



Dave Yost • Auditor of State

**GREENEVIEW LOCAL SCHOOL DISTRICT
GREENE COUNTY
JUNE 30, 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Greeneview Local School District
Greene County
4 South Charleston Road
Jamestown, Ohio 45335

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 Greeneview Local School District, Greene County, Ohio (the District), as of and for the year ended June 30, 2016, 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 Greeneview Local School District, Greene County, Ohio, as of June 30, 2016, and the respective changes in financial thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2017, 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.



Dave Yost
Auditor of State
Columbus, Ohio

April 10, 2017

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

The discussion and analysis of Greeneview Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. 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 financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, the net position of governmental activities decreased \$1,909,629, which represents an 18.4 percent decrease from 2015 balances and is largely the result of changes in net pension liability and related deferred outflows and inflows.

General revenues accounted for \$13,845,255 in revenue or 86 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, interest and contributions accounted for \$2,276,972 or 14 percent of total revenues of \$16,122,227.

Total assets of governmental activities decreased by \$1,051,854 as cash and cash equivalents decreased by \$2,926,348, receivables decreased by \$152,255, and capital assets increased by \$2,021,077.

The School District had \$18,031,856 in expenses; only \$2,276,972 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$13,845,255.

Among major funds, the general fund had \$13,724,952 in revenues and \$12,866,944 in expenditures. The general fund's balance increased \$748,200 from 2015. The permanent improvement fund had \$614,576 in revenues and \$6,114,924 in expenditures. This fund's balance decreased by \$5,498,434 due to the payments on the contracts for construction on the elementary school.

Using this Generally Accepted Accounting Principles Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those 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 what remains 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. In the case of Greeneview Local School District, the general fund and the permanent improvement capital projects fund are the most significant funds.

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the permanent improvement capital projects fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

The School District as a Whole

Recall that 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 2016 compared to 2015 as restated:

Table 1
Net Position

	2016	2015
Assets:		
Current and Other Assets	\$17,936,428	\$21,009,359
Capital Assets	28,176,621	26,155,544
Total Assets	46,113,049	47,164,903
Deferred Outflows of Resources:		
Deferred Charges on Refunding	97,609	107,369
Pension	1,673,868	1,111,193
Total Deferred Outflows of Resources	1,771,477	1,218,562
Liabilities:		
Long-Term Liabilities	29,928,251	28,637,679
Other Liabilities	3,298,337	1,615,992
Total Liabilities	33,226,588	30,253,671
Deferred Inflows of Resources:		
Property Taxes Not Levied to Finance Current Year Operations	5,000,771	5,026,177
Pension	1,192,750	2,729,571
Total Deferred Inflows of Resources	6,193,521	7,755,748
Net Position:		
Net Investment in Capital Assets	16,257,149	20,405,011
Restricted	2,128,875	983,599
Unrestricted	(9,921,607)	(11,014,564)
Total Net Position	\$8,464,417	\$10,374,046

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

Total assets of governmental activities decreased by \$1,051,854, as cash and cash equivalents decreased by \$2,926,348, receivables decreased by \$152,255 and capital assets increased by \$2,021,077. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$1,092,957.

Table 2 shows the changes in net position for fiscal years 2016 and 2015. A comparative analysis of district-wide data is being presented, as follows:

Table 2
Changes in Net Position

	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$1,523,079	\$1,484,656
Operating Grants, Interest and Contributions	753,893	742,290
Total Program Revenues	2,276,972	2,226,946
General Revenues:		
Property Taxes	5,342,500	4,878,220
Income Tax	1,904,248	1,928,167
Grants and Entitlements	6,373,447	6,317,373
Grants from School Facilities Commission	73,484	36,674
Gifts and Donations	45,243	13,833
Investment Earnings	63,359	25,114
Other	42,974	90,999
Transfers	0	4,081
Premium on Capital Lease Initiated	0	19,246
Total General Revenues	13,845,255	13,313,707
Total Revenues	16,122,227	15,540,653

(continued)

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

Table 2
Changes in Net Position (continued)

	2016	2015
Program Expenses:		
Instruction	10,707,159	8,622,217
Support Services:		
Pupils and Instructional Staff	1,242,305	1,247,618
Board of Education, Administration and Fiscal	1,877,087	1,813,823
Operation and Maintenance of Plant	1,484,517	2,233,735
Pupil Transportation	1,145,304	900,614
Central	42,275	7,512
Operation of Non-Instructional Services	504,240	452,931
Extracurricular Activities	481,567	436,669
Interest and Fiscal Charges	547,402	504,752
Total Expenses	18,031,856	16,219,871
Decrease in Net Position	(\$1,909,629)	(\$679,218)

Governmental Activities

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District operations. Property taxes and income taxes made up 45 percent of revenues for governmental activities for the School District for fiscal year 2016.

Instruction comprises 59 percent of district expenses. Support services expenses make up 32 percent of the expenses.

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. A comparative analysis of district-wide data is being presented, as follows:

Table 3
Cost of Services

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$10,707,159	\$9,136,768	\$8,622,217	\$7,086,349
Support Services:				
Pupils and Instructional Staff	1,242,305	1,242,305	1,247,618	1,247,618
Board of Education, Administration, and Fiscal	1,877,087	1,784,992	1,813,823	1,732,170
Operation and Maintenance of Plant	1,484,517	1,484,517	2,233,735	2,233,735
Pupil Transportation	1,145,304	1,145,304	900,614	900,614
Central	42,275	42,275	7,512	7,512
Operation of Non-Instructional Services	504,240	65,307	452,931	51,015
Extracurricular Activities	481,567	306,014	436,669	229,160
Interest and Fiscal Charges	547,402	547,402	504,752	504,752
Total Expenses	<u>\$18,031,856</u>	<u>\$15,754,884</u>	<u>\$16,219,871</u>	<u>\$13,992,925</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils.

Board of education, administration, fiscal and business include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Operation of non-instructional services includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

Extracurricular activities includes expense related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement. Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. Over 85 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is over 87 percent. The community, as a whole, is the primary support for the School District.

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$13,724,952 and total expenditures of \$12,866,944. The permanent improvement capital projects fund had total revenues of \$614,576 and expenditures of \$6,114,924. The net change in the fund balance for the general fund was an increase of \$748,200, and the net change in fund balance for the permanent improvement capital projects fund was a decrease of \$5,498,434 due to payments on the capital lease as well as contracts payable for the construction on the new elementary school.

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 the course of the fiscal year 2016, the School District amended its general fund budget several times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and other financing sources estimate was \$13,973,000. The original budgeted estimate was \$13,838,000.

During fiscal year 2016, the School District budgeted and received \$4,617,000 and \$4,421,021, respectively in property and other taxes while it budgeted and received \$6,176,000 and \$6,260,748, respectively, in intergovernmental revenues.

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

Capital Assets

At the end of the fiscal year 2016, the School District had \$28,176,621 invested in capital assets.

Table 4 shows fiscal year 2016 balances compared to 2015.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	2016	2015
Land	\$544,748	\$544,748
Construction in Progress	3,210,427	0
Land Improvements	1,137,484	1,252,878
Buildings and Improvements	21,672,392	22,439,624
Furniture and Equipment	645,404	799,353
Vehicles	746,995	846,514
Educational Media	219,171	272,427
Totals	\$28,176,621	\$26,155,544

Overall capital assets increased \$2,021,077 from fiscal year 2015 to fiscal year 2016. This increase is due to the construction in progress on the elementary school.

For more information on capital assets, see Note 9 of the Basic Financial Statements.

Debt Administration

Table 5 shows the School District's outstanding debt at the end of fiscal year 2016 as compared to fiscal year 2015.

Table 5
Outstanding Debt at June 30,

	2016	2015
School Improvement Bonds	\$0	\$355,000
Energy Conservation Bonds	429,000	464,000
General Obligation Refunding Bonds	4,580,000	4,630,000
Capital Appreciation Refunding Bonds	250,000	250,000
COPS – Capital Lease	6,360,000	6,630,000
Totals	\$11,619,000	\$12,329,000

Greeneview Local School District
Greene County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(unaudited)

The School Improvement General Obligation Bonds that were issued in 1999 were paid off in fiscal year 2016.

At June 30, 2016, the School District's overall legal debt limitation was \$17,282,036 and the unvoted debt margin was \$240,753.

For more information on the School District's debt, see Note 14 of the Basic Financial Statements.

Current Financial Issues and Concerns

The current state of the overall economy is of major concern to the School District. As the economy begins a slow and steady recovery, the School District revenue stream is not keeping up with the increasing expenditures. The School District must search for new funding while at the same time find ways to cut expenses without jeopardizing the overall quality of the education program. Unfunded mandates are an on-going concern to the School District as well as the uncertainties for a state funding model for school districts. Other areas of major concern include the Health Care Reform and the loss of targeted federal stimulus dollars.

School District personnel continue to make strides in the area of curriculum improvement and remediation. This strategy from the Continuous Improvement Plan is an attempt to increase student performance and enhance curriculum instruction. Both goals will promote student learning.

In conclusion, the Greeneview Local School District has committed itself to financial excellence for many years. Therefore, it will have to address its building and staffing needs to enable it to be viable for years to come. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Julie Gibson, Treasurer at Greeneview Local School District, 4 South Charleston Road, Jamestown, Ohio 45335 or email at julie.gibson@greeneview.org.

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GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF NET POSITION
 JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES
Assets:	
Cash and Cash Equivalents	\$11,700,537
Cash and Cash Equivalents with Escrow Agents	4,829
Inventory of Supplies and Materials	9,582
Accrued Interest Receivable	1,439
Accounts Receivable	137,318
Intergovernmental Receivable	39,816
Income Tax Receivable	768,753
Property Taxes Receivable	5,274,154
Nondepreciable Capital Assets	3,755,175
Depreciable Capital Assets, Net	24,421,446
Total Assets	46,113,049
Deferred Outflows of Resources:	
Deferred Charges on Refunding	97,609
Pension	1,673,868
Total Deferred Outflows of Resources	1,771,477
Liabilities:	
Accounts Payable	59,827
Accrued Wages and Benefits Payable	995,747
Contracts Payable	1,762,355
Intergovernmental Payable	327,526
Accrued Interest Payable	38,676
Accrued Vacation Leave Payable	39,177
Matured Compensated Absences Payable	3,247
Retainage Payable	71,782
Long Term Liabilities:	
Due Within One Year	700,942
Due In More Than One Year:	
Net Pension Liability (See Note 11)	17,062,599
Other Amounts Due in More Than One Year	12,164,710
Total Liabilities	33,226,588
Deferred Inflows of Resources:	
Property Taxes	5,000,771
Pension	1,192,750
Total Deferred Inflows of Resources	6,193,521
Net Position:	
Net Investment in Capital Assets	16,257,149
Restricted for:	
Debt Service	284,975
Capital Projects	1,371,651
Other Purposes	472,249
Unrestricted	(9,921,607)
Total Net Position	\$8,464,417

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Interest and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$8,869,264	\$878,004	\$93,991	(\$7,897,269)
Special	1,825,165	232,005	364,575	(1,228,585)
Vocational	369	0	0	(369)
Other	12,361	1,816	0	(10,545)
Support Services:				
Pupils	754,422	0	0	(754,422)
Instructional Staff	487,883	0	0	(487,883)
Board of Education	40,462	0	0	(40,462)
Administration	1,459,990	0	92,095	(1,367,895)
Fiscal	376,635	0	0	(376,635)
Operation and Maintenance of Plant	1,484,517	0	0	(1,484,517)
Pupil Transportation	1,145,304	0	0	(1,145,304)
Central	42,275	0	0	(42,275)
Non-Instructional Services	504,240	241,945	196,988	(65,307)
Extracurricular Activities	481,567	169,309	6,244	(306,014)
Interest and Fiscal Charges	547,402	0	0	(547,402)
Total Governmental Activities	<u>\$18,031,856</u>	<u>\$1,523,079</u>	<u>\$753,893</u>	<u>(15,754,884)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	4,222,966
Debt Service	516,183
Capital Outlay	523,836
Capital Maintenance	79,515
Income Taxes Levied for General Purposes	1,904,248
Grants and Entitlements not Restricted to Specific Programs	6,373,447
Grants Restricted to Permanent Improvement Projects	73,484
Gifts and Donations	45,243
Investment Earnings	63,359
Miscellaneous	42,974
Total General Revenues	<u>13,845,255</u>
Change in Net Position	(1,909,629)
Net Position Beginning of Year	<u>10,374,046</u>
Net Position End of Year	<u>\$8,464,417</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2016

	GENERAL	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	\$7,670,940	\$3,182,125	\$771,234	\$11,624,299
Cash and Cash Equivalents with Escrow Agents	0	4,829	0	4,829
Receivables:				
Property Taxes	4,247,607	515,036	511,511	5,274,154
Income Taxes	768,753	0	0	768,753
Accrued Interest	1,439	0	0	1,439
Accounts	130,846	0	6,472	137,318
Intergovernmental	0	0	39,816	39,816
Interfund	1,500	0	0	1,500
Inventory of Supplies and Materials	0	0	9,582	9,582
Restricted Assets:				
Cash and Cash Equivalents	76,238	0	0	76,238
Total Assets	<u>\$12,897,323</u>	<u>\$3,701,990</u>	<u>\$1,338,615</u>	<u>\$17,937,928</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$43,356	\$15,209	\$1,262	\$59,827
Accrued Wages and Benefits Payable	922,089	0	73,658	995,747
Contracts Payable	0	1,762,355	0	1,762,355
Interfund Payable	0	0	1,500	1,500
Intergovernmental Payable	315,467	0	12,059	327,526
Retainage Payable	0	71,782	0	71,782
Matured Compensated Absences Payable	3,247	0	0	3,247
Total Liabilities	<u>1,284,159</u>	<u>1,849,346</u>	<u>88,479</u>	<u>3,221,984</u>
Deferred Inflows of Resources:				
Property Taxes	4,028,754	487,771	484,246	5,000,771
Unavailable Revenue	216,177	8,520	8,520	233,217
Total Deferred Inflows of Resources	<u>4,244,931</u>	<u>496,291</u>	<u>492,766</u>	<u>5,233,988</u>
Fund Balances:				
Nonspendable	0	0	9,582	9,582
Restricted	0	1,356,353	773,372	2,129,725
Assigned	381,864	0	0	381,864
Unassigned (Deficit)	6,986,369	0	(25,584)	6,960,785
Total Fund Balances	<u>7,368,233</u>	<u>1,356,353</u>	<u>757,370</u>	<u>9,481,956</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$12,897,323</u>	<u>\$3,701,990</u>	<u>\$1,338,615</u>	<u>\$17,937,928</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
 NET POSITION OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2016

Total Governmental Fund Balances		\$9,481,956
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Land	544,748	
Construction in Progress	3,210,427	
Land Improvements	2,336,575	
Building and Improvements	30,622,123	
Furniture, Fixtures and Equipment	2,804,867	
Vehicles	1,954,540	
Educational Media	860,264	
Accumulated Depreciation	<u>(14,156,923)</u>	
Total Capital Assets		28,176,621
<p>Other long-term assets are not available to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.</p>		
Property Taxes Receivable	85,515	
Accounts Receivable	32,364	
Income Taxes Receivable	<u>115,338</u>	
Total Long-Term Assets		233,217
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:</p>		
Accrued Interest Payable	(38,676)	
Accrued Vacation Leave Payable	(39,177)	
Compensated Absences	(680,294)	
Unamortized Premium on Bonds	(144,456)	
Unamortized Deferred Loss on Refunding	97,609	
Capital Leases and Bonds Payable	<u>(12,040,902)</u>	
Total Liabilities		<u>(12,845,896)</u>
<p>The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:</p>		
Deferred Outflows - Pension	1,673,868	
Deferred Inflows - Pension	(1,192,750)	
Net Pension Liability	<u>(17,062,599)</u>	
		<u>(16,581,481)</u>
Net Position of Governmental Activities		<u><u>\$8,464,417</u></u>
<p>See Accompanying Notes to the Basic Financial Statements</p>		

GREENVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	GENERAL	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
Property and Other Taxes	\$4,253,572	\$527,629	\$598,998	\$5,380,199
Income Tax	1,901,535	0	0	1,901,535
Tuition and Fees	1,111,531	0	0	1,111,531
Interest	48,592	13,463	1,304	63,359
Intergovernmental	6,301,438	73,484	827,586	7,202,508
Extracurricular Activities	44,547	0	124,762	169,309
Charges for Services	0	0	241,945	241,945
Gifts and Donations	37,315	0	6,244	43,559
Rent	7,958	0	0	7,958
Miscellaneous	18,464	0	0	18,464
Total Revenues	<u>13,724,952</u>	<u>614,576</u>	<u>1,800,839</u>	<u>16,140,367</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,973,458	0	93,940	6,067,398
Special	1,527,388	0	355,228	1,882,616
Other	12,074	0	0	12,074
Support Services:				
Pupils	754,406	0	0	754,406
Instructional Staff	378,640	0	0	378,640
Board of Education	40,321	0	0	40,321
Administration	1,358,808	0	87,801	1,446,609
Fiscal	377,771	4,222	4,170	386,163
Operation and Maintenance of Plant	1,166,889	273,861	62,112	1,502,862
Pupil Transportation	879,784	0	0	879,784
Central	42,275	0	0	42,275
Non-Instructional Services	5,420	0	482,824	488,244
Extracurricular Activities	299,862	0	144,845	444,707
Capital Outlay	0	5,333,061	108	5,333,169
Debt Service:				
Principal Retirement	35,000	270,000	405,000	710,000
Interest and Fiscal Charges	14,848	233,780	201,850	450,478
Total Expenditures	<u>12,866,944</u>	<u>6,114,924</u>	<u>1,837,878</u>	<u>20,819,746</u>
Excess of Revenues Over (Under) Expenditures	<u>858,008</u>	<u>(5,500,348)</u>	<u>(37,039)</u>	<u>(4,679,379)</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	192	1,914	0	2,106
Transfers - In	0	0	110,000	110,000
Transfers - Out	(110,000)	0	0	(110,000)
Total Other Financing Sources	<u>(109,808)</u>	<u>1,914</u>	<u>110,000</u>	<u>2,106</u>
Net Change in Fund Balances	748,200	(5,498,434)	72,961	(4,677,273)
Fund Balances at Beginning of Year	<u>6,620,033</u>	<u>6,854,787</u>	<u>684,409</u>	<u>14,159,229</u>
Fund Balances at End of Year	<u>\$7,368,233</u>	<u>\$1,356,353</u>	<u>\$757,370</u>	<u>\$9,481,956</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 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, 2016

Net Change in Fund Balances - Total Governmental Funds		(\$4,677,273)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital Outlay	3,219,632	
Current Year Depreciation	<u>(1,198,555)</u>	2,021,077
<p>Some revenues that will not be collected for several months after the School District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues changed by this amount this year.</p>		
Property Taxes	(37,699)	
Income Taxes	2,713	
Accounts	<u>294</u>	(34,692)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of bond principal payments.</p>		
		710,000
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		(15,569)
<p>Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.</p>		
		995,682
<p>Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.</p>		
		(804,845)
<p>Some items 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. These activities consist of:</p>		
Accrued Vacation Leave Payable	(2,336)	
Compensated Absences Payable	(34,764)	
Amortization of Bond Premium	14,446	
Amortization of Deferred Charge on Refunding	(9,760)	
Interest Accreted on Capital Appreciation Bonds	<u>(71,595)</u>	(104,009)
Change in Net Position of Governmental Activities		<u>(\$1,909,629)</u>
See Accompanying Notes to the Basic Financial Statements		

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
Revenues:				
Property and Other Taxes	\$4,617,000	\$4,617,000	\$4,421,021	(\$195,979)
Income Tax	2,034,000	2,034,000	1,902,516	(131,484)
Tuition and Fees	931,000	981,000	1,058,028	77,028
Interest	15,000	15,000	40,703	25,703
Intergovernmental	6,176,000	6,176,000	6,260,748	84,748
Gifts and Donations	0	0	28,300	28,300
Rent	5,000	5,000	7,958	2,958
Miscellaneous	20,000	20,000	21,144	1,144
Total Revenues	13,798,000	13,848,000	13,740,418	(107,582)
Expenditures:				
Current:				
Instruction:				
Regular	6,123,787	6,275,107	6,051,413	223,694
Special	1,581,714	1,621,259	1,544,526	76,733
Other	19,600	19,600	11,792	7,808
Support Services:				
Pupils	821,724	834,224	756,424	77,800
Instructional Staff	416,594	439,014	388,610	50,404
Board of Education	59,273	59,273	44,221	15,052
Administration	1,376,664	1,467,164	1,391,684	75,480
Fiscal	395,399	397,899	390,085	7,814
Operation and Maintenance of Plant	1,485,179	1,530,179	1,362,531	167,648
Pupil Transportation	1,009,975	1,027,475	938,586	88,889
Central	25,500	69,500	45,775	23,725
Non-Instructional Services	8,579	8,579	6,420	2,159
Extracurricular Activities	321,030	321,030	302,349	18,681
Debt Service:				
Principal Payments	35,000	35,000	35,000	0
Interest and Fiscal Charges	14,848	14,848	14,848	0
Total Expenditures	13,694,866	14,120,151	13,284,264	835,887
Excess of Revenues Over (Under) Expenditures	103,134	(272,151)	456,154	728,305
Other Financing Sources (Uses):				
Advances - In	10,000	95,000	95,000	0
Refund of Prior Year Expenditures	30,000	30,000	36,418	6,418
Proceeds from Sale of Capital Assets	0	0	192	192
Advances - Out	(10,000)	(50,000)	(1,500)	48,500
Transfers - Out	(79,515)	(189,515)	(189,515)	0
Total Other Financing Sources (Uses)	(49,515)	(114,515)	(59,405)	55,110
Net Increase (Decrease) in Fund Balances	53,619	(386,666)	396,749	783,415
Fund Balances at Beginning of Year	6,589,244	6,589,244	6,589,244	0
Prior Year Encumbrances Appropriated	301,118	301,118	301,118	0
Fund Balances at End of Year	\$6,943,981	\$6,503,696	\$7,287,111	\$783,415

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	PRIVATE PURPOSE TRUST	
	SCHOLARSHIP	AGENCY
Assets:		
Cash and Cash Equivalents	\$564,209	\$57,838
	\$564,209	\$57,838
Liabilities:		
Accounts Payable	0	369
Deposits Held and Due to Students	0	57,469
Total Liabilities	0	\$57,838
Net Position:		
Held in Trust for Scholarships	\$564,209	

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT
 GREENE COUNTY
 STATEMENT OF CHANGES IN FUND NET POSITION
 PRIVATE PURPOSE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	PRIVATE PURPOSE TRUST
	SCHOLARSHIP
Additions:	
Interest	\$2,206
Gifts and Donations	\$20,139
Total Additions	22,345
Deletions:	
Scholarships Awarded	19,823
Change in Net Position	2,522
Net Position Beginning of Year	561,687
Net Position End of Year	\$564,209

See Accompanying Notes to the Basic Financial Statements

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Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Greeneview Local School District (the "School District") is a body politic and corporate for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. It is staffed by 70 non-certified employees, 87 certified full time teaching personnel, including nine administrators, who provide services to 1,364 students and other community members. The School District currently operates five instructional/support facilities.

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 consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Greeneview Local 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 and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District does not have any component units.

The School District is associated with four jointly governed organizations, one insurance purchasing pool and one public entity shared risk pool. These organizations are discussed in Notes 16 and 17 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

- Miami Valley Educational Computer Association (MVECA)
- Southwestern Ohio Educational Purchasing Council (SWEPC)
- Southwestern Ohio Instructional Technology Association (SOITA)
- Greene County Career Center

Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program

Public Entity Shared Risk Pool:

- Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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 government-wide statements usually distinguish between those activities that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type. The government-wide statements also exclude fiduciary funds.

The statement of net position presents the financial condition of the 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support 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 governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District divides its funds into two categories: governmental and fiduciary.

Governmental Funds:

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

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

Permanent Improvement Capital Projects Fund – The permanent improvement capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Fiduciary Fund Types:

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 only trust fund is a private purpose trust which accounts for various college scholarship programs for students. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The student managed activities agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor. The tournament agency fund accounts for proceeds and expenditures for OHSAA sponsored tournaments.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements

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

The private purpose trust fund is reported using the economic resources measurement focus.

D. 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. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows 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. 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 fiscal year-end.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonexchange 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 expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 fiscal year-end: income tax, tuition, student fees, interest, grants, charges for services, gifts and donations and rent.

Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, income taxes, and fees. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported in the government-wide statement of net position (See Note 11).

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures:

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. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

E. Budgetary Data

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 sets 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 certificate of estimated resources may be amended during the 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 original 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 2016.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled, with the exception of cash and cash equivalents held by escrow agents. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "cash and cash equivalents." During fiscal year 2016, the School District's investments included a money market fund, a Federal Home Loan Bank Note, Federal Home Loan Mortgage Association Notes, Federal National Mortgage Association Notes and certificates of deposit.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2016 amounted to \$48,592, which includes \$30,526 assigned from other funds. Interest revenue was posted to the permanent improvement fund, classroom facilities project fund, the food service fund, the classroom facilities project maintenance fund and to the private purpose trust fund in the amounts of \$13,463, \$11, \$43, \$1,250, and \$2,206, respectively.

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

G. Interfund Assets/Liabilities

On the 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 with the exception of the amount due from the agency fund.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set aside for budget stabilization.

J. Capital Assets and Depreciation

The School District’s only capital assets are general capital assets. 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 fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

Greeneview Local School District
 Greene County
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2016
 (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All reported capital assets except for 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:

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	8 years
Educational Media	6-15 years

K. Accrued Liabilities and Long-Term Obligations

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

In general, 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 governmental funds. However, compensated absences 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 fiscal year. The capital lease and the general obligation bond that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

L. Pensions

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

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees after five years of current service with the School District.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent 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 funds from which the employees will be paid.

N. Interfund Transactions

Transfers within governmental activities on the government-wide financial statements are reported in the same manner as general revenues.

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.

O. 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 governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in 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 or enabling legislation.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enabling legislation authorizes the School District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

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 Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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 the School District Board of Education or a School District official delegated that authority by resolution or by State Statute.

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 first applies restricted resources when an expenditure is 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 can be used.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Net Position

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation.

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

Q. Estimates

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

NOTE 3 - FUND DEFICITS

At June 30, 2016, the lunchroom, IDEA, Part B, Title I and Title IIA nonmajor special revenue funds had deficit fund balances of \$14,605, \$346, \$957, and \$94, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a restricted, committed or assigned fund balance for that portion of outstanding encumbrances not already recognized as an accounts payable (GAAP basis).
4. Advances - in and advances - out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statements.
6. One fund is included in the general fund (GAAP basis), but has a separate, legally adopted budget (budget basis).
7. The transfers are operating transactions (budget basis) that are reclassified to other expenses on the operating statement (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the general fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$748,200
Net Adjustment for Revenue Accruals	105,097
Net Adjustment for Expenditure Accruals	(124,323)
Advances	93,500
Transfers	(79,515)
Adjustment for Encumbrances	(346,952)
Funds Budgeted Elsewhere	742
Budget Basis	\$396,749

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active 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 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 deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

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. Investments may only be made through specified dealers and institutions.

Cash on Hand: At fiscal year end, the School District had \$100 in undeposited cash in hand which is included on the balance sheet of the School District as part of “cash and cash equivalents.”

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$5,018,933 of the School District’s bank balance of \$5,518,933 was exposed to custodial credit. All statutory requirements for the deposit of money had been followed.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

The School District also had \$5,000,000 in non-negotiable certificates of deposit outstanding at June 30, 2016. These certificates of deposit are a part of cash and cash equivalents on the basic financial statements. These certificates of deposit were fully insured by the FDIC.

B. Investments

At June 30, 2016, the School District had the following investments. All investments are in an internal investment pool.

Investment Type (Cost)	Investment Maturities (in years)				Percent of Total Investments
	Fair Value	Less Than One Year	1-2	3 or more	
Money Market Funds	\$207,017	\$207,017	\$0	\$0	10.24%
Federal Home Loan Bank Note	175,081	0	175,081	0	8.66%
Federal Home Loan Mortgage Association Notes	417,211	0	200,384	216,827	20.65%
Federal National Mortgage Association Notes	416,871	0	416,871	0	20.63%
Negotiable Certificates of Deposit	804,545	0	0	804,545	39.81%
Total Investments	\$2,020,725	\$207,017	\$792,336	\$1,021,372	100.00%

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk: The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: The School District's investment policy limits investments to those authorized by State statute.

Concentration of Credit Risk: For an investment, 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. The School District's investment policy does not address investment custodial risk beyond the requirement the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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 the first half of the following 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 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, 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 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 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.

The School District receives property taxes from Greene, Fayette, and Clinton Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 6 - PROPERTY TAXES (continued)

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second- Half Collections		2016 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$227,775,480	94%	\$227,441,130	94%
Tangible Public Utility Property	13,305,500	6%	13,312,170	6%
Total Assessed Value	\$241,080,980	100%	\$240,753,300	100%
 Tax rate per \$1,000 of assessed valuation	 \$32.65		 \$32.75	

NOTE 7 - INCOME TAX

The School District levies a voted tax of one-half of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Effective January 1, 2002, the residents voted an additional one-half of one percent income tax for a five-year period. In November, 2015, voters approved the renewal of this additional .5% income tax. This was effective January, 2017 and will be in effect through December, 2021. 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. Income tax revenue credited to the general fund for fiscal year 2016 was \$1,901,535.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 8 - RECEIVABLES

Receivables at June 30, 2016, consisted of property and income taxes, accrued interest, accounts (rent, billings for user charged services, and student fees), intergovernmental grants and interfund.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
IDEA, Part B	\$18,904
Title I	16,029
Title II A	4,883
Total Intergovernmental Receivables	\$39,816

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Assets 6/30/2015	Additions	Deletions	Assets 6/30/2016
Capital Assets, not Being Depreciated				
Construction in Progress	\$0	\$3,210,427	\$0	\$3,210,427
Land	544,748	0	0	544,748
Total Capital Assets, not Being Depreciated	544,748	3,210,427	0	3,755,175
Capital Assets, Being Depreciated:				
Land Improvements	2,336,575	0	0	2,336,575
Buildings and Improvements	30,622,123	0	0	30,622,123
Furniture, Fixtures and Equipment	2,795,662	9,205	0	2,804,867
Vehicles	1,954,540	0	0	1,954,540
Educational Media	860,264	0	0	860,264
Total Capital Assets, Being Depreciated	38,569,164	9,205	0	38,578,369
Less Accumulated Depreciation:				
Land Improvements	(1,083,697)	(115,394)	0	(1,199,091)
Buildings and Improvements	(8,182,499)	(767,232)	0	(8,949,731)
Furniture, Fixtures and Equipment	(1,996,309)	(163,154)	0	(2,159,463)
Vehicles	(1,108,026)	(99,519)	0	(1,207,545)
Educational Media	(587,837)	(53,256)	0	(641,093)
Total Accumulated Depreciation	(12,958,368)	(1,198,555)	0	(14,156,923)
Capital Assets, Being Depreciated, Net	25,610,796	(1,189,350)	0	24,421,446
Governmental Activities Capital Assets, Net	\$26,155,544	\$2,021,077	\$0	\$28,176,621

Greeneview Local School District
 Greene County
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2016
 (continued)

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$920,060
Vocational	369
Support Services:	
Instructional Staff	114,857
Administration	337
Operation and Maintenance of Plant	42,306
Pupil Transportation	101,182
Non-Instructional Services	11,686
Extracurricular Activities	<u>7,758</u>
Total Depreciation Expense	<u><u>\$1,198,555</u></u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the School District contracted with Great American Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate. Property is also protected by the Selective Insurance Company and holds a \$5,000 deductible.

The School District's vehicles are covered under a business policy with Great American Insurance Company which carries a \$1,000,000 limit on any accident.

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

For fiscal year 2016, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund."

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 10 - RISK MANAGEMENT (continued)

This “equity pooling” arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

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

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

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

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

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

Greeneview Local School District
 Greene County
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2016
 (continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

B. Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any percent employer contributions to the Health Care Fund.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

The School District's contractually required contribution to SERS was \$264,403 for fiscal year 2016. Of this amount \$151,512 is reported as an intergovernmental payable.

C. Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$731,279 for fiscal year 2016. Of this amount, \$126,244 is reported as an intergovernmental payable.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the Net Pension Liability	\$3,686,064	\$13,376,535	\$17,062,599
Proportion of the Net Pension Liability	0.0645987%	0.04840069%	
Pension Expense	\$215,295	\$589,550	\$804,845

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$59,352	\$609,801	\$669,153
Difference between School District contributions and proportionate share of contributions	9,033	0	9,033
School district contributions subsequent to the measurement date	<u>264,403</u>	<u>731,279</u>	<u>995,682</u>
Total Deferred Outflows of Resources	<u>\$332,788</u>	<u>\$1,341,080</u>	<u>\$1,673,868</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$122,131	\$962,026	\$1,084,157
Difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>108,593</u>	<u>108,593</u>
Total Deferred Inflows of Resources	<u>\$122,131</u>	<u>\$1,070,619</u>	<u>\$1,192,750</u>

\$995,682 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Deferred Outflows/Inflows

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	(\$41,466)	(\$217,097)	(\$258,563)
2018	(\$41,466)	(\$244,245)	(\$285,711)
2019	(\$41,747)	(\$244,245)	(\$285,992)
2020	70,933	\$271,918	\$342,851
2021	<u>0</u>	<u>(\$27,149)</u>	<u>(\$27,149)</u>
	<u>(\$53,746)</u>	<u>(\$460,818)</u>	<u>(\$514,564)</u>

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

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

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$5,111,247	\$3,686,064	\$2,485,943

Changes Between Measurement Date and Report Date In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the School District's net pension liability is expected to be significant.

F. Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$18,581,016	\$13,376,535	\$8,975,370

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, SERS did not allocate any employer contributions to the Health Care Fund. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. 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 2016, the School District's surcharge obligation was \$30,505.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$30,505, \$47,115, and \$45,957, respectively. For fiscal year 2016, 45.73 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2015 and 2014.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

B. State Teachers Retirement System

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$49,691, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 13 - OTHER 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 not paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 263 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65.75 days.

B. Health Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the ReliaStar Life Insurance Company. The School District has elected to provide employee medical/surgical benefits through United Health Care of Ohio. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the School District to most employees through the Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust. See Note 17.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2016 were as follows:

	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016	Due within One Year
Governmental Activities					
General Obligation Bonds:					
1999 School Improvement 3.4-5.75%	\$355,000	\$0	(\$355,000)	\$0	\$0
2014 Energy Conservation Bonds 3.2%	464,000	0	(35,000)	429,000	37,000
2007 Refunding Bonds:					
Serial Bonds 3.7-4.25%	4,630,000	0	(50,000)	4,580,000	425,000
Capital Appreciation 4.35-4.38%	250,000	0	0	250,000	0
	5,699,000	0	(440,000)	5,259,000	462,000
Accretion on Capital Appreciation Bonds	350,307	71,595	0	421,902	0
Deferred Amounts:					
Add: Bond Premium	158,902	0	(14,446)	144,456	0
Total General Obligation Bonds	6,208,209	71,595	(454,446)	5,825,358	462,000
Net Pension Liability:					
STRS	11,895,705	1,480,830	0	13,376,535	0
SERS	3,258,235	427,829	0	3,686,064	0
Total Net Pension Liability	15,153,940	1,908,659	0	17,062,599	0
Capital Leases:					
COPS Capital Lease	6,630,000	0	(270,000)	6,360,000	165,000
Compensated Absences	645,530	34,764	0	680,294	73,942
Total Long-Term Obligations	\$28,637,679	\$2,015,018	(\$724,446)	\$29,928,251	\$700,942

2007 Refunding General Obligation Bonds and Capital Appreciation Bonds

On August 22, 2007, the School District issued \$5,295,000 in school improvement refunding general obligation bonds and capital appreciation bonds, with semi-annual payments due on June 1 and December 1 of each year, and interest payable that began December 1, 2007. The \$5,045,000 in serial term bonds will mature on December 1, 2026. The capital appreciation bonds were issued at \$250,000 and have maturities of \$470,000 on December 1, 2018 and \$470,000 on December 1, 2019. For fiscal year 2016, the capital appreciation bonds were accreted \$71,595.

2014 House Bill 264 General Obligation Bonds

On June 30, 2014, the School District issued \$495,180 in energy conservation general obligation bonds with semi-annual payments dues on February 1 and August 1 of each year with payments beginning on February 1, 2015. The bonds will mature on February 1, 2029.

At June 30, 2016, \$2,535,000 of the 1999 school improvement bonds considered defeased, remain unmatured and unpaid.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 14 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2016, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$462,000	\$276,012	\$738,012
2018	487,000	266,888	753,888
2019	167,000	239,834	406,834
2020	157,000	191,247	348,247
2021	502,000	155,045	657,045
2022-2026	2,794,000	445,239	3,239,239
2027-2029	<u>690,000</u>	<u>18,510</u>	<u>708,510</u>
Total	<u><u>\$5,259,000</u></u>	<u><u>\$1,592,775</u></u>	<u><u>\$6,851,775</u></u>

All general obligation debt is supported by the full faith and credit of the School District. The School Improvement Bonds will be paid from the bond retirement fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

At June 30, 2016, the School District's overall legal debt limitation was \$17,282,036 and the unvoted debt margin was \$240,753.

NOTE 15 – LEASES

Capital Leases

In fiscal year 2015, the School District issued \$6,630,000 in Certificates of Participation (COPS). The COPS were issued to finance construction and improvements at the high school building and elementary building, including equipment, furnishings, landscaping and improving the sites and acquiring land and interests necessary. The COPS have a maturity date of December 1, 2041. These are paid from the permanent improvement fund.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 15 – LEASES (continued)

The School District leases buildings under a noncancelable lease. The School District made \$503,780 in principal and interest payments on the lease during the 2016 fiscal year. Future lease payments are as follows:

Fiscal Year Ending June 30,	Total
2017	\$390,250
2018	388,187
2019	390,250
2020	391,800
2021	388,300
2022-2026	1,943,075
2027-2031	1,936,900
2032-2036	1,926,500
2037-2041	1,922,700
2042	382,500
Total	\$10,060,462
Less: Amount Representing Interest	(3,700,462)
Present Value of Net Minimum Lease Payments	\$6,360,000

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association (MVECA) - The School District is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA \$85,015 for services provided during the year. Financial information can be obtained from MVECA located at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SWEPC) is a purchasing cooperative made up of over 126 public school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SWEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SWEPC is held in trust for the member districts. Any district withdrawing from the SWEPC shall forfeit its claim to any and all SWEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (continued)

Payments to SWEPC are made from the general fund. During fiscal year 2016, the School District paid \$2,041,518 (which includes insurance premiums) to SWEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Dr., Suite 208, Vandalia, OH 45377.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of SOITA member's schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2016, the School District paid \$2,997 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Frank DePalma, who serves as Interim Director, at 1205 East Fifth Street, Dayton, Ohio 45402.

Greene County Career Center - The Greene County Career Center 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 seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Eva Anderson who serves as Treasurer, at 2960 W. Enon Rd., Xenia, OH 45385. The School District did not pay anything to the Greene County Career Center during the 2016 fiscal year.

NOTE 17 - INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL

A. Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program - The School District participates in the Southwestern Ohio Educational Purchasing Council's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an 11 member Board of directors. The Executive Director of the GRP, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 17 - INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL
(continued)

B. Public Entity Shared Risk Pool

Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust – The Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Cooperative and its participating members. Each participant decides which plans offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information may be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

NOTE 18 – FUND BALANCE

Fund balance is classified as nonspendable, restricted, 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Permanent Improvement	Other Governmental Funds	Total Governmental
Nonspendable for:				
Inventory	\$0	\$0	\$9,582	\$9,582
Restricted for:				
Debt Retirement	0	0	444,239	444,239
Permanent Improvements	0	1,356,353	0	1,356,353
Building Projects	0	0	6,778	6,778
Ohio School Facilities Maintenance	0	0	295,084	295,084
Extracurricular Activities	0	0	27,271	27,271
Total Restricted	0	1,356,353	773,372	2,129,725
Assigned for:				
Public School Support	73,656	0	0	73,656
Educational Activities	308,208	0	0	308,208
Total Assigned	381,864	0	0	381,864
Unassigned	6,986,369	0	(25,584)	6,960,785
Total Fund Balance	<u>\$7,368,233</u>	<u>\$1,356,353</u>	<u>\$757,370</u>	<u>\$9,481,956</u>

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 19 - SET-ASIDE CALCULATIONS

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 and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-Aside Balance as of June 30, 2015	\$0
Current Year Set-Aside Requirement	232,069
Carryover from Prior Year	0
Qualifying Disbursements	(392,093)
Current Year Offsets	(540,530)
Set-Aside Balance as of June 30, 2016	(\$700,554)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisitions amounts below zero. For the capital improvements reserve, qualifying expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

NOTE 20 - INTERFUND ASSETS/LIABILITIES, TRANSFERS

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Major Fund:				
General Fund	\$1,500	\$0	\$0	\$110,000
Nonmajor Funds:				
Food Service	0	1,500	110,000	0
Total All Funds	\$1,500	\$1,500	\$110,000	\$110,000

General fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the general fund for advancing monies to other funds due to timing differences in the receiving of monies. When the monies are finally received, the other fund reimburses the general fund for the initial advance.

Greeneview Local School District
Greene County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016
(continued)

NOTE 20 - INTERFUND ASSETS/LIABILITIES, TRANSFERS (continued)

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.

NOTE 21 – CONTRACTUAL COMMITMENTS

At June 30, 2016, the School District had contractual commitments with Slagle Mechanical Contractors for \$71,782.

NOTE 22 – 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, 2016, if applicable, cannot be determined at this time.

B. Foundation Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the School District, therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable or liability of the School District.

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Greeneview Local School District
Greene County
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0645987%	0.064380%	0.064380%
School District's Proportionate Share of the Net Pension Liability	\$3,686,064	\$3,258,235	\$3,828,472
School District's Covered-Employee Payroll	\$1,781,563	\$1,668,838	\$1,681,770
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	206.90%	195.24%	227.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available.

Greeneview Local School District
Greene County
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.04840069%	0.04890630%	0.04890630%
School District's Proportionate Share of the Net Pension Liability	\$13,376,535	\$11,895,705	\$14,170,086
School District's Covered-Employee Payroll	\$5,243,786	\$4,969,077	\$4,974,477
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	255.09%	239.39%	284.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.

Greeneview Local School District
Greene County
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$264,403	\$234,810	\$231,301	\$232,757
Contributions in Relation to the Contractually Required Contribution	<u>(\$264,403)</u>	<u>(234,810)</u>	<u>(231,301)</u>	<u>(232,757)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$1,888,593	\$1,781,563	\$1,668,838	\$1,681,770
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$222,689	\$186,750	\$247,516	\$162,361	\$128,778	\$157,557
<u>(222,689)</u>	<u>(186,750)</u>	<u>(247,516)</u>	<u>(162,361)</u>	<u>(128,778)</u>	<u>(157,557)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>\$1,655,680</u>	<u>\$1,485,680</u>	<u>\$1,828,035</u>	<u>\$1,650,010</u>	<u>\$1,311,385</u>	<u>\$1,475,253</u>
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

Greeneview Local School District
Greene County
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$731,279	\$734,130	\$645,980
Contributions in Relation to the Contractually Required Contribution	<u>(\$731,279)</u>	<u>(734,130)</u>	<u>(645,980)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$5,223,419	\$5,243,786	\$4,969,077
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$646,682	\$644,289	\$667,155	\$662,765	\$660,333	\$656,703	\$595,685
<u>(646,682)</u>	<u>(644,289)</u>	<u>(667,155)</u>	<u>(662,765)</u>	<u>(660,333)</u>	<u>(656,703)</u>	<u>(595,685)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,974,477	\$4,956,069	\$5,131,962	\$5,098,192	\$5,079,485	\$5,051,562	\$4,582,192
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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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*

Greeneview Local School District
Greene County
4 South Charleston Road
Jamestown, Ohio 45335

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District, Greene County, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 10, 2017.

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 opinions 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.

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

April 10, 2017



Dave Yost • Auditor of State

GREENEVIEW LOCAL SCHOOL DISTRICT

GREENE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 4, 2017**