3.02 mill levy. The 3.02 mill levy, of which .5 mill was to be used for the retirement of the loan, with the balance of 2.52 mills to be used for the retirement of the long-term bonds issued, will be in effect for twenty-three years. During 2010 a portion of these bonds were refunded. The general obligation bonds are being repaid from the debt service fund.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 13 - LONG-TERM LIABILITIES (continued)

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

The capital appreciation bonds, issued at \$354,998, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2015 and 2016. The maturity amount of the capital appreciation bonds is \$500,000. For fiscal year 2013, the capital appreciation bonds were accreted \$23,468. Total accretion as of June 30, 2013 was \$66,160.

The bond issuance costs of \$48,015 were originally capitalized as an asset and were being amortized over the life of the bonds. Due to the implementation of GASB's Statement 63 and Statement 65, the School District has recorded a prior period adjustment to eliminate the unamortized portion of this asset. The net loss on the refunding of the bonds in the amount of \$20,347 was originally recorded as a reduction of the bonds and was being amortized (added to) the bond liability over the life of the refunded Bonds. Due to the implementation of GASB's Statement No. 63 and Statement No. 65, the unamortized portion of the net loss of \$14,119 is now recorded as a deferred outflow of resources on the Statement of Net Position and no longer is reported as part of the debt.

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

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant fund. The School District's overall legal debt margin was \$14,474,657 with an unvoted debt margin of \$167,667 at June 30, 2013.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2013, are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			2010 Refunding Bonds			2010 Capital Appreciation
	Principal	Interest	Total	Principal	Interest	Total	Principal
2014	\$ 195,000	\$ 16,589	\$ 211,589	\$ 35,000	\$ 35,132	\$ 70,132	\$ -
2015	205,000	5,638	210,638	35,000	34,388	69,388	250,000
2016	-	-	-	-	33,994	33,994	250,000
2017	-	-	-	-	33,994	33,994	-
2018	-	-	-	255,000	29,850	284,850	-
2019-2021	-	-	-	700,000	35,459	735,459	-
Totals	<u>\$400,000</u>	<u>\$22,227</u>	<u>\$422,227</u>	<u>\$1,025,000</u>	<u>\$202,817</u>	<u>\$1,227,817</u>	<u>\$500,000</u>

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 14 - INTERFUND ACTIVITY

Interfund Payables/Receivables

As of June 30, 2013, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$ 3,659,598	\$ -
Title VI-B	-	979,249
Title I	-	2,006,192
Special Revenue Funds, Non-Major:		
District Managed Activities	-	5,000
Preschool	-	181,351
School Net	-	95
Race to the Top	-	169,292
Preschool	-	8,281
Improving Teacher Quality	-	185,908
Federal Programs	-	24,230
Total Special Revenue Funds	<u>-</u>	<u>574,157</u>
Capital Projects Funds, Non-Major:		
Permanent Improvement	<u>-</u>	<u>100,000</u>
Total Capital Projects Funds	<u>-</u>	<u>100,000</u>
Totals	<u><u>\$ 3,659,598</u></u>	<u><u>\$ 3,659,598</u></u>

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

Interfund Transfers

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

As of June 30, 2013 transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Fund:		
General Fund	\$ 290,000	\$ -
Non-Major Capital Projects Funds:		
Swimming Pool Repair Fund	-	155,000
Permanent Improvement	<u>-</u>	<u>135,000</u>
Total Non-Major Funds	<u>-</u>	<u>290,000</u>
Total All Funds	<u><u>\$ 290,000</u></u>	<u><u>\$ 290,000</u></u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association Council of Governments- The School District is a participant in the South Central Ohio Computer Association Council of Governments (SCOCA COG) which is an information technology center. SCOCA COG is a council of governments providing information technology services to 58 public education entities, 58 non-public education entities, and public libraries from 24 Ohio counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA COG consists of two representatives from each of the eleven participating counties, two school treasurers, and a representative for the fiscal agent. SCOCA COG is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The School District paid SCOCA COG \$98,088 for services provided during the year. Financial information for SCOCA COG can be obtained from their fiscal office located at Pike County Career Technology Center, P.O. Box 577, 175 Beaver Creek, Piketon, Ohio 45661.

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

NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

	Capital Acquisition
Set-Aside Reserve Balance as of June 30, 2012	\$ -
Current Year Set-Aside Requirement	355,722
Current Year Offsets	(355,722)
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	-
Set-Aside Reserve Balance as of June 30, 2013	\$ -

The School District had offsets during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserves. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$382,155 at June 30, 2013.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 17 - CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

B. Litigation

The School District is not party to any legal proceedings.

NOTE 18 – INCOME TAX

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

NOTE 19 – FUND BALANCES

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

Fund Balances	General	Title VI-B	Title I	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for					
Food Service Operations	\$0	\$0	\$0	\$429,275	\$429,275
Classroom Facilities Maintenance	0	0	0	855,235	855,235
Other Purposes	0	0	0	17,731	17,731
Athletics	0	0	0	51,865	51,865
Capital Projects	0	0	0	1,174,980	1,174,980
Debt Services Payments	0	0	0	1,189,661	1,189,661
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,718,747</u>	<u>3,718,747</u>
Committed to					
Termination Benefits	<u>459,378</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>459,378</u>
Assigned to					
Other Purposes	<u>1,095,478</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,095,478</u>
Unassigned (Deficit)	<u>7,812,132</u>	<u>(200,673)</u>	<u>(389,667)</u>	<u>(192,857)</u>	<u>7,028,935</u>
Total Fund Balances	<u>\$9,366,988</u>	<u>(\$200,673)</u>	<u>(\$389,667)</u>	<u>\$3,525,890</u>	<u>\$12,302,538</u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES

For 2013 the School District implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”.

Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The implementation of GASB Statement No. 62 had no effect on the financial statements.

The implementation of GASB Statements No. 63 and 65 had the following effect on beginning net position; beginning net position decreased from \$32,546,755 as of June 30, 2012 to \$32,508,342 as of July 1, 2012. The \$38,413 restatement is due to the removal of the remaining amount of bond issuance costs that had not yet been amortized.

There were also some financial statement reclassifications and terminology changes due to this implementation.

NOTE 21 – SUBSEQUENT EVENTS

In July 2013, the School District adopted a new capital asset policy. The new policy will increase the threshold from \$1,000 to \$5,000.

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Breakfast Program	10.553	170,702		170,702	
National School Lunch Program	10.555	441,925	49,568	441,925	49,568
<i>Total Nutrition Cluster</i>		612,627	49,568	612,627	49,568
Total U.S. Department of Agriculture		612,627	49,568	612,627	49,568
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed through Ohio Department of Education:</i>					
Education Consolidation and Improvement Act Title I	84.010	899,671		937,630	
Special Education Cluster:					
Special Education Grants to States IDEA Part B	84.027	390,632		401,335	
Early Childhood	84.173	3,315		5,520	
<i>Total Special Education Cluster</i>		393,947		406,855	
Title IID Educational Technology	84.318	4,535		-	
Rural & Low Income	84.358	42,929		36,875	
Race to the Top	84.395	71,247		77,175	
<i>Passed through Great Oaks Institute of Technology and Career Development</i>					
Vocational Education Basic Grants to States Career Education	84.048	-		-	
Total Department of Education		1,412,329	-	1,458,535	-
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 2,024,956	\$ 49,568	\$ 2,071,162	\$ 49,568

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 17, 2014, wherein we noted the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

March 17, 2014



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Greenfield Exempted Village School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Greenfield Exempted Village School District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Greenfield Exempted Village School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2013-001. This finding did not require us to modify our compliance opinion on each major federal program.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2013-001 to be a material weakness.

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



Dave Yost
Auditor of State

Columbus, Ohio

March 17, 2014

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2013-001
CFDA Title and Number	Nutrition Cluster: National School Lunch CFDA #10.555 National School Breakfast CFDA #10.553 Title 1 CFDA #84.010
Federal Award Number / Year	2013
Federal Agency	U.S. Department of Agriculture U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

NONCOMPLIANCE AND MATERIAL WEAKNESS

Office of Budget and Management (OMB) Circular A-133 Subpart C, Section .310(b) states, in part, that the auditee shall prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements.

Office of Budget and Management (OMB) Circular A-133 Subpart C, Section .300 states, in pertinent part, that the auditee shall:

- a. Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFA title and number, award number and year, name of the federal agency, and name of the pass through entity. (d) Prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.

Federal receipts and disbursements for the District's audit period are to be reported on its federal awards receipts and expenditure schedule (the Schedule). While the District prepared a schedule of federal awards receipts and expenditures, the amounts reported included transfers in and out, instead of actual amounts received and expended. This resulted in the total federal receipts to be overstated by \$5,272,698 and the total federal expenditures to be overstated by \$4,620,099. Inaccurate completion of the federal schedule could lead to inaccurate federal reporting of federal expenditures by the District, and the possible loss of federal funding. Adjustments were made to the District's federal schedule for the errors noted above.

We recommend when reporting its schedule of federal awards receipts and expenditures, the District use actual amounts received and expended and that the schedule be reviewed for completeness and accuracy. Reporting requirements on the federal schedule can be accessed in Circular No. A-133 through the Office of Management and Budget.

Officials' Response:

Officials did not respond to this finding.

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	2 C.F.R. 225 Appendix A Section (C)(1)(a through j) and (C)(3)(a) - The District paid \$10,458 to employees from the Child Nutrition program, however, these payments were not based on personal activity reports.	Yes	

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**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-001	We will eliminate transfers and advances in the Federal schedule for future years.	6-30-14	Joe Pat Smith, Treasurer

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Greenfield Exempted Village School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on November 19, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act";

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

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

Dave Yost
Auditor of State

Columbus, Ohio

March 17, 2014

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Dave Yost • Auditor of State

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

HIGHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 1, 2014**