



Dave Yost • Auditor of State

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

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**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 20, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio, as of June 30, 2011, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund and the Title I Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

March 27, 2012

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Greenfield Exempted Village Schools (the "School District") discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The School District's assets exceeded its liabilities at June 30, 2011 by \$30,596,321.
- The School District's net assets of governmental activities increased \$1,542,442.
- General revenues accounted for \$17,596,732 in revenue or 81 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$4,060,170 or 19 percent of total revenues of \$21,656,902.
- The School District had \$20,114,460 in expenses related to governmental activities; \$4,060,170 of these expenses was offset by program specific charges for services and sales and operating grants and contributions.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE SCHOOL DISTRICT AS A WHOLE

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

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

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

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

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School District's funds begins on page 7. Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the School District is meeting legal responsibilities for use of grants. The School District's major funds are the General Fund and the Title I Special Revenue 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 future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational support services. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities	
	2011	2010
Assets:		
Current and Other Assets	\$ 16,318,088	\$ 14,247,257
Capital Assets, Net	<u>23,433,370</u>	<u>23,889,225</u>
Total Assets	<u>39,751,458</u>	<u>38,136,482</u>
Liabilities:		
Current and Other Liabilities	5,134,474	4,961,849
Long-Term Liabilities	<u>4,020,663</u>	<u>4,120,754</u>
Total Liabilities	<u>9,155,137</u>	<u>9,082,603</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	21,148,512	21,394,301
Restricted	2,767,906	2,756,424
Unrestricted	<u>6,679,903</u>	<u>4,903,154</u>
Total Net Assets	<u>\$ 30,596,321</u>	<u>\$ 29,053,879</u>

Total net assets of the School District as a whole increased \$1,542,442. The primary reasons for the increase in current assets were due to an increase of equity in pooled cash and cash equivalents, intergovernmental receivables, and taxes receivable. The decrease in capital assets was primarily due to current year depreciation expense, which was partially offset by current year additions. The increase in current and other liabilities is due to an increase in deferred revenue, which is a direct result of the increase in taxes receivable. This increase was partially offset by decreases in accounts payable and claims payable.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Table 2 shows the changes in net assets for 2011 compared to 2010.

Table 2
Change in Net Assets

	Governmental Activities	
	2011	2010
Revenue		
Program Revenues:		
Charges for Services and Sales	\$ 954,117	\$ 1,005,913
Operating Grants and Contributions	3,106,053	3,182,532
Total Program Revenues	<u>4,060,170</u>	<u>4,188,445</u>
General Revenue:		
Income Taxes	1,616,251	1,641,099
Grants and Entitlements, Not Restricted for Specific Programs	12,272,174	12,361,521
Investment Earnings	117,560	112,727
Miscellaneous	247,971	186,340
Property Taxes	3,342,776	3,614,351
Total General Revenues	<u>17,596,732</u>	<u>17,916,038</u>
Total Revenues	<u>21,656,902</u>	<u>22,104,483</u>
Program Expenses		
Instruction		
Regular	8,040,207	9,530,739
Special	1,737,872	1,931,338
Vocational	479,824	507,232
Other	1,173,040	904,510
Support Services		
Pupils	681,059	815,098
Instructional Staff	888,715	378,966
Board of Education	60,381	47,850
Administration	1,622,386	1,627,285
Fiscal	424,729	428,514
Operation and Maintenance of Plant	2,627,367	2,086,719
Pupil Transportation	1,106,437	969,532
Central	57,908	56,296
Operation of Non-Instructional Services	701,309	752,339
Extracurricular Activities	409,229	327,833
Interest and Fiscal Charges	103,997	133,500
Total Expenses	<u>20,114,460</u>	<u>20,497,751</u>
Increase in Net Assets	1,542,442	1,606,732
Net Assets at Beginning of Year	29,053,879	27,447,147
Net Assets at End of Year	<u>\$ 30,596,321</u>	<u>\$ 29,053,879</u>

Governmental Activities

Charges for services and sales comprised 4 percent of revenue for governmental activities, while operating grants and contributions comprised 14 percent of revenue for governmental activities of the School District for fiscal year 2011. Income tax revenue comprised 7 percent of revenue for governmental activities. Property tax revenue comprised 15 percent of revenue for governmental activities for fiscal year 2011. Grants and entitlements, not restricted for specific programs, comprised 57 percent of revenue for governmental activities.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

General revenues decreased primarily due to a decrease in property tax revenue. As indicated by governmental program expenses, instruction is emphasized. Regular Instruction comprised 40 percent of governmental program expenses. Regular instruction and support services for pupils decreased, while other instruction, board of education, and operation of maintenance of plant increased from 2010 to 2011. These fluctuations are attributed to monies received from various federal programs, timing of payrolls and stabilization monies being utilized to pay utilities in 2010 and medical premiums in 2011.

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

Table 3
 Governmental Activities

	<u>Total Cost of Services</u> 2011	<u>Net Cost of Services</u> 2011	<u>Total Cost of Services</u> 2010	<u>Net Cost of Services</u> 2010
Program Expenses				
Instruction:				
Regular	\$ 8,040,207	\$ 7,116,196	\$ 9,530,739	\$ 8,313,356
Special	1,737,872	1,165,739	1,931,338	1,481,748
Vocational	479,824	460,410	507,232	485,634
Other	1,173,040	1,125,847	904,510	866,324
Support Services:				
Pupils	681,059	614,836	815,098	738,810
Instructional Staff	888,715	762,531	378,966	252,479
Board of Education	60,381	57,952	47,850	45,830
Administration	1,622,386	1,455,780	1,627,285	1,419,553
Fiscal	424,729	407,392	428,514	410,279
Operation and Maintenance of Plant	2,627,367	1,626,109	2,086,719	1,222,858
Pupil Transportation	1,106,437	1,052,048	969,532	920,831
Central	57,908	55,578	56,296	53,919
Operation of Non-Instructional Services	701,309	(105,939)	752,339	(92,106)
Extracurricular Activities	409,229	155,960	327,833	56,534
Interest and Fiscal Charges	103,997	103,851	133,500	133,257
Total	<u>\$ 20,114,460</u>	<u>\$ 16,054,290</u>	<u>\$ 20,497,751</u>	<u>\$ 16,309,306</u>

THE SCHOOL DISTRICT'S FUNDS

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$22,101,821 and expenditures and other financing uses of \$20,181,956. The net change in fund balance for the year was most significant in the General Fund.

The fund balance of the General Fund increased by \$1,392,353. This increase is due mainly to revenues exceeding current year expenditures.

The fund balance of the Title I Fund decreased \$25,676. The Title I Fund had revenues in the amount of \$744,426 and expenditures in the amount of \$770,102.

Greenfield Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

General Fund Budgeting Highlights

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

During 2011, there were several revisions to the General Fund budget. In part, these revisions increased estimated resources by \$2,730,647 and increased appropriations by \$3,868,662. The General fund's ending unobligated cash balance was \$3,569,128. The increase in final budgeted expenditures is due mainly to the increase in operation and maintenance of plant and advances out. The increase in estimated resources is due mainly to the increase in estimates for advances in. The variance between final budgeted and actual expenditures is due mainly to conservative budgeting by the School District.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the School District had \$23,433,370 invested in its capital assets. Table 4 shows the fiscal year 2011 balances compared to 2010.

Table 4
 Capital Assets
 (Net of Depreciation)

	Governmental Activities	
	2011	2010
Land	\$ 42,231	\$ 42,231
Land Improvements	100,822	101,887
Buildings and Improvements	22,155,829	22,902,648
Furniture and Equipment	337,701	186,126
Vehicles	796,787	656,333
Totals	\$ 23,433,370	\$ 23,889,225

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

Debt

At June 30, 2011, the School District had an outstanding General Obligation Bond in the amount of \$760,000, which was issued for the purpose of improvements. The School District also had Refunding Bonds consisting of \$1,095,000 in current interest bonds and \$354,998 of capital appreciation bonds. See Note 13 to the basic financial statements for more detailed information relating to debt.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Greenfield Exempted Village School District
Statement of Net Assets
June 30, 2011

	Governmental Activities
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 10,799,341
Accounts Receivable	1,705
Intergovernmental Receivable	1,319,607
Taxes Receivable	4,154,221
Noncurrent Assets:	
Unamortized Financing Costs	43,214
Non-Depreciable Capital Assets	42,231
Depreciable Capital Assets, net	23,391,139
<i>Total Assets</i>	39,751,458
LIABILITIES:	
Current Liabilities:	
Accounts Payable	142,026
Accrued Wages and Benefits	1,408,644
Intergovernmental Payable	454,591
Accrued Interest Payable	9,094
Deferred Revenue	3,116,487
Claims Payable	3,632
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	308,942
Due in More Than One Year	3,711,721
<i>Total Liabilities</i>	9,155,137
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	21,148,512
Restricted for Debt Service	1,025,859
Restricted for Capital Outlay	814,433
Restricted for Other Purposes	244,262
Restricted for Classroom Facilities Maintenance	683,352
Unrestricted	6,679,903
<i>Total Net Assets</i>	\$ 30,596,321

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

Greenfield Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 8,040,207	\$ 275,947	\$ 648,064	\$ (7,116,196)
Special	1,737,872	46,927	525,206	(1,165,739)
Vocational	479,824	19,414	-	(460,410)
Other	1,173,040	47,193	-	(1,125,847)
Support Services:				
Pupils	681,059	25,578	40,645	(614,836)
Instructional Staff	888,715	31,507	94,677	(762,531)
Board of Education	60,381	2,429	-	(57,952)
Administration	1,622,386	60,507	106,099	(1,455,780)
Fiscal	424,729	15,646	1,691	(407,392)
Operation and Maintenance of Plant	2,627,367	64,720	936,538	(1,626,109)
Pupil Transportation	1,106,437	44,205	10,184	(1,052,048)
Central	57,908	2,330	-	(55,578)
Operation of Non-Instructional Services	701,309	182,350	624,898	105,939
Extracurricular Activities	409,229	135,218	118,051	(155,960)
Interest and Fiscal Charges	103,997	146	-	(103,851)
<i>Total Governmental Activities</i>	<u>\$ 20,114,460</u>	<u>\$ 954,117</u>	<u>\$ 3,106,053</u>	<u>(16,054,290)</u>
General Revenues:				
Taxes Levied for:				
General Purposes				2,932,393
Debt Service				346,295
Classroom Facilities				64,088
Income Taxes				1,616,251
Grants and Entitlements, Not Restricted to Specific Programs				12,272,174
Investment Earnings				117,560
Miscellaneous				247,971
<i>Total General Revenues</i>				<u>17,596,732</u>
<i>Change in Net Assets</i>				1,542,442
<i>Net Assets Beginning of Year</i>				<u>29,053,879</u>
<i>Net Assets End of Year</i>				<u>\$ 30,596,321</u>

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

Greenfield Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2011

	General	Title I	All Other Governmental Funds	Total Governmental Funds
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 4,563,120	\$ 746,043	\$ 4,309,009	\$ 9,618,172
Accounts Receivable	1,705	-	-	1,705
Interfund Receivable	3,536,051	-	-	3,536,051
Intergovernmental Receivable	12,399	604,783	702,425	1,319,607
Taxes Receivable	3,706,737	-	447,484	4,154,221
<i>Total Assets</i>	<u>\$ 11,820,012</u>	<u>\$ 1,350,826</u>	<u>\$ 5,458,918</u>	<u>\$ 18,629,756</u>
LIABILITIES:				
Accounts Payable	\$ 104,188	\$ 22,145	\$ 15,693	\$ 142,026
Accrued Wages and Benefits	1,371,912	-	36,732	1,408,644
Interfund Payable	-	1,331,683	2,204,368	3,536,051
Intergovernmental Payable	427,403	1,294	25,894	454,591
Deferred Revenue	2,923,321	-	410,296	3,333,617
<i>Total Liabilities</i>	<u>4,826,824</u>	<u>1,355,122</u>	<u>2,692,983</u>	<u>8,874,929</u>
FUND BALANCES:				
Restricted	-	-	2,766,968	2,766,968
Committed	259,378	-	-	259,378
Assigned	697,684	-	-	697,684
Unassigned	6,036,126	(4,296)	(1,033)	6,030,797
<i>Total Fund Balances</i>	<u>6,993,188</u>	<u>(4,296)</u>	<u>2,765,935</u>	<u>9,754,827</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 11,820,012</u>	<u>\$ 1,350,826</u>	<u>\$ 5,458,918</u>	<u>\$ 18,629,756</u>

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

Greenfield Exempted Village School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2011*

Total Governmental Fund Balances		\$ 9,754,827
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,433,370
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Taxes	217,130	
Unamortized Financing Costs	43,214	
Total	260,344	260,344
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,177,537
Interest payable is not recorded in the governmental funds, but is recorded in the statement of net assets.		(9,094)
Long-term liabilities, including bonds, capital lease obligations and the long-term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	(1,715,274)	
General Obligation Bonds	(760,000)	
Refunding Bonds:		
Current Interest Bonds	(1,095,000)	
Capital Appreciation Bonds	(354,998)	
Accretion on Capital Appreciation Bonds	(20,531)	
Unamortized Loss on Refunding Bonds	18,189	
Unamortized Premium on Refunding Bonds	(66,023)	
Capital Lease Obligations	(27,026)	
Total	(4,020,663)	(4,020,663)
Net Assets of Governmental Activities		\$ 30,596,321

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Title I	All Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property Taxes	\$ 2,895,850	\$ -	\$ 405,860	\$ 3,301,710
Income Tax	1,616,251	-	-	1,616,251
Intergovernmental	12,211,222	744,426	2,658,515	15,614,163
Interest	117,484	-	76	117,560
Tuition and Fees	607,934	-	-	607,934
Rent	3,020	-	-	3,020
Extracurricular Activities	-	-	124,045	124,045
Gifts and Donations	-	-	8,000	8,000
Customer Sales and Services	36,768	-	182,350	219,118
Miscellaneous	183,213	-	64,758	247,971
<i>Total Revenues</i>	<u>17,671,742</u>	<u>744,426</u>	<u>3,443,604</u>	<u>21,859,772</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	6,860,024	-	743,495	7,603,519
Special	1,170,074	579,323	5,764	1,755,161
Vocational	483,956	-	-	483,956
Other	1,158,451	-	-	1,158,451
Support Services:				
Pupils	639,095	-	45,279	684,374
Instructional Staff	748,186	105,472	-	853,658
Board of Education	60,381	-	-	60,381
Administration	1,475,611	82,229	35,967	1,593,807
Fiscal	385,311	-	12,074	397,385
Operation and Maintenance of Plant	1,606,873	-	1,043,317	2,650,190
Pupil Transportation	1,099,797	-	162,330	1,262,127
Central	57,249	-	-	57,249
Operation of Non-Instructional Services	-	3,078	690,401	693,479
Extracurricular Activities	263,316	-	131,511	394,827
Capital Outlay	659	-	-	659
Debt Service:				
Principal	24,716	-	180,000	204,716
Interest	3,641	-	82,327	85,968
<i>Total Expenditures</i>	<u>16,037,340</u>	<u>770,102</u>	<u>3,132,465</u>	<u>19,939,907</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,634,402</u>	<u>(25,676)</u>	<u>311,139</u>	<u>1,919,865</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	-	-	242,049	242,049
Transfers Out	(242,049)	-	-	(242,049)
<i>Total Other Financing Sources and Uses</i>	<u>(242,049)</u>	<u>-</u>	<u>242,049</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	1,392,353	(25,676)	553,188	1,919,865
<i>Fund Balances at Beginning of Year - As Restated</i>	<u>5,600,835</u>	<u>21,380</u>	<u>2,212,747</u>	<u>7,834,962</u>
<i>Fund Balances at End of Year</i>	<u>\$ 6,993,188</u>	<u>\$ (4,296)</u>	<u>\$ 2,765,935</u>	<u>\$ 9,754,827</u>

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

Greenfield Exempted Village School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011*

Net Change in Fund Balances - Total Governmental Funds \$ 1,919,865

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

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

Capital Asset Additions	460,785	
Current Year Depreciation	(916,640)	
Total	(455,855)	(455,855)

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

Taxes	41,066	
Intergovernmental	(243,936)	
Total	(202,870)	(202,870)

The amortization of premium from the sale of bonds is recorded as a reduction of liability in the statement of net assets, but does not result in an expenditure in the governmental funds. 7,385

The amortization of debt issuance costs are reported in the statement of activities but are not reported as expenditures in the governmental funds. (4,801)

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

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities. 180,000

Repayment of capital leases obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net assets and does not result in an expense in the statement of activities. 24,716

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

Increase in Compensated Absences	(90,684)	
Accretion of Capital Appreciation Bonds	(19,291)	
Decrease in Interest Payable	713	
Total	(109,262)	(109,262)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 185,299

Net Change in Net Assets of Governmental Activities \$ 1,542,442

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 19,391,942	\$ 22,122,589	\$ 22,122,589	\$ -
Total Expenditures and Other Financing Uses	19,437,014	23,305,676	22,687,113	618,563
Net Change in Fund Balance	(45,072)	(1,183,087)	(564,524)	618,563
Fund Balance at Beginning of Year	3,515,098	3,515,098	3,515,098	-
Prior Year Encumbrances Appropriated	618,554	618,554	618,554	-
Fund Balance at End of Year	<u>\$ 4,088,580</u>	<u>\$ 2,950,565</u>	<u>\$ 3,569,128</u>	<u>\$ 618,563</u>

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

Greenfield Exempted Village School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budgetary Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total Revenues and Other Financing Sources	\$ 1,006,951	\$ 2,232,505	\$ 2,232,505	\$ -
Total Expenditures and Other Financing Uses	1,077,926	2,747,053	2,081,978	665,075
Net Change in Fund Balance	(70,975)	(514,548)	150,527	665,075
Fund Balance at Beginning of Year	497,254	497,254	497,254	-
Prior Year Encumbrances Appropriated	70,975	70,975	70,975	-
Fund Balance at End of Year	\$ 497,254	\$ 53,681	\$ 718,756	\$ 665,075

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

Greenfield Exempted Village School District
Statement of Fund Net Assets
Governmental Activities - Internal Service Fund
June 30, 2011

	<u>Internal Service</u>
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,181,169
<i>Total Assets</i>	<u>1,181,169</u>
LIABILITIES:	
Claims Payable	<u>3,632</u>
<i>Total Liabilities</i>	<u>3,632</u>
NET ASSETS:	
Unrestricted	<u>1,177,537</u>
<i>Total Net Assets</i>	<u><u>\$ 1,177,537</u></u>

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

Greenfield Exempted Village School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2011

	<u>Internal Service</u>
OPERATING REVENUES:	
Charges for Services	\$ 306,897
<i>Total Operating Revenues</i>	<u>306,897</u>
OPERATING EXPENSES:	
Claims	124,694
Other	10,746
<i>Total Operating Expenses</i>	<u>135,440</u>
<i>Operating Income</i>	171,457
NON-OPERATING REVENUES:	
Interest	13,842
<i>Total Non-Operating Revenues</i>	<u>13,842</u>
<i>Net Change in Net Assets</i>	185,299
Net Assets at Beginning of Year	<u>992,238</u>
Net Assets at End of Year	<u>\$ 1,177,537</u>

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

Greenfield Exempted Village School District
Statement of Cash Flows
Governmental Activities - Internal Service Fund
For the Fiscal Year Ended June 30, 2011

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Cash Flows from Operating Activities:</i>	
Cash Received from Interfund Services Provided	\$ 306,897
Cash Payments for Claims	(180,494)
Cash Payments for Other Operating Uses	(10,746)
<i>Net Cash Provided by Operating Activities</i>	115,657
<i>Cash Flows from Investing Activities</i>	
Interest on Investments	22,623
<i>Net Increase in Cash and Cash Equivalents</i>	138,280
Cash and Cash Equivalents at Beginning of Year	1,042,889
Cash and Cash Equivalents at End of Year	\$ 1,181,169
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>	
Operating Income	\$ 171,457
<i>Changes in Liabilities:</i>	
Decrease in Claims Payable	(55,800)
<i>Net Cash Provided by Operating Activities</i>	\$ 115,657

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

Greenfield Exempted Village School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$ 1,111,278	<u>\$ 210,433</u>
Investments	<u>1,423,794</u>	
Total Assets	<u>2,535,072</u>	
LIABILITIES:		
Undistributed Monies		<u>\$ 210,433</u>
NET ASSETS:		
Held in Trust for Scholarships	<u>2,535,072</u>	
Total Net Assets	<u>\$ 2,535,072</u>	

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

Greenfield Exempted Village School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Private Purpose Trust Funds
ADDITIONS:	
Gifts and Contributions	\$ 23,735
Investment Earnings	325,263
<i>Total Additions</i>	348,998
DEDUCTIONS:	
Payments in Accordance with Trust Agreements	69,279
Change in Net Assets	279,719
Net Assets Beginning of Year	2,255,353
Net Assets End of Year	\$ 2,535,072

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

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Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 76 square miles. It is located in Highland, Ross and Fayette Counties, and includes the village of Greenfield, South Salem and Rainsboro. It is staffed by 94 non-certificated employees, 142 certificated full-time teaching personnel and 9 administrative employees who provide services to 2,100 students and other community members. The School District currently operates seven instructional buildings, one administrative/instructional building, four modular/administrative instructional buildings and one garage.

Reporting Entity:

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

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

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

- * Boosters Clubs
- * Parent Teacher Organizations

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation - Fund Accounting

The School District's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements:

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Title I Fund

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

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

Proprietary Funds

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

Internal Service Fund

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

Fiduciary Funds

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

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

Measurement Focus

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

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.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Measurement Focus (continued)

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses/Expenditures

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

C. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the first permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2011.

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

D. Cash, Cash Equivalents, and Investments

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

During fiscal year 2011, the School District's investments were limited to funds invested in stocks.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents and Investments (continued)

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$117,484 and \$76 for all other governmental funds.

E. Capital Assets and Depreciation

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

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

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

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

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

F. Interfund Balances

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

G. Compensated Absences

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Compensated Absences (continued)

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employee will be paid. The School District had no matured compensated absences payable as of June 30, 2011.

H. Accrued Liabilities and Long-Term Obligations

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

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

I. Fund Balance

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

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

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

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

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

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.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Balance (continued)

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

J. Estimates

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

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes represent balances in special revenue funds for grants received which are restricted to their use by grantees.

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

The government-wide statement of net assets reports \$2,767,906 in restricted net assets, none of which is restricted by enabling legislation.

L. Interfund Transactions

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

NOTE 3 – ACCOUNTABILITY

At June 30, 2011, the Title I, Pre-School, School Net, and Title VI Grant Special Revenue Funds had fund balance deficits of \$4,296, \$124, \$95, and \$814, respectively which were created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) presented for the General Fund 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 as follows:

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

	Net Change in Fund Balance	
	General	Title I
GAAP Basis	\$ 1,392,353	\$ (25,676)
Revenue Accruals	4,652,831	1,488,079
Expenditure Accruals	(5,887,478)	(1,284,587)
Perspective Difference:		
Activity of Funds Reclassified for GAAP Reporting Purposes	(182,083)	-
Encumbrances	(540,147)	(27,289)
Budget Basis	\$ (564,524)	\$ 150,527

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

As of June 30, 2011, the School District’s bank balance of \$12,038,728 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pools in the manner described above.

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

	Carrying/Fair Value	Weighted Average Maturity (Years)
Common Stocks	\$ 1,423,794	<1 Year

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

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

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. 100% of the School District’s investments are in common stocks. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Tangible personal property tax revenue received during calendar year 2011 (other than public utility property tax) represents the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after April 1, 2010, on the value as of December 31, 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The assessed values upon which fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$164,162,851	96.31%	\$159,813,130	95.24%
Public Utility	6,289,699	3.69%	7,990,990	4.76%
Total Assessed Value	<u>\$170,452,550</u>	<u>100.00%</u>	<u>\$167,804,120</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.10		\$28.10	

The School District receives property taxes from Fayette, Highland and Ross Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 6 - PROPERTY TAXES (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2011 and for which there is an enforceable legal claim.

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

The amount available as an advance at June 30, 2011, was \$290,748 in the General Fund, \$5,742 in the Classroom Facilities Non-major Special Revenue Fund, and \$31,446 in the Debt Service Non-major Debt Service Fund.

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2011, was as follows:

	Ending Balance 6/30/2010	Additions	Deletions	Ending Balance 6/30/2011
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 42,231	\$ -	\$ -	\$ 42,231
Total Capital Assets, Not Being Depreciated	42,231	-	-	42,231
Capital Assets Being Depreciated				
Land Improvements	556,618	15,527	-	572,145
Buildings and Improvements	33,587,738	9,783	-	33,597,521
Furniture and Equipment	3,617,843	260,642	-	3,878,485
Vehicles	1,991,585	174,833	-	2,166,418
Total Capital Assets Being Depreciated	39,753,784	460,785	-	40,214,569
Less: Accumulated Depreciation:				
Land Improvements	(454,731)	(16,592)	-	(471,323)
Buildings and Improvements	(10,685,090)	(756,602)	-	(11,441,692)
Furniture and Equipment	(3,431,717)	(109,067)	-	(3,540,784)
Vehicles	(1,335,252)	(34,379)	-	(1,369,631)
Total Accumulated Depreciation	(15,906,790)	(916,640)	-	(16,823,430)
Total Capital Assets Being Depreciated, Net	23,846,994	(455,855)	-	23,391,139
Governmental Capital Assets, Net	\$ 23,889,225	\$ (455,855)	\$ -	\$ 23,433,370

Depreciation expense was charged to government functions as follows:

Instruction:	
Regular	\$844,258
Special Instruction	1,873
Vocational Instruction	518
Support Services:	
Instructional Staff	86
Administration	201
Fiscal	23,754
Pupil Transportation	20,161
Operation of Non-Instructional Services	25,789
Total Depreciation Expense	<u>\$916,640</u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 8 - RECEIVABLES

Receivables at June 30, 2011, consisted of taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Major Funds:	
General	\$ 12,399
Title I	604,783
 Non-Major Special Revenue Funds:	
Early Childhood Education	108,000
Part B - IDEA	432,341
Technology Title II-D	1,617
Early Childhood Special Education - IDEA	5,001
Race to the Top	44,854
Title II-A	<u>110,612</u>
Total Non-Major Special Revenue Funds	<u>702,425</u>
Total All Funds	<u><u>\$ 1,319,607</u></u>

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted with Ohio Casualty for professional and general liability insurance, fleet insurance and property insurance. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$68,825,797
Inland Marine Coverage (\$1,000 deductible)	2,000,000
Boiler & Machinery (\$1,000 deductible)	No Limit
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	1,000,000
General Aggregate	2,000,000

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

The School District contracted with United Healthcare to provide medical/surgical and prescription insurance coverage to its employees and their families. The School District self-insures employee excess costs not covered by United Healthcare through a self-insurance internal service fund. The claims liability of \$3,632 reported in the Internal Service fund at June 30, 2011 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of cost relating to incurred but not reported claims, be reported.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 9 - RISK MANAGEMENT (continued)

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

		<u>Balance at</u> <u>Beginning of Year</u>		<u>Current Year</u> <u>Claims</u>		<u>Claim</u> <u>Payments</u>		<u>Balance at</u> <u>End of Year</u>
2010	\$	25,525	\$	214,775	\$	180,868	\$	59,432
2011	\$	59,432	\$	124,694	\$	180,494	\$	3,632

NOTE 10 -DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Fund. The School District's contributions to SERS which were allocated for pension and death benefits for the fiscal years ended June 30, 2011, 2010 and 2009 were \$302,865, \$355,944, and \$206,735, respectively; 47 percent of the required contribution has been made for fiscal year 2011 and 100 percent of the required contribution has been made for fiscal years 2010 and 2009. \$160,073 represents the unpaid contribution for fiscal year 2011 and is recorded as a liability within the respective funds.

State Teachers Retirement System

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 10 -DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

For the fiscal years ended June 30, 2011, 2010, and 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,034,131, \$1,097,382, and \$971,679, respectively; 84 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. \$170,222 represents the unpaid contribution for fiscal year 2011 and is recorded as a liability within the respective funds.

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2011, none of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

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

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2011, 2010 and 2009. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$80,042, \$82,854, and \$74,893 for fiscal years 2011, 2010, and 2009, respectively, which equaled the required contributions for those years.

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2011, 2010, and 2009, the actuarially required allocations were 0.76 percent, 0.76 percent, and 0.75 percent. For the School District, contributions for the years ended June 30, 2011, 2010, and 2009, were \$19,234, \$18,292, and \$17,873, which equaled the required contributions for those years.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. At June 30, 2011, 2010, and 2009, the health care allocations were 1.43 percent, 0.46 percent, and 4.16 percent, respectively. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2010, 2009, and 2008 fiscal years equaled \$80,025, \$55,498 and \$131,513, respectively, which equaled the required contributions for those years.

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

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

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

C. Deferred Compensation

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

NOTE 13 - LONG-TERM LIABILITIES

The changes in the School Districts long-term liabilities during fiscal year 2011 were as follows:

	Principal Outstanding 6/30/2010	Additions	Deletions	Principal Outstanding 6/30/2011	Due in One Year
General Obligation Bonds:					
1998 School Improvement 4.99%	\$ 925,000	\$ -	\$ 165,000	\$ 760,000	\$ 175,000
2010 Refunding Bonds					
2.00%-4.00%	1,110,000	-	15,000	1,095,000	35,000
Premium	73,408	-	7,385	66,023	-
Accounting Loss	(20,224)	-	(2,035)	(18,189)	-
Capital Appreciation Bonds	354,998	-	-	354,998	-
Accretion	1,240	19,291	-	20,531	-
Capital Leases	51,742	-	24,716	27,026	27,026
Compensated Absences	1,624,590	1,630,154	1,539,470	1,715,274	71,916
Total Long-Term Liabilities	<u>\$ 4,120,754</u>	<u>\$ 1,649,445</u>	<u>\$ 1,749,536</u>	<u>\$ 4,020,663</u>	<u>\$ 308,942</u>

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 13 - LONG-TERM LIABILITIES (continued)

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

The capital appreciation bonds, issued at \$354,998, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2015 and 2016. The maturity amount of the capital appreciation bonds is \$500,000. For fiscal year 2011, the capital appreciation bonds were accreted \$19,291. Total accretion as of June 30, 2011 was \$20,531.

This refunding resulted in an accounting loss of \$20,347 which is being amortized over the remaining life of the refunded bonds.

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

Capital leases will be paid from the General Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant fund. The School District's overall legal debt margin was \$13,865,847 with an unvoted debt margin of \$167,804 at June 30, 2011.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30,				2010 Refunding Bonds			2010 Capital Appreciation
	Principal	Interest	Total	Principal	Interest	Total	Principal
2012	\$175,000	\$110,005	\$285,005	\$35,000	\$36,532	\$71,532	\$0
2013	185,000	110,194	295,194	35,000	35,832	70,832	0
2014	195,000	89,839	284,839	35,000	35,132	70,132	0
2015	205,000	78,888	283,888	35,000	34,388	69,388	0
2016	-	-	-	-	33,994	33,994	500,000
2017-2021	-	-	-	955,000	211,311	1,166,311	0
Totals	<u>\$760,000</u>	<u>\$388,926</u>	<u>\$1,148,926</u>	<u>\$1,095,000</u>	<u>\$387,189</u>	<u>\$1,482,189</u>	<u>\$500,000</u>

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

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 14 - INTERFUND ACTIVITY

Interfund Payables/Receivables

As of June 30, 2011, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$ 3,536,051	\$ -
Title I	-	1,331,683
Special Revenue Funds, Non-Major:		
District Managed Activities	-	5,000
Preschool	-	240,000
School Net	-	95
Education Jobs	-	667,348
Race to the Top	-	49,654
Title VI	-	871,825
Technology Title II-D	-	1,801
Preschool	-	11,116
Improving Teacher Quality	-	220,992
Federal Programs	-	36,537
Total Special Revenue Funds	<u>-</u>	<u>2,104,368</u>
Capital Projects Funds, Non-Major:		
Permanent Improvement	<u>-</u>	<u>100,000</u>
Total Capital Projects Funds	<u>-</u>	<u>100,000</u>
Totals	<u><u>\$ 3,536,051</u></u>	<u><u>\$ 3,536,051</u></u>

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

Interfund Transfers

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

As of June 30, 2011 transfers that resulted from various interfund transactions were as follows:

	<u>Transfer From</u>	<u>Transfer To</u>
Major Fund:		
General Fund	\$ 242,049	\$ -
Non-Major Special Revenue Funds:		
Title II-D	-	3,479
Improving Teacher Quality	-	14,069
Non-Major Capital Projects Funds:		
Swimming Pool Repair Fund	-	118,821
Permanent Improvement	-	105,680
Total Non-Major Funds	<u>-</u>	<u>242,049</u>
Total All Funds	<u><u>\$ 242,049</u></u>	<u><u>\$ 242,049</u></u>

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county, elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter school districts, and one representative from the fiscal agent. Financial information can be obtained from their fiscal agent, the Pike County Career Technology Center, at P. O. Box 577, 23365 St. Rt. 124, Piketon, Ohio 45661.

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

NOTE 16 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-Aside Reserve Balance as of June 30, 2010	\$ -	\$ -
Current Year Set-Aside Requirement	330,858	330,858
Current Year Offsets	-	(330,858)
Prior Year Carryover	(431,066)	-
Current Year Qualifying Expenditures	<u>(1,380)</u>	<u>-</u>
Set-Aside Reerve Balance Carried Forward to Future Fiscal Years	<u>(101,588)</u>	<u>-</u>
Set-Aside Reserve Balance as of June 30, 2011	<u>\$ -</u>	<u>\$ -</u>

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero in the Textbooks and Capital Acquisition Reserves. The excess amount in the Textbooks Reserve may be carried forward and used to reduce the set-aside requirements of future fiscal years. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$382,155 at June 30, 2011.

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 17 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

B. Litigation

The School District is not party to legal proceedings.

NOTE 18 – INCOME TAX

The School District levies a voted tax of one and one-quarter percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2004, and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

NOTE 19 – CAPITAL LEASES

During a previous fiscal year, the School District entered into a lease purchase agreement to purchase copiers. The lease meets the criteria of a capital lease as defined by the Statement of Financial Accounting Standards No. 13, *Accounting for Leases*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. Principal payments in fiscal year 2011 totaled \$24,716 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2011.

Fiscal Year Ending June 30,	
2012	\$ 28,357
Total Minimum Lease Payments	28,357
Less: Amounts Representing Interest	(1,331)
Present Value of Minimum Lease Payments	\$ 27,026

Greenfield Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BALANCES

For fiscal year 2011, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.”

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds, and resulted in the following restatement of the School District’s financial statements:

	General	Title I	All Other Governmental	Total
Fund Balances, June 30, 2010	\$5,329,066	\$0	\$2,505,896	\$7,834,962
Change in Major Funds	0	21,380	(21,380)	0
GASB 54 Fund Reclassifications	271,769	0	(271,769)	0
Restated Fund Balances, June 30, 2010	<u>\$5,600,835</u>	<u>\$21,380</u>	<u>\$2,212,747</u>	<u>\$7,834,962</u>

NOTE 21 – FUND BALANCES

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

Fund Balances	General	Title I	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for				
Food Service Operations	\$0	\$0	\$178,915	\$178,915
Classroom Facilities Maintenance	0	0	679,561	679,561
Federal Programs	0	0	15,117	15,117
Athletics	0	0	74,022	74,022
Capital Projects	0	0	814,433	814,433
Debt Services Payments	0	0	1,004,920	1,004,920
Total Restricted	<u>0</u>	<u>0</u>	<u>2,766,968</u>	<u>2,766,968</u>
Committed to				
Termination Benefits	259,378	0	0	259,378
Assigned to				
Other Purposes	697,684	0	0	697,684
Unassigned (Deficit)	<u>6,036,126</u>	<u>(4,296)</u>	<u>(1,033)</u>	<u>6,030,797</u>
Total Fund Balances	<u>\$6,993,188</u>	<u>(\$4,296)</u>	<u>\$2,765,935</u>	<u>\$9,754,827</u>

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed through Ohio Department of Education:</i>					
Nutrition Cluster:					
National School Breakfast Program	10.553	\$152,307		\$152,307	
National School Lunch Program	10.555	425,124	\$56,459	425,124	\$56,459
<i>Total Nutrition Cluster</i>		<u>577,431</u>	<u>56,459</u>	<u>577,431</u>	<u>56,459</u>
Total U.S. Department of Agriculture		577,431	56,459	577,431	56,459
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed through Ohio Department of Education:</i>					
Education Consolidation and Improvement Act					
Title I -	84.010	520,514		565,084	
ARRA - Title I	84.389	85,963		209,683	
<i>Total Title I</i>		<u>606,477</u>		<u>774,767</u>	
Special Education Cluster:					
Special Education Grants to States					
IDEA Part B	84.027	402,373		441,530	
ARRA - IDEA Part B	84.391	137,742		210,222	
Early Childhood	84.173	5,573		5,557	
ARRA - Early Childhood	84.392	231		231	
<i>Total Special Education Cluster</i>		<u>545,919</u>		<u>657,540</u>	
Drug Free Schools Grant	84.186	7,043		-	
Title IID Educational Technology	84.318	4,369		5,280	
Improving Teacher Quality	84.367	122,183		134,229	
ARRA-State Fiscal Stabilization Fund (SFSF)	84.394	975,354		968,550	
Race to the Top	84.395	-		41,854	
<i>Passed through Great Oaks Institute of Technology and Career Development</i>					
Vocational Education Basic Grants to States					
Career Education	84.048	1,245		-	
Total Department of Education		<u>2,262,590</u>	-	<u>2,582,220</u>	-
U.S. Department of Health and Human Services					
<i>Passed Through Ohio Department of Job and Family Services:</i>					
Medicare Assistance Programs	93.778	36,768		36,768	
Total U.S. Department of Health and Human Services		<u>36,768</u>		<u>36,768</u>	
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$2,876,789</u>	<u>\$56,459</u>	<u>\$3,196,419</u>	<u>\$56,459</u>

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

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenfield Exempted Village School District, Highland County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 27, 2012, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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, providing an opinion 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*.

Greenfield Exempted Village School District
Highland County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 27, 2012.

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

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

March 27, 2012



Dave Yost • Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of Greenfield Exempted Village School District, Highland County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Greenfield Exempted Village School District's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Greenfield Exempted Village School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with these requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists these instances as Finding 2011-001 and 2011-002.

Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2011-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2011-002 to be a significant deficiency.

The District's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, the federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost
Auditor of State

March 27, 2012

**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Fiscal Stabilization Fund CFDA #84.394, Special Education Cluster CFDA #84.027 84.173 84.391 and 84.392, Title I CFDA #84.010 and 84.389
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING NUMBER 2011-001

Noncompliance Citation/Material Weakness – Federal Schedule

CFDA Title and Number	Fiscal Stabilization Fund CFDA #84.394, Special Education Cluster CFDA #84.027 84.173 84.391 and 84.392, Title I CFDA #84.010 and 84.389
Federal Award Number/Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

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

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

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

Federal receipts and disbursements for the District's audit period are to be reported on its Federal Awards Receipts and Expenditure Schedule (the Schedule).

While the District prepared a Schedule of Federal Awards Receipts and Expenditures, the amounts reported were budgeted amounts, instead of actual amounts received and expended. ARRA grant receipts were understated by \$31,124 and non-ARRA grant receipts were overstated by \$67,608. ARRA grant expenditures were understated by \$220,520 and non-ARRA grant expenditures were understated by \$62,625. This resulted in the total federal receipts to be overstated by \$36,484 and the total federal expenditures to be understated by \$283,145. Inaccurate completion of the federal schedule could lead to inaccurate reporting of federal expenditures by the District, and possible loss of federal funding. Adjustments were made to the District's Federal Schedule for the errors noted above.

We recommend when reporting their Schedule of Federal Awards Receipts and Expenditures, the District use actual amounts rather than budgeted amounts and that the Schedule be reviewed for completeness and accuracy. Reporting requirements on the federal schedule can be accessed in Circular No. A-133 through the Office of Management and Budget.

Officials' Response:

We did not receive a response from officials to the finding above.

FINDING NUMBER 2011-002

Noncompliance Citation/Significant Deficiency – 1512 Vendor Reporting

CFDA Title and Number	Fiscal Stabilization Fund CFDA #84.394,
Federal Award Number/Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

American Recovery and Reinvestment Act of 2009 (ARRA), Section 1512 (b) & (c) require any entity that receives certain Recovery funds directly from the Federal government (including recovery funds received through grant, loan or contract other than an individual) to submit a report to the Federal Agency not later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. **Section 1512 (c) (4)** requires detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals. Further, **Office of Management and Budget Memo M-09-21 dated June 22, 2009** states that prime recipients may choose to delegate certain reporting requirements to sub-recipients. This memo also states three additional data elements associated with any vendors receiving funds from the prime recipient for any payments greater than \$25,000 must be reported.

The **Ohio Department of Education's American Recovery and Reinvestment Act Reporting Guidance** states the Ohio Department of Education (ODE), as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. ODE distributes ARRA funds to local education agencies (LEAs) as sub recipients and must collect quarterly data from LEAs to meet the reporting requirements associated with ARRA funding. Among the items to be reported, the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000. If the vendor received multiple payments less than \$25,000, even when the total of the payments exceeds \$25,000, the vendor information should not be reported.

The District made a single payment that exceeded \$25,000 each quarter to United Health Care for insurance; however, the District only reported the expenditure to the ODE on the 1512 ARRA Subrecipient Vendor report for the second quarter payment.

The District should establish controls to ensure reporting requirements over federal programs are followed. Noncompliance with 1512 reporting requirements could result in temporary suspension or permanent loss of Federal Recovery funding. Vendor reports should be reviewed for each quarter and if single payment amounts expended exceed \$25,000, , Vendors should be reported on the ODE 1512 ARRA Subrecipient Vendor Report.

Officials' Response:

We did not receive a response from officials to the finding above.

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**GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT
HIGHLAND COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
FISCAL YEAR END JUNE 30, 2011**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2011-001	The District will ensure that their future Federal Schedules will reflect the actual receipts and expenditures of the District	6/30/2012	Joe Smith
2011-002	The District will ensure that all future ARRA Section 1512(b) and (c) vendor reporting will be done correctly by having the survey reviewed the by the Treasurer before submission.	6/30/2012	Joe Smith

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on November 15, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

March 27, 2012

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Dave Yost • Auditor of State

GREENFIELD EXEMPTED VILLAGE SCHOOL DISTRICT

HIGHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 19, 2012**