

**GRANDVIEW HEIGHTS  
CITY SCHOOL DISTRICT**  
FRANKLIN COUNTY, OHIO

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Education  
Grandview Heights City School District  
1587 West Third Avenue  
Columbus, OH 43212

We have reviewed the *Independent Auditor's Report* of the Grandview Heights City School District, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

December 21, 2022

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor’s Report .....	1 - 3
Management’s Discussion and Analysis .....	4 - 16
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	18
Statement of Activities .....	19 - 20
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – (Non-GAAP Budgetary Basis) - General Fund .....	25
Statement of Net Position - Proprietary Funds .....	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	27
Statement of Cash Flows - Proprietary Funds .....	28
Notes to the Basic Financial Statements.....	30 - 71
Required Supplementary Information:	
Schedule of the District’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio .....	73 - 74
State Teachers Retirement System (STRS) of Ohio .....	75 - 76
Schedule of District Pension Contributions:	
School Employees Retirement System (SERS) of Ohio .....	77 - 78
State Teachers Retirement System (STRS) of Ohio .....	79 - 80
Schedule of the District’s Proportionate Share of the Net OPEB Liability/Asset:	
School Employees Retirement System (SERS) of Ohio .....	81
State Teachers Retirement System (STRS) of Ohio .....	82
Schedule of District OPEB Contributions:	
School Employees Retirement System (SERS) of Ohio .....	83 - 84
State Teachers Retirement System (STRS) of Ohio .....	85 - 86
Notes to the Required Supplementary Information .....	87 - 89
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	90
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6).....	91
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	92 - 93
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	94 - 96
Schedule of Findings 2 <i>CFR</i> § 200.515.....	97

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## Independent Auditor's Report

Grandview Heights City School District  
Franklin County  
1587 West Third Avenue  
Columbus, Ohio

To the Board of Education:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grandview Heights City School District, Franklin County, Ohio, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Grandview Heights City School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grandview Heights City School District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Grandview Heights City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Grandview Heights City School District. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grandview Heights City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Grandview Heights City School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grandview Heights City School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, schedules of net pension and other post-employment benefit assets and liabilities, and pension and other post-employment benefit contribution* listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grandview Heights City School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022 on our consideration of the Grandview Heights City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grandview Heights City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grandview Heights City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
December 7, 2022

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The management's discussion and analysis of Grandview Heights City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- In total, net position increased \$2,557,907 from 2021's net position. Net position of governmental activities increased \$2,216,293, which represents a 27.49% increase from 2021's net position. Business-type activities net position increased \$341,614 from 2021.
- General revenues accounted for \$23,634,205 in revenue or 92.15% of governmental activities revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for \$2,012,914 or 7.85% of governmental activities revenues.
- The District had \$23,430,826 in expenses related to governmental activities; only \$2,012,914 of these expenses was offset by program specific charges for services or operating and capital grants resulting in a net cost of \$21,417,912 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$23,634,205 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the building fund. The general fund had \$22,972,001 in revenues and \$21,921,563 in expenditures and other financing uses. During fiscal 2021, the general fund's fund balance increased \$1,050,438 from a balance of \$17,268,679 to \$18,319,117.
- The building fund had a deficit of \$473,189 in revenues due to a decrease in the fair value of investments on the bond funds invested and \$15,227,835 in expenditures. During fiscal 2022, the building fund's fund balance decreased \$15,701,024 from a balance of \$23,841,265 to \$8,140,241 due to continuing the District's new building and renovation project.
- The business-type activities net position which include the child care and food service enterprise operations increased \$341,614 on \$765,208 in expenses and \$1,106,822 in revenues.

**Using this Annual Financial Report**

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and the building fund are the Districts major governmental funds.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant and extracurricular activities.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's child care and food service operations are reported as business-type activities.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds and the analysis of the District's nonmajor enterprise funds begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the building fund.

***Governmental Funds***

Most of the 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals. These activities are reported in a custodial fund. All of the District's fiduciary activities are reported in a separate statement of changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

***Required Supplementary Information***

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of District's contributions to the retirement systems to fund pension and OPEB obligations.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2022 and 2021. The assets and deferred inflows of the governmental activities have been restated as described in Note 3A.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2022</u>	Restated <u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>				
Current and other assets	\$ 53,070,329	\$ 70,669,297	\$ 329,895	\$ 120,812
Net OPEB asset	1,713,955	1,398,530	-	-
Capital assets, net	<u>54,757,380</u>	<u>41,174,418</u>	<u>63,255</u>	<u>76,605</u>
Total assets	<u>109,541,664</u>	<u>113,242,245</u>	<u>393,150</u>	<u>197,417</u>
<b><u>Deferred outflows of resources</u></b>				
Pension	5,488,829	4,332,510	152,823	103,815
OPEB	<u>625,932</u>	<u>752,098</u>	<u>108,103</u>	<u>67,079</u>
Total deferred outflows	<u>6,114,761</u>	<u>5,084,608</u>	<u>260,926</u>	<u>170,894</u>
<b><u>Liabilities</u></b>				
Current liabilities	5,909,600	8,450,574	121,553	125,979
Long-term liabilities:				
Due within one year	721,987	2,116,177	5,102	2,748
Due in more than one year:				
Net pension liability	12,879,901	23,790,059	441,153	658,734
Net OPEB liability	1,316,806	1,551,988	233,663	225,398
Other amounts	<u>55,675,227</u>	<u>56,479,645</u>	<u>14,904</u>	<u>15,194</u>
Total liabilities	<u>76,503,521</u>	<u>92,388,443</u>	<u>816,375</u>	<u>1,028,053</u>
<b><u>Deferred inflows of resources</u></b>				
Property taxes and PILOTS	15,099,193	14,517,984	-	-
Lease	564,575	611,221	-	-
Pensions	10,458,098	273,506	282,958	137,037
OPEB	<u>2,751,980</u>	<u>2,472,934</u>	<u>248,872</u>	<u>238,964</u>
Total deferred inflows	<u>28,873,846</u>	<u>17,875,645</u>	<u>531,830</u>	<u>376,001</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	9,670,032	6,230,832	63,255	76,605
Restricted	5,182,440	8,118,054	-	-
Unrestricted (deficit)	<u>(4,573,414)</u>	<u>(6,286,121)</u>	<u>(757,384)</u>	<u>(1,112,348)</u>
Total net position (deficit)	<u>\$ 10,279,058</u>	<u>\$ 8,062,765</u>	<u>\$ (694,129)</u>	<u>\$ (1,035,743)</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Over time, net position can serve as a useful indicator of a District's financial position. At June 30, 2022, the District's assets plus deferred outflows of resources exceeded liabilities and deferred inflows by \$9,584,929. Of this total, \$5,182,440 is restricted in use.

Current and other assets decreased as the District continued its new building and renovations construction project.

Deferred outflows related to pension increased primarily due to changes projected and actual earnings on investments by the State Teachers Retirement System (STRS). See Note 14 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 15 for more detail.

At year-end, capital assets represented 49.87% of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture and equipment and vehicles. The net investment in capital assets at June 30, 2022, was \$9,733,287. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Long-term liabilities decreased primarily due to a decrease in the net pension liability. The decrease in the net pension liability and decrease in the net OPEB liability are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

The net pension liability decreased \$11,127,739 or 45.51% and deferred inflows of resources related to pension increased \$10,330,513 or 2,516.30%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which cause a large increase in fiduciary net position.

A portion of the District's net position, \$5,182,440, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$5,330,798. Of the unrestricted net position, a deficit of \$4,573,414 is reported in the governmental activities and a deficit of \$757,384 is reported in the business type activities.



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The table below shows the change in net position for fiscal years 2022 and 2021.

**Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 474,816	\$ 232,274	\$ 434,865	\$ 165,396	\$ 909,681	\$ 397,670
Operating grants and contributions	889,291	1,084,589	671,743	263,435	1,561,034	1,348,024
Capital grants and contributions	648,807	-	-	-	648,807	-
General revenues:						
Property taxes	17,062,632	23,751,476	-	-	17,062,632	23,751,476
Payments in lieu of taxes	4,130,051	4,176,537	-	-	4,130,051	4,176,537
Grants and entitlements	2,840,949	2,906,800	-	-	2,840,949	2,906,800
Investment earnings	(649,433)	173,388	199	-	(649,234)	173,388
Other	250,006	421,644	15	3,476	250,021	425,120
Total revenues	<u>25,647,119</u>	<u>32,746,708</u>	<u>1,106,822</u>	<u>432,307</u>	<u>26,753,941</u>	<u>33,179,015</u>
<b>Expenses</b>						
Program expenses:						
Instruction:						
Regular	9,478,250	10,564,703	-	-	9,478,250	10,564,703
Special	2,484,679	2,994,784	-	-	2,484,679	2,994,784
Other	381	50	-	-	381	50
Support services:						
Pupil	1,317,423	1,367,425	-	-	1,317,423	1,367,425
Instructional staff	2,005,944	3,200,277	-	-	2,005,944	3,200,277
Board of education	173,020	179,378	-	-	173,020	179,378
Administration	1,637,776	1,821,096	-	-	1,637,776	1,821,096
Fiscal	719,145	751,597	-	-	719,145	751,597
Business	113,883	80,355	-	-	113,883	80,355
Operations and maintenance	2,305,143	1,813,920	-	-	2,305,143	1,813,920
Pupil transportation	11,346	1,048	-	-	11,346	1,048
Central	259,640	227,271	-	-	259,640	227,271
Operation of non-instructional services	10,874	3,728	-	-	10,874	3,728
Extracurricular activities	1,057,957	1,079,889	-	-	1,057,957	1,079,889
Interest and fiscal charges	1,855,365	1,881,064	-	-	1,855,365	1,881,064
Food service	-	-	495,130	406,140	495,130	406,140
Child care	-	-	270,078	229,619	270,078	229,619
Total expenses	<u>23,430,826</u>	<u>25,966,585</u>	<u>765,208</u>	<u>635,759</u>	<u>24,196,034</u>	<u>26,602,344</u>
Transfers	-	(127,000)	-	127,000	-	-
Changes in net position	2,216,293	6,653,123	341,614	(76,452)	2,557,907	6,576,671
Net position (deficit) at beginning of year	<u>8,062,765</u>	<u>1,409,642</u>	<u>(1,035,743)</u>	<u>(959,291)</u>	<u>7,027,022</u>	<u>450,351</u>
Net position (deficit) at end of year	<u>\$ 10,279,058</u>	<u>\$ 8,062,765</u>	<u>\$ (694,129)</u>	<u>\$ (1,035,743)</u>	<u>\$ 9,584,929</u>	<u>\$ 7,027,022</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

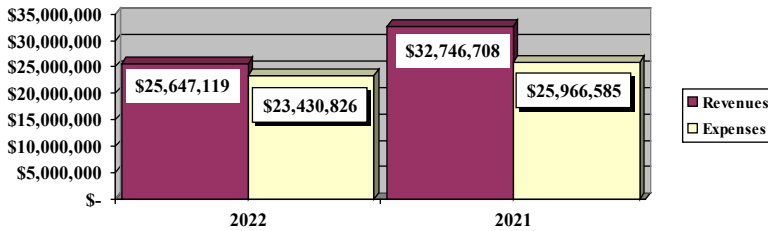
For fiscal year 2022, the net position of the District’s governmental activities increased \$2,216,293 from 2021. Total governmental expenses of \$23,430,826 were partially offset by program revenues of \$2,012,914 and general revenues of \$23,634,205. Program revenues supported 8.59% of the total governmental expenses.

Revenues of the governmental activities decreased \$7,099,589 from fiscal year 2021. The decrease is mostly attributable to a decrease in property taxes of \$6,688,844. This decrease in property taxes is due to Franklin County delaying the due date of the second half 2020 property tax payment that resulted in a decrease in taxes available for advance to the District at June 30, 2020. Taxes available for advance are recorded by the District as revenue. The taxes available for advance at June 30, 2022, June 30, 2021, and June 30, 2020 were \$6,976,030, \$7,367,276, and \$1,253,343, respectively. Capital grants and contributions increased due to an increase in contributions received from the investment of capital bonds proceeds and a contribution from the City of Grandview Heights for the District’s building project.

Overall, expenses of the governmental activities decreased \$2,535,759 or 9.77%. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately \$3,026,265. This decrease was the result of a decrease in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to an increase in net investment income on investments compared to previous years.

The graph below presents the District’s governmental activities revenue and expenses for fiscal year 2022 and 2021.

**Governmental Activities - Revenues and Expenses**



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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

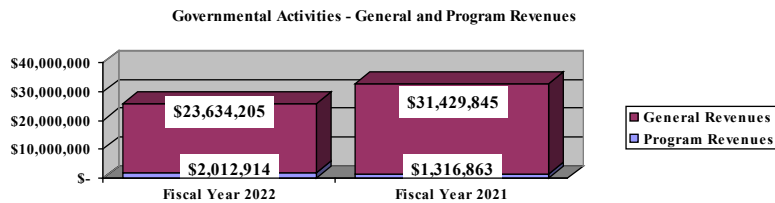
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	\$ 9,478,250	\$ 9,311,940	\$ 10,564,703	\$ 10,271,462
Special	2,484,679	1,939,851	2,994,784	2,586,967
Vocational	-	(120)	-	(1,362)
Other	381	381	50	50
Support services:				
Pupil	1,317,423	1,207,639	1,367,425	1,286,852
Instructional staff	2,005,944	1,781,904	3,200,277	2,900,318
Board of education	173,020	173,020	179,378	172,978
Administration	1,637,776	1,637,776	1,821,096	1,821,096
Fiscal	719,145	719,145	751,597	751,597
Business	113,883	90,023	80,355	74,364
Operations and maintenance	2,305,143	1,594,707	1,813,920	1,662,304
Pupil transportation	11,346	11,346	1,048	1,048
Central	259,640	259,640	227,271	227,271
Operation of non-instructional services	10,874	10,874	3,728	2,780
Extracurricular activities	1,057,957	824,421	1,079,889	1,010,933
Interest and fiscal charges	1,855,365	1,855,365	1,881,064	1,881,064
<b>Total expenses</b>	<b>\$ 23,430,826</b>	<b>\$ 21,417,912</b>	<b>\$ 25,966,585</b>	<b>\$ 24,649,722</b>

The dependence upon tax revenues during fiscal year 2022 for governmental activities is apparent, as 94.05% of 2022 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 91.41%. The District’s taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District students.

The graph below presents the District’s governmental activities revenue for fiscal years 2022 and 2021.



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Business-type Activities**

Business-type activities include food service operations and the child care program. These programs had revenues of \$1,106,822 and expenses of \$765,208 for fiscal year 2022. Management reviews these programs to develop policies to allow these services to become self-supporting.

The District's largest business-type activity is child care operations. Child care operations had \$375,690 in charges for services and sales and had total expenses of \$270,078. Child care revenues were sufficient to support child care expenses by \$105,627.

**The District's Funds**

**Governmental Funds**

The District's governmental funds (as presented on the Balance Sheet) reported a combined fund balance of \$31,336,664, which is less than last year's fund total of \$46,377,061.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance <u>June 30, 2022</u>	Fund Balance <u>June 30, 2021</u>	<u>Change</u>
General	\$ 18,319,117	\$ 17,268,679	\$ 1,050,438
Building	8,140,241	23,841,265	(15,701,024)
Other governmental	<u>4,877,306</u>	<u>5,267,117</u>	<u>(389,811)</u>
Total	<u>\$ 31,336,664</u>	<u>\$ 46,377,061</u>	<u>\$ (15,040,397)</u>

**General Fund**

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Property taxes and payment in lieu of taxes	\$ 19,336,743	\$ 24,753,543	\$ (5,416,800)	(21.88) %
Intergovernmental	2,955,700	2,915,501	40,199	1.38 %
Investment earnings	155,514	173,388	(17,874)	(10.31) %
Tuition and fees	163,290	92,172	71,118	77.16 %
Other revenues	<u>360,754</u>	<u>482,958</u>	<u>(122,204)</u>	<u>(25.30) %</u>
Total	<u>\$ 22,972,001</u>	<u>\$ 28,417,562</u>	<u>\$ (5,445,561)</u>	<u>(19.16) %</u>

Property taxes decreased due to fluctuations in the amount available for advance at June 30. The amount available for advance at June 30, 2022, June 30, 2021, and June 30, 2020 was \$6,112,811, \$6,420,731, and \$1,087,726. Intergovernmental revenues increased as a result of increased revenues from the State of Ohio in the form of foundation payments. Investment earnings decreased due to decreased interest rates. Other revenues decreased as a result of a property valuation settlement received in fiscal year 2021. Tuition and fees revenue increased due to increased all-day kindergarten enrollment.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The table that follows assists in illustrating the expenditures of the general fund.

<u>Expenditures</u>	<u>2022 Amount</u>	<u>2021 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 12,112,388	\$ 11,483,325	\$ 629,063	5.48 %
Support services	8,062,547	7,338,871	723,676	9.86 %
Extracurricular activities	836,072	788,893	47,179	5.98 %
Total	<u>\$ 21,011,007</u>	<u>\$ 19,611,089</u>	<u>\$ 1,399,918</u>	7.14 %

In total, expenditures increased 7.14% from 2021. Instruction expenditures increased 5.48% mainly due to increases in regular instruction for expenses related to remote learning. Support services increased due to increased pupil services. Extracurricular expenditures increased due to increased student participation.

***Building Fund***

The building fund had a deficit of \$473,189 in revenues due to a decrease in the fair value of investments on the bond funds invested and \$15,227,835 in expenditures. During fiscal 2022, the building fund's fund balance decreased \$15,701,024 from a balance of \$23,841,265 to \$8,140,241 due to continuing the District's new building and renovation project.

***Nonmajor Governmental Funds***

The nonmajor governmental funds had \$4,617,373 in revenues and other financing sources and \$5,007,184 in expenditures. During fiscal 2022, the nonmajor governmental fund's fund balance decreased \$389,811 from \$5,267,117 to \$4,877,306.

***Enterprise Funds***

The District's enterprise funds reported operating revenues of \$434,880, operating expenses of \$756,981, nonoperating revenues of \$671,942, and nonoperating expenses of \$8,227. Net position of the enterprise funds increased \$341,614 from a deficit of \$1,035,743 to a deficit of \$694,129. The Child Care Fund (a nonmajor enterprise fund) reported both an operating income and a positive change in net position of \$107,116 and \$105,627, respectively. The Food Service Fund (a nonmajor enterprise fund) reported an operating loss of \$429,217 and a positive change in net position of \$235,987.

**General Fund Budgeting Highlights**

The 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.

For the General Fund, the original and final budgeted revenue and other financing sources were \$22,481,239 and \$23,131,239, respectively. Actual revenue and other financing sources were \$23,490,228. The difference between the final budgeted revenues and the actual revenues and other financing sources was \$358,989.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$21,924,431. This amount was \$1,266,588 less than final budgeted amounts of \$23,191,019. The original budgeted amounts of \$23,004,768 were increased \$186,251 to arrive at the final budgeted amounts. Overall, fund balance on the budget basis increased \$1,565,797 from the prior year.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2022, the District had \$54,820,635 invested in land, construction in progress, buildings and improvements, furniture and equipment and vehicles. Of this total, \$54,757,380 was reported in governmental activities and \$63,255 was reported in business-type activities. The following table shows fiscal 2022 balances compared to 2021:

**Capital Assets at June 30 (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 137,400	\$ 137,400	\$ -	\$ -	\$ 137,400	\$ 137,400
Construction in progress	46,690,744	32,198,497	-	-	46,690,744	32,198,497
Buildings and improvements	7,068,823	7,593,925	-	-	7,068,823	7,593,925
Furniture and equipment	827,186	1,172,527	63,255	76,605	890,441	1,249,132
Vehicles	33,227	72,069	-	-	33,227	72,069
<b>Total</b>	<b>\$ 54,757,380</b>	<b>\$ 41,174,418</b>	<b>\$ 63,255</b>	<b>\$ 76,605</b>	<b>\$ 54,820,635</b>	<b>\$ 41,251,023</b>

Overall capital assets, net of accumulated depreciation, increased \$13,569,612 from fiscal year 2021 to fiscal year 2022. Capital outlays of \$14,576,782 were more than depreciation expense of \$485,251 and disposals of \$521,919 during the year. See Note 7 to the basic financial statements for more detail on the District's capital assets.

***Debt Administration***

At June 30, 2022, the District has \$50,260,000 in long-term debt outstanding. Of this total, \$510,000 is due within one year and \$49,750,000 is due within greater than one year. The following table summarizes outstanding long-term debt:

**Outstanding Debt, at Year End**

	Governmental Activities 2022	Governmental Activities 2021
<b>Long Term Debt:</b>		
General obligation bonds	<u>\$ 50,260,000</u>	<u>\$ 52,165,000</u>

Payments of principal and interest on the general obligation bonds are made from the Debt Service Fund. See Note 8 to the basic financial statements for more detail on the District's long-term obligations.

**Current Financial Related Activities**

***Grandview Yard***

Nationwide Realty Investors purchased the former Big Bear property and many other adjacent properties with the intention of constructing a major redevelopment project known as Grandview Yard. In July of 2009, the District entered into a compensation agreement with the City of Grandview Heights, which included two components of funding to be paid from this project to the District from the City. First, the District was guaranteed a "hold-harmless" amount, representing compensation for lost tax revenue as a result of decreased property values from demolition done during the initial phase of the project. Secondly, the District received an amount equal to 11% of all real property taxes that would have been received by all political subdivisions and taxing districts on the exempt value of all the parcels of the property used for non-residential purposes and between 15% and 60% for residential units depending on the number of units and year of assessment.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

In February 2019, the District entered into an amended compensation agreement with the City of Grandview Heights whereby the original compensation formula negotiated in 2009 was replaced with the District now receiving a flat 45% of all payments in lieu of taxes (PILOT's) collected on the Grandview Yard property. The Board of Education also passed a resolution earmarking increased funds from the renegotiated agreement to offset bond millage to be collected on the November 2018 bond levy.

During fiscal year 2022, the District received a total of \$4,130,051 for payment in lieu of taxes from the City of Grandview Heights. Of this total, \$1,016,406 has been set aside to be used for debt service on the district's 2019 bond issue.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information contact: Beth Collier, Treasurer, at Grandview Heights City School District, 1587 West 3<sup>rd</sup> Avenue, Columbus, Ohio 43212.

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2022

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 29,964,103	\$ 316,812	\$ 30,280,915
Receivables:			
Property taxes	17,761,750	-	17,761,750
Payment in lieu of taxes	4,586,668	-	4,586,668
Accounts	4,309	2,711	7,020
Accrued interest	50,968	-	50,968
Intergovernmental	109,719	-	109,719
Lease	581,727	-	581,727
Prepayments	11,085	363	11,448
Materials and supplies inventory	-	2,925	2,925
Inventory held for resale	-	7,084	7,084
Net OPEB asset	1,713,955	-	1,713,955
Capital assets:			
Nondepreciable capital assets	46,828,144	-	46,828,144
Depreciable capital assets, net	7,929,236	63,255	7,992,491
Capital assets, net	<u>54,757,380</u>	<u>63,255</u>	<u>54,820,635</u>
Total assets	<u>109,541,664</u>	<u>393,150</u>	<u>109,934,814</u>
<b>Deferred outflows of resources:</b>			
Pension	5,488,829	152,823	5,641,652
OPEB	625,932	108,103	734,035
Total deferred outflows of resources	<u>6,114,761</u>	<u>260,926</u>	<u>6,375,687</u>
<b>Liabilities:</b>			
Accounts payable	153,217	2,968	156,185
Contracts payable	1,643,986	-	1,643,986
Retainage payable	1,742,618	-	1,742,618
Accrued wages and benefits payable	1,946,321	41,917	1,988,238
Intergovernmental payable	64,131	455	64,586
Pension and postemployment benefits payable	195,778	25,506	221,284
Accrued interest payable	163,549	-	163,549
Unearned revenue	-	50,707	50,707
Long-term liabilities:			
Due within one year	721,987	5,102	727,089
Due in more than one year:			
Net pension liability	12,879,901	441,153	13,321,054
Net OPEB liability	1,316,806	233,663	1,550,469
Other amounts due in more than one year	55,675,227	14,904	55,690,131
Total liabilities	<u>76,503,521</u>	<u>816,375</u>	<u>77,319,896</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	10,512,525	-	10,512,525
Payment in lieu of taxes levied for the next fiscal year	4,586,668	-	4,586,668
Lease	564,575	-	564,575
Pension	10,458,098	282,958	10,741,056
OPEB	2,751,980	248,872	3,000,852
Total deferred inflows of resources	<u>28,873,846</u>	<u>531,830</u>	<u>29,405,676</u>
<b>Net position:</b>			
Net investment in capital assets	9,670,032	63,255	9,733,287
Restricted for:			
Capital projects	5,081,199	-	5,081,199
Federally funded programs	6,241	-	6,241
Other purposes	95,000	-	95,000
Unrestricted (deficit)	<u>(4,573,414)</u>	<u>(757,384)</u>	<u>(5,330,798)</u>
Total net position (deficit)	<u>\$ 10,279,058</u>	<u>\$ (694,129)</u>	<u>\$ 9,584,929</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 9,478,250	\$ 59,237	\$ 107,073	\$ -
Special	2,484,679	105,174	439,654	-
Vocational	-	-	120	-
Other	381	-	-	-
Support services:				
Pupil	1,317,423	-	109,784	-
Instructional staff	2,005,944	10,642	213,398	-
Board of education	173,020	-	-	-
Administration	1,637,776	-	-	-
Fiscal	719,145	-	-	-
Business	113,883	17,102	6,758	-
Operations and maintenance	2,305,143	55,793	5,836	648,807
Pupil transportation	11,346	-	-	-
Central	259,640	-	-	-
Operation of non-instructional services:				
Other non-instructional services	10,874	-	-	-
Extracurricular activities	1,057,957	226,868	6,668	-
Interest and fiscal charges	1,855,365	-	-	-
Total governmental activities	<u>23,430,826</u>	<u>474,816</u>	<u>889,291</u>	<u>648,807</u>
<b>Business-type activities:</b>				
Food service	495,130	59,175	671,743	-
Child care	270,078	375,690	-	-
Total business-type activities	<u>765,208</u>	<u>434,865</u>	<u>671,743</u>	<u>-</u>
Totals	<u>\$ 24,196,034</u>	<u>\$ 909,681</u>	<u>\$ 1,561,034</u>	<u>\$ 648,807</u>

**General revenues:**  
Property taxes levied for:  
    General purposes  
    Debt service  
    Capital outlay  
Payments in lieu of taxes  
Grants and entitlements not restricted  
to specific programs  
Investment earnings  
(Decrease) in fair value of investments  
Miscellaneous  
Total general revenues

Change in net position

**Net position (deficit) at beginning of year**

**Net position (deficit) at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (9,311,940)	\$ -	\$ (9,311,940)
(1,939,851)	-	(1,939,851)
120	-	120
(381)	-	(381)
(1,207,639)	-	(1,207,639)
(1,781,904)	-	(1,781,904)
(173,020)	-	(173,020)
(1,637,776)	-	(1,637,776)
(719,145)	-	(719,145)
(90,023)	-	(90,023)
(1,594,707)	-	(1,594,707)
(11,346)	-	(11,346)
(259,640)	-	(259,640)
(10,874)	-	(10,874)
(824,421)	-	(824,421)
<u>(1,855,365)</u>	<u>-</u>	<u>(1,855,365)</u>
<u>(21,417,912)</u>	<u>-</u>	<u>(21,417,912)</u>
-	235,788	235,788
<u>-</u>	<u>105,612</u>	<u>105,612</u>
-	341,400	341,400
<u>(21,417,912)</u>	<u>341,400</u>	<u>(21,076,512)</u>
14,907,682	-	14,907,682
1,653,419	-	1,653,419
501,531	-	501,531
4,130,051	-	4,130,051
2,840,949	-	2,840,949
155,514	199	155,713
(804,947)	-	(804,947)
250,006	15	250,021
<u>23,634,205</u>	<u>214</u>	<u>23,634,419</u>
2,216,293	341,614	2,557,907
<u>8,062,765</u>	<u>(1,035,743)</u>	<u>7,027,022</u>
<u>\$ 10,279,058</u>	<u>\$ (694,129)</u>	<u>\$ 9,584,929</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 14,340,009	\$ 11,497,812	\$ 4,126,282	\$ 29,964,103
Receivables:				
Property taxes	15,563,896	-	2,197,854	17,761,750
Payment in lieu of taxes	4,586,668	-	-	4,586,668
Accounts	4,309	-	-	4,309
Accrued interest	1,939	49,029	-	50,968
Interfund loans	16,324	-	-	16,324
Intergovernmental	53,504	-	56,215	109,719
Lease	581,727	-	-	581,727
Prepayments	11,085	-	-	11,085
Total assets	<u>\$ 35,159,461</u>	<u>\$ 11,546,841</u>	<u>\$ 6,380,351</u>	<u>\$ 53,086,653</u>
<b>Liabilities:</b>				
Accounts payable	\$ 67,191	\$ -	\$ 86,026	\$ 153,217
Contracts payable	-	1,643,986	-	1,643,986
Retainage payable	-	1,742,618	-	1,742,618
Accrued wages and benefits payable	1,918,421	-	27,900	1,946,321
Intergovernmental payable	63,778	-	353	64,131
Pension and postemployment benefits payable	188,626	-	7,152	195,778
Interfund loans payable	-	-	16,324	16,324
Total liabilities	<u>2,238,016</u>	<u>3,386,604</u>	<u>137,755</u>	<u>5,762,375</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	9,211,695	-	1,300,830	10,512,525
Payment in lieu of taxes levied for the next fiscal year	4,586,668	-	-	4,586,668
Delinquent property tax revenue not available	239,390	-	33,805	273,195
Intergovernmental revenue not available	-	-	30,655	30,655
Accrued interest not available	-	19,996	-	19,996
Lease	564,575	-	-	564,575
Total deferred inflows of resources	<u>14,602,328</u>	<u>19,996</u>	<u>1,365,290</u>	<u>15,987,614</u>
<b>Fund balances:</b>				
Nonspendable:				
Prepays	11,085	-	-	11,085
Restricted:				
Debt service	-	-	2,552,235	2,552,235
Capital improvements	-	8,140,241	2,085,919	10,226,160
Federally funded programs	-	-	4,388	4,388
Other purposes	-	-	95,000	95,000
Committed:				
Extracurricular	-	-	168,566	168,566
Assigned:				
Student instruction	13,082	-	-	13,082
Student and staff support	411,710	-	-	411,710
Extracurricular activities	6,737	-	-	6,737
Unassigned (deficit)	17,876,503	-	(28,802)	17,847,701
Total fund balances	<u>18,319,117</u>	<u>8,140,241</u>	<u>4,877,306</u>	<u>31,336,664</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 35,159,461</u>	<u>\$ 11,546,841</u>	<u>\$ 6,380,351</u>	<u>\$ 53,086,653</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022

<b>Total governmental fund balances</b>		\$	31,336,664
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			54,757,380
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	273,195	
Accrued interest receivable		19,996	
Intergovernmental receivable		30,655	
Total		30,655	323,846
Unamortized premiums on bonds issued are not recognized in the funds.			(4,713,280)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(163,549)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		5,488,829	
Deferred inflows - pension		(10,458,098)	
Net pension liability		(12,879,901)	
Deferred outflows - OPEB		625,932	
Deferred inflows - OPEB		(2,751,980)	
Net OPEB asset		1,713,955	
Net OPEB liability		(1,316,806)	
Total		(1,316,806)	(19,578,069)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(50,260,000)	
Compensated absences		(1,423,934)	
Total		(51,683,934)	(51,683,934)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>10,279,058</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 15,206,692	\$ -	\$ 2,200,516	\$ 17,407,208
Intergovernmental	2,955,700	-	901,228	3,856,928
Investment earnings	155,514	331,758	-	487,272
Tuition and fees	163,290	-	-	163,290
Extracurricular	-	-	224,047	224,047
Rental income	55,793	-	-	55,793
Contributions and donations	11,219	-	6,500	17,719
Payment in lieu of taxes	4,130,051	-	-	4,130,051
Miscellaneous	293,742	-	374,526	668,268
(Decrease) in fair value of investments	-	(804,947)	-	(804,947)
Total revenues	<u>22,972,001</u>	<u>(473,189)</u>	<u>3,706,817</u>	<u>26,205,629</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	9,616,740	508,224	103,174	10,228,138
Special	2,495,207	-	298,888	2,794,095
Other	441	-	-	441
Support services:				
Pupil	1,384,195	-	44,166	1,428,361
Instructional staff	1,703,232	67,987	210,484	1,981,703
Board of education	174,261	-	-	174,261
Administration	1,806,094	-	-	1,806,094
Fiscal	723,072	9,260	30,480	762,812
Business	87,911	-	-	87,911
Operations and maintenance	1,889,271	-	5,836	1,895,107
Pupil transportation	11,346	-	-	11,346
Central	283,165	-	-	283,165
Extracurricular activities	836,072	-	241,870	1,077,942
Facilities acquisition and construction	-	14,642,364	166,605	14,808,969
Debt service:				
Principal retirement	-	-	1,905,000	1,905,000
Interest and fiscal charges	-	-	2,000,681	2,000,681
Total expenditures	<u>21,011,007</u>	<u>15,227,835</u>	<u>5,007,184</u>	<u>41,246,026</u>
Excess of revenues over (under) expenditures	<u>1,960,994</u>	<u>(15,701,024)</u>	<u>(1,300,367)</u>	<u>(15,040,397)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	910,556	910,556
Transfers (out)	(910,556)	-	-	(910,556)
Total other financing sources (uses)	<u>(910,556)</u>	<u>-</u>	<u>910,556</u>	<u>-</u>
Net change in fund balances	1,050,438	(15,701,024)	(389,811)	(15,040,397)
<b>Fund balances at beginning of year</b>	<u>17,268,679</u>	<u>23,841,265</u>	<u>5,267,117</u>	<u>46,377,061</u>
<b>Fund balances at end of year</b>	<u>\$ 18,319,117</u>	<u>\$ 8,140,241</u>	<u>\$ 4,877,306</u>	<u>\$ 31,336,664</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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, 2022

<b>Net change in fund balances - total governmental funds</b>	\$	(15,040,397)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital asset additions	\$ 14,576,782	
Current year depreciation	(480,128)	
Total		14,096,654
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(513,692)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(344,576)	
Earnings on investments	(50,747)	
Miscellaneous revenue	(15,170)	
Intergovernmental	(148,017)	
Total		(558,510)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,905,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	6,350	
Amortization of bond premiums	138,966	
Total		145,316
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,836,931	
OPEB	46,516	
Total		1,883,447
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	44,954	
OPEB	98,879	
Total		143,833
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		154,642
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>2,216,293</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 15,055,316	\$ 15,485,713	\$ 15,514,613	\$ 28,900
Intergovernmental	2,859,177	2,908,973	2,946,402	37,429
Investment earnings	127,837	200,000	131,737	(68,263)
Tuition and fees	158,456	93,691	163,290	69,599
Rental income	54,507	85,651	56,170	(29,481)
Contributions and donations	-	5,000	-	(5,000)
Payment in lieu of taxes	4,007,784	4,127,530	4,130,051	2,521
Miscellaneous	218,162	224,681	224,818	137
Total revenues	<u>22,481,239</u>	<u>23,131,239</u>	<u>23,167,081</u>	<u>35,842</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	9,867,389	10,471,549	9,534,311	937,238
Special	2,815,392	2,349,018	2,459,004	(109,986)
Other	121	50	441	(391)
Support services:				
Pupil	1,518,419	1,455,517	1,401,998	53,519
Instructional staff	2,315,628	2,057,869	1,702,623	355,246
Board of education	250,432	222,054	176,477	45,577
Administration	1,985,594	1,624,849	1,810,567	(185,718)
Fiscal	833,746	736,810	724,095	12,715
Business	84,105	76,216	70,206	6,010
Operations and maintenance	2,071,245	1,992,601	1,974,747	17,854
Pupil transportation	2,924	13,210	11,346	1,864
Central	279,102	244,488	283,042	(38,554)
Extracurricular activities	980,671	847,882	827,034	20,848
Total expenditures	<u>23,004,768</u>	<u>22,092,113</u>	<u>20,975,891</u>	<u>1,116,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(523,529)</u>	<u>1,039,126</u>	<u>2,191,190</u>	<u>1,152,064</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	-	-	-	-
Transfers (out)	-	(1,078,906)	(916,466)	162,440
Advances in	-	-	323,147	323,147
Advances (out)	-	(20,000)	(32,074)	(12,074)
Total other financing sources (uses)	<u>-</u>	<u>(1,098,906)</u>	<u>(625,393)</u>	<u>473,513</u>
Net change in fund balance	(523,529)	(59,780)	1,565,797	1,625,577
<b>Fund balance at beginning of year</b>	12,049,001	12,049,001	12,049,001	-
<b>Prior year encumbrances appropriated</b>	233,749	233,749	233,749	-
<b>Fund balance at end of year</b>	<u>\$ 11,759,221</u>	<u>\$ 12,222,970</u>	<u>\$ 13,848,547</u>	<u>\$ 1,625,577</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	<b>Nonmajor Enterprise Funds</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments	\$ 316,812
Receivables:	
Accounts	2,711
Prepayments	363
Materials and supplies inventory	2,925
Inventory held for resale	7,084
Total current assets	329,895
Noncurrent assets:	
Depreciable capital assets, net	63,255
Total noncurrent assets	63,255
Total assets	393,150
<b>Deferred outflows of resources:</b>	
Pension	152,823
OPEB	108,103
Total deferred outflows of resources	260,926
<b>Liabilities:</b>	
Accounts payable	2,968
Accrued wages and benefits	41,917
Compensated absences	5,102
Pension and postemployment benefits payable	25,506
Intergovernmental payable	455
Unearned revenue	50,707
Total current liabilities	126,655
Long-term liabilities:	
Compensated absences payable	14,904
Net pension liability	441,153
Net OPEB liability	233,663
Total long-term liabilities	689,720
Total liabilities	816,375
<b>Deferred inflows of resources:</b>	
Pension	282,958
OPEB	248,872
Total deferred inflows of resources	531,830
<b>Net position:</b>	
Investment in capital assets	63,255
Unrestricted (deficit)	(757,384)
Total net position (deficit)	\$ (694,129)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Nonmajor Enterprise Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 434,865
Other	15
Total operating revenues	<u>434,880</u>
<b>Operating expenses:</b>	
Personal services	470,183
Purchased services	25,336
Materials and supplies	239,669
Other	16,670
Depreciation	5,123
Total operating expenses	<u>756,981</u>
Operating (loss)	<u>(322,101)</u>
<b>Nonoperating revenues (expenses):</b>	
Grants and subsidies	653,926
Interest revenue	199
Federal donated commodities	17,817
Loss on disposal of capital assets	(8,227)
Total nonoperating revenues (expenses)	<u>663,715</u>
Change in net position	341,614
<b>Net position (deficit) at beginning of year</b>	<u>(1,035,743)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ (694,129)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<b>Nonmajor Enterprise Funds</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services	\$ 443,979
Cash received from other operations	15
Cash payments for personal services	(621,250)
Cash payments for purchased services	(13,900)
Cash payments for materials and supplies	(231,334)
Cash payments for other expenses	(18,391)
	(440,881)
Net cash (used in) operating activities	(440,881)
<b>Cash flows from noncapital financing activities:</b>	
Cash received from grants and subsidies	653,926
	653,926
Net cash provided by noncapital financing activities	653,926
<b>Cash flows from investing activities:</b>	
Interest received	199
	199
Net cash provided by investing activities	199
Net increase in cash and cash cash equivalents	213,244
<b>Cash and cash equivalents at beginning of year</b>	<b>103,568</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 316,812</b>
<b>Reconciliation of operating (loss) to net cash (used in) operating activities:</b>	
Operating (loss)	\$ (322,101)
Adjustments:	
Depreciation	5,123
Federal donated commodities	17,817
Changes in assets and liabilities:	
Decrease in materials and supplies inventory	14
Decrease in inventory held for resale	2,707
Decrease in accounts receivable	1,417
Decrease in prepayments	23
(Increase) in deferred outflows - pension	(49,008)
(Increase) in deferred outflows - OPEB	(41,024)
(Decrease) in accounts payable	(2,488)
(Decrease) in accrued wages and benefits	(6,575)
(Decrease) in due to other governments	(102)
Increase in compensated absences payable	2,064
(Decrease) in pension and postemployment benefits payable	(2,958)
Increase in unearned revenue	7,697
(Decrease) in net pension liability	(217,581)
Increase in net OPEB liability	8,265
Increase in deferred inflows - pension	145,921
Increase in deferred inflows - OPEB	9,908
	9,908
Net cash (used in) operating activities	\$ (440,881)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Grandview Heights City School District (the “District”) was organized on May 14, 1906. A special election on May 1, 1906 was held whereby L.D. Bonebrake, C.H. Walcutt, J.E. Hussey, S.M. Orwig and D.S. Field were selected as the first members of the Board of Education. The District continues to be governed by a five-member Board of Education (the Board) elected by the citizens of Grandview Heights and Marble Cliff.

The District is an independent political subdivision of the State of Ohio. It was created by the state to carry out the constitutional requirement to provide a system of public education. The constitution is silent as to how the public schools in Ohio are to be classified or organized, thus leaving it to legislative determination. The District is organized as a city school district according to Ohio Revised Code Section 3311.02. The District consists of the territory within the corporate limits of the City of Grandview Heights and the Village of Marble Cliff encompassing approximately 1.6 square miles.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following organizations are described due to their relationship to the District.

*JOINTLY GOVERNED ORGANIZATION*

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2022, the District paid META Solutions \$25,384 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

*JOINT VENTURE WITHOUT EQUITY INTEREST*

The Rockbridge Academy (the "Academy")

The Academy is a joint venture consisting of a consortium of five school districts. The Academy was formed for the purpose of providing alternative education services to at risk students. The initial capital of the Academy was raised through the receipt of a per pupil charge dependent upon the services utilized.

The Governing Board of the Academy consists of five members appointed by each member school. The District does not have an equity interest that is explicit and measurable in the Academy; however, the District does have an ongoing financial obligation to support the Academy in meeting its financial obligations. The District did not submit any payments to the Rockbridge Academy during fiscal year 2022. Further detailed financial information may be obtained by contacting the Educational Service Center of Central Ohio at (614) 445-3750.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

*GOVERNMENTAL FUNDS*

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

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund - The building fund accounts for all financial resources that are restricted to expenditures for the District's building construction and renovation project.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Nonmajor governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets not accounted for in the building fund, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*PROPRIETARY FUNDS*

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The District's only proprietary funds are enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The nonmajor enterprise funds of the District are used to account for food service operations and the District's child care program.

**C. Basis of Presentation**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

*Fund Financial Statements* - During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Measurement Focus**

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

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

**E. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary funds.

Revenues Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year-end.

Non-exchange transactions, in which the 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 met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, payment in lieu of taxes, tuition, grants, and student fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 14 and 15 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to rent revenue in a systematic and rational manner over the term of the lease.

For the District, see Note 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenditures/Expenses - On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for principal and interest on general long-term debt, which is recorded when due.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During fiscal year 2022, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) securities, U.S. treasury notes, negotiable certificates of deposit (negotiable CD's), commercial paper, U.S. Government money market funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices.

During fiscal year 2022, the District invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB, Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2022 amounted to \$155,514 which includes \$39,474 assigned from other District funds.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District’s investment account at fiscal year-end is provided in Note 4.

**G. Inventory**

Within the basic financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of the general fund and food service enterprise fund (a nonmajor enterprise fund) were not significant at year-end. Donated commodities are presented at their entitlement value.

**H. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance.

**I. Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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 acquisition values as of the date received. The District maintains a capitalization threshold of \$2,500. The 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.

All reported capital assets except land and construction in progress 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>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	5 - 50 Years	N/A
Furniture and Equipment	3 - 20 Years	3 - 20 Years
Vehicles	10 Years	N/A

**J. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 and after nonoperating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**K. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund loan receivables and payables. These interfund balances between governmental funds are eliminated for reporting on the statement of net position.

**L. Compensated Absences**

The District has implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick and vacation leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with 15 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements and state laws.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is not recorded. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

**M. Accrued Liabilities and Long-term Debt**

All accrued liabilities and long-term debt are reported in the government-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and, compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**N. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**O. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the 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 spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 District for specific purposes, but do not meet the criteria to be classified as restricted nor 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 District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Budget Stabilization Arrangement**

The District has established a budget stabilization reserve. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2022, the balance in the budget stabilization reserve was \$1,160,868. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

**Q. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for the child care fund and the food service fund (nonmajor enterprise funds). Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenues and expenses not meeting these definitions are classified as nonoperating.

**R. Budgetary Data**

All funds, other than custodial funds, 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 budgetary control has been established by the Board of Education at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. The treasurer has been given the authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed.

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

**S. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances outstanding at year end are reported as assigned in the General Fund only, since they do not constitute expenditures or liabilities.

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**T. Pensions/Other Postemployment Benefits (OPEB)**

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

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Nether type of transaction occurred during fiscal year 2022.

**V. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**W. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**X. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding**

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 8.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2022, the District has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the District's fiscal year 2022 financial statements. The District recognized \$611,221 in governmental activities in leases receivable at July 1, 2021, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2022 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Elementary and secondary school emergency relief fund	\$ 28,373
Title I	429

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At June 30, 2022, the District had \$250 in undeposited cash on hand which is included on the financial statements as part of "equity in pooled cash and investments".

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Deposits with Financial Institutions**

At June 30, 2022, the carrying amount of all District deposits was \$633,311 and the bank balance of all District deposits was \$763,829. Of the bank balance, \$260,118 was covered by the FDIC and \$503,711 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the District's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**C. Investments**

As of June 30, 2022, the District had the following investment and maturity:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Amortized cost:</i>						
STAR Ohio	\$ 10,971,189	\$ 10,971,189	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
Negotiable CDs	3,033,200	992,047	496,407	126,925	490,777	927,044
FFCB	3,195,661	2,056,337	370,605	-	110,280	658,439
FHLMC	801,873	465,112	244,683	-	-	92,078
FHLB	1,711,037	1,250,433	-	-	-	460,604
FNMA	1,556,561	1,415,122	-	-	-	141,439
U.S. Treasury notes	5,810,268	-	1,250,139	555,904	427,263	3,576,962
Commercial paper	2,433,592	2,433,592	-	-	-	-
U.S. Government money market mutual funds	133,973	133,973	-	-	-	-
<b>Totals</b>	<b>\$ 29,647,354</b>	<b>\$ 19,717,805</b>	<b>\$ 2,361,834</b>	<b>\$ 682,829</b>	<b>\$ 1,028,320</b>	<b>\$ 5,856,566</b>

The weighted average maturity of investments is 0.87 days.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLMC, FHLB, FNMA), U.S. Treasury notes, commercial paper, and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs are fully covered by the FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, U.S. Treasury securities, and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 10,971,189	37.01
<i>Fair value:</i>		
Negotiable CDs	3,033,200	10.23
FFCB	3,195,661	10.78
FHLMC	801,873	2.70
FHLB	1,711,037	5.77
FNMA	1,556,561	5.25
U.S. Treasury notes	5,810,268	19.60
Commerical paper	2,433,592	8.21
U.S. Government money market mutual funds	<u>133,973</u>	<u>0.45</u>
 Total	 <u>\$ 29,647,354</u>	 <u>100.00</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2022:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 633,311
Investments	29,647,354
Cash on hand	<u>250</u>
 Total	 <u><u>\$ 30,280,915</u></u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 29,964,103
Business-type activities	<u>316,812</u>
 Total	 <u><u>\$ 30,280,915</u></u>

**NOTE 5 - RECEIVABLES**

**A. Receivables**

Receivables at June 30, 2022 consisted of property taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), interest, and intergovernmental grants and entitlements. 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 year guarantee of Federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

	Governmental activities	Business-type activities
Property taxes	\$ 17,761,750	\$ -
Intergovernmental	109,719	-
Accrued interest	50,968	-
Accounts	4,309	2,711
Payments in lieu of taxes	<u>4,586,668</u>	<u>-</u>
 Total	 <u><u>\$ 22,513,414</u></u>	 <u><u>\$ 2,711</u></u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 5 – RECEIVABLES - (Continued)**

**B. Leases Receivable**

The District is reporting leases receivable of \$581,727 in the general fund. For fiscal year 2022, the District recognized lease revenue of \$29,494, which is reported in rental income, and interest revenue of \$23,777.

The District has entered into lease agreements for cell towers and building space rental with multiple companies at varying years and terms as follows:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
American Tower	2006	35	2041	Monthly
Cingular	2003	30	2033	Monthly
Sprint	2005	25	2030	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 29,220	\$ 22,742	\$ 51,962
2024	32,904	21,503	54,407
2025	34,732	20,153	54,885
2026	38,865	18,703	57,568
2027	42,096	17,075	59,171
2028 - 2032	214,081	58,104	272,185
2033 - 2037	100,708	27,215	127,923
2038 - 2041	89,121	7,289	96,410
Total	<u>\$ 581,727</u>	<u>\$ 192,784</u>	<u>\$ 774,511</u>

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 6 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was \$6,112,811 in the general fund, \$666,726 in the debt service fund (a nonmajor governmental fund) and \$196,493 in the permanent improvement fund (a nonmajor governmental fund). The amount available as an advance at June 30, 2021 was \$6,420,731 in the general fund, \$739,659 in the debt service fund (a nonmajor governmental fund) and \$206,886 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 437,117,550	96.48	\$ 439,839,220	96.11
Public utility personal	<u>15,940,720</u>	<u>3.52</u>	<u>17,789,830</u>	<u>3.89</u>
Total	<u>\$ 453,058,270</u>	<u>100.00</u>	<u>\$ 457,629,050</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 112.15		\$ 111.85	

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/22</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 137,400	\$ -	\$ -	\$ 137,400
Construction in progress	<u>32,198,497</u>	<u>14,492,247</u>	<u>-</u>	<u>46,690,744</u>
Total capital assets, not being depreciated	<u>32,335,897</u>	<u>14,492,247</u>	<u>-</u>	<u>46,828,144</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	17,665,188	-	(403,665)	17,261,523
Furniture and equipment	4,705,458	84,535	(1,743,161)	3,046,832
Vehicles	<u>263,234</u>	<u>-</u>	<u>(99,000)</u>	<u>164,234</u>
Total capital assets, being depreciated	<u>22,633,880</u>	<u>84,535</u>	<u>(2,245,826)</u>	<u>20,472,589</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(10,071,263)	(289,017)	167,580	(10,192,700)
Furniture and equipment	(3,532,931)	(181,969)	1,495,254	(2,219,646)
Vehicles	<u>(191,165)</u>	<u>(9,142)</u>	<u>69,300</u>	<u>(131,007)</u>
Total accumulated depreciation	<u>(13,795,359)</u>	<u>(480,128)</u>	<u>1,732,134</u>	<u>(12,543,353)</u>
Governmental activities capital assets, net	<u>\$ 41,174,418</u>	<u>\$ 14,096,654</u>	<u>\$ (513,692)</u>	<u>\$ 54,757,380</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 304,404
Special	299
<u>Support services:</u>	
Pupil	5,888
Instructional staff	46,430
Administration	150
Business	2,353
Operations and maintenance	69,950
Operation of non-instructional	156
Extracurricular activities	<u>50,498</u>
Total depreciation expense	<u>\$ 480,128</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 7 - CAPITAL ASSETS - (Continued)**

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/22</u>
<b>Business-type activities:</b>				
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 209,331	\$ -	\$ (81,808)	\$ 127,523
Total capital assets, being depreciated	<u>209,331</u>	<u>-</u>	<u>(81,808)</u>	<u>127,523</u>
<i>Less: accumulated depreciation:</i>				
Furniture and equipment	<u>(132,726)</u>	<u>(5,123)</u>	<u>73,581</u>	<u>(64,268)</u>
Total accumulated depreciation	<u>(132,726)</u>	<u>(5,123)</u>	<u>73,581</u>	<u>(64,268)</u>
Business-type activities capital assets, net	<u>\$ 76,605</u>	<u>\$ (5,123)</u>	<u>\$ (8,227)</u>	<u>\$ 63,255</u>

Depreciation expense was charged to the business-type activities as follows:

<u>Business-type activities:</u>	
Child care	\$ 3,494
Food service	<u>1,629</u>
Total business-type activities	<u>\$ 5,123</u>



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 8 - LONG-TERM OBLIGATIONS**

The changes in the District's long-term obligations during the year consist of the following.

	<u>Balance</u> <u>06/31/21</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>06/30/22</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<b><u>Governmental activities:</u></b>					
General obligation bonds:					
Series 2019 construction bonds:					
Current interest	\$ 52,165,000	\$ -	\$ (1,905,000)	\$ 50,260,000	\$ 510,000
Total general obligation bonds	<u>52,165,000</u>	<u>-</u>	<u>(1,905,000)</u>	<u>50,260,000</u>	<u>510,000</u>
Net pension liability:					
STRS	19,254,323	-	(8,860,535)	10,393,788	-
SERS	<u>4,535,736</u>	<u>-</u>	<u>(2,049,623)</u>	<u>2,486,113</u>	<u>-</u>
Total net pension liability	<u>23,790,059</u>	<u>-</u>	<u>(10,910,158)</u>	<u>12,879,901</u>	<u>-</u>
Net OPEB liability:					
SERS	<u>1,551,988</u>	<u>-</u>	<u>(235,182)</u>	<u>1,316,806</u>	<u>-</u>
Compensated absences	<u>1,578,576</u>	<u>111,006</u>	<u>(265,648)</u>	<u>1,423,934</u>	<u>211,987</u>
Total governmental activities	79,085,623	<u>\$ 111,006</u>	<u>\$ (13,315,988)</u>	65,880,641	<u>\$ 721,987</u>
Add: unamortized premium	<u>4,852,246</u>			<u>4,713,280</u>	
Total on statement of net position	<u>\$ 83,937,869</u>			<u>\$ 70,593,921</u>	
<b><u>Business-type activities:</u></b>					
Compensated absences	\$ 17,942	\$ 4,812	\$ (2,748)	\$ 20,006	\$ 5,102
Net pension liability:					
SERS	658,734	-	(217,581)	441,153	-
Net OPEB liability:					
SERS	<u>225,398</u>	<u>8,265</u>	<u>-</u>	<u>233,663</u>	<u>-</u>
Total business-type activities	<u>\$ 902,074</u>	<u>\$ 13,077</u>	<u>\$ (220,329)</u>	<u>\$ 694,822</u>	<u>\$ 5,102</u>

All general obligation bonds will be paid from property taxes in the debt service fund.

Compensated absences in the governmental activities will be paid from the general fund and compensated absences in the business-type activities will be paid from the child care fund and the food service fund (nonmajor enterprise funds).

See Note 14 for further information on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

See Note 15 for further information on the District's net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)**

Series 2019 Construction Bonds

Voted general obligation bonds in the amount of \$55,250,000 were issued in accordance with Chapter 133 of the ORC on June 25, 2019 with an interest rate ranging from 2.00% to 5.00%. The purpose of the bond issue was to complete the construction of a new 4-8 building, renovate the current high school, and to provide security upgrades to the District’s facilities. The bonds are scheduled to be repaid over a 38-year period with the final payment due on December 1, 2055. A dedicated tax estimated by the Franklin County Auditor to average 7.51 mills is being collected to repay this debt.

At June 30, 2022, \$8,559,256 of the Series 2019 Construction Bond issuance was unspent.

The Series 2019 Construction Bonds were issued at a premium of \$5,130,178. The bond premium was deposited into the debt service fund (a nonmajor governmental fund) to be used for future debt service payments. The bond premium was not used for the acquisition of capital assets; therefore, the unamortized premium liability at June 30, 2022 of \$4,713,280 is not included in the net position component “net investment in capital assets”.

Future Debt Service Requirements

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2022, are as follows:

<u>Fiscal</u> <u>Year Ending,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 510,000	\$ 1,957,481	\$ 2,467,481
2024	520,000	1,941,981	2,461,981
2025	595,000	1,919,682	2,514,682
2026	770,000	1,892,382	2,662,382
2027	800,000	1,868,982	2,668,982
2028-2032	4,660,000	8,749,910	13,409,910
2033-2037	6,135,000	7,460,956	13,595,956
2038-2042	8,295,000	5,997,105	14,292,105
2043-2047	9,515,000	4,226,105	13,741,105
2048-2052	9,450,000	2,696,955	12,146,955
2053-2056	9,010,000	660,140	9,670,140
Total	<u>\$ 50,260,000</u>	<u>\$ 39,371,679</u>	<u>\$ 89,631,679</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2022, are a voted debt margin of (\$6,521,151) (including available funds of \$2,552,235) and an unvoted debt margin of \$457,629.

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9% limit to finance additional facilities, the State Department of Education may declare that district a “special needs” district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district’s assessed valuation. The Grandview Heights City School District was determined to be a “special needs” district by the State Superintendent.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 9 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 1,565,797
Net adjustment for revenue accruals	(237,985)
Net adjustment for expenditure accruals	(397,740)
Net adjustment for other sources/uses	(290,210)
Funds budgeted elsewhere	27
Adjustment for encumbrances	410,549
GAAP basis	<u>\$ 1,050,438</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the public school support fund, and the staff technology purchase fund.

**NOTE 10 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 10 - SET-ASIDES - (Continued)**

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2021	\$ -
Current year set-aside requirement	190,965
Current year offsets	<u>(190,965)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2023	<u>\$ -</u>
Set-aside balance June 30, 2022	<u>\$ -</u>

**NOTE 11 - INTERFUND TRANSACTIONS**

A. Interfund loans receivable/payable consisted of the following at June 30, 2022, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 16,324</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the fiscal year ended June 30, 2022, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from General Fund to:</u>	
Nonmajor governmental funds	<u>\$ 910,556</u>

Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers were made from the general fund to the bond retirement fund for future debt payments; to the athletic fund for participation fees.

Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. Interfund transfers between governmental funds and enterprise funds are reported on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 12 - RISK MANAGEMENT**

**A. Property, Liability, and Fleet**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2022, the District contracted with Wright Specialty Insurance Company for property insurance, liability insurance, vehicle insurance, and excess liability insurance. Coverage provided by this insurance company is as follows:

<u>Type of Coverage</u>	<u>Liability Limit</u>
Building and contents – replacement costs	\$95,149,166
General Liability – each occurrence	1,000,000
General Liability – aggregate	3,000,000
Vehicle Liability	1,000,000
Excess Liability – each occurrence	1,000,000

The District also contracted with the Hanover Insurance Group, member of Citizens Insurance Company of America, and Wright Specialty/Caitlin Insurance Company to provide property and fleet insurance requiring deductibles ranging from \$250 to \$2,500 depending on the type of property.

Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years and there has been no significant reduction in coverage from the prior year.

**B. Workers' Compensation**

The District participates in the State Workers' Compensation system that provides coverage for accidents and injuries to employees while on the job. The premium is based on a rate per \$100 of salaries and is calculated as part of a state-wide group rating plan for workers' compensation insurance coverage sponsored by the Ohio School Board's Association.

**C. Employee Health Insurance**

The District offers employee group health insurance from Aetna, dental insurance from Delta Dental Plan, and life insurance from the American United Life Insurance Company with a portion of health insurance premiums being paid by employees. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years as there has been no significant reductions in coverage from prior year.

**NOTE 13 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

**B. Litigation**

The District is not party to legal proceedings to legal proceedings that, in the opinion of management, would have a material impact on the financial statements.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability/Asset***

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy – Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District’s contractually required contribution to SERS was \$426,927 for fiscal year 2022. Of this amount, \$19,452 is reported as pension and postemployment benefits payable.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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

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



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,474,344 for fiscal year 2022. Of this amount, \$147,062 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.07853500%	0.07957502%	
Proportion of the net pension liability current measurement date	<u>0.07933590%</u>	<u>0.08129103%</u>	
Change in proportionate share	<u>0.00080090%</u>	<u>0.00171601%</u>	
Proportionate share of the net pension liability	\$ 2,927,266	\$ 10,393,788	\$ 13,321,054
Pension expense	\$ (37,575)	\$ (63,706)	\$ (101,281)

Of the District's total pension expense of (\$101,281), (\$44,954) is reported in the governmental activities and (\$56,327) is reported in the business-type activities.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 282	\$ 321,119	\$ 321,401
Changes of assumptions	61,640	2,883,424	2,945,064
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	134,870	339,046	473,916
Contributions subsequent to the measurement date	<u>426,927</u>	<u>1,474,344</u>	<u>1,901,271</u>
Total deferred outflows of resources	<u>\$ 623,719</u>	<u>\$ 5,017,933</u>	<u>\$ 5,641,652</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 75,916	\$ 65,150	\$ 141,066
Net difference between projected and actual earnings on pension plan investments	1,507,627	8,957,457	10,465,084
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>90,313</u>	<u>44,593</u>	<u>134,906</u>
Total deferred inflows of resources	<u>\$ 1,673,856</u>	<u>\$ 9,067,200</u>	<u>\$ 10,741,056</u>

\$1,901,271 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Of the total contributions made subsequent to the measurement date, \$1,836,931 relates to governmental activities and \$64,340 relates to business-type activities.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	\$ (337,663)	\$ (1,385,670)	\$ (1,723,333)
2024	(318,192)	(1,173,248)	(1,491,440)
2025	(358,460)	(1,257,507)	(1,615,967)
2026	<u>(462,749)</u>	<u>(1,707,186)</u>	<u>(2,169,935)</u>
Total	<u>\$ (1,477,064)</u>	<u>\$ (5,523,611)</u>	<u>\$ (7,000,675)</u>

***Actuarial Assumptions - SERS***

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

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

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 4,870,249	\$ 2,927,266	\$ 1,288,661

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 19,463,675	\$ 10,393,788	\$ 2,729,753

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

**NOTE 15 - DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

See Note 14 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS’ health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS’ health care coverage. Most retirees and dependents choosing SERS’ health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS’ website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established 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 on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was \$54,770.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$54,770 for fiscal year 2022. Of this amount, \$54,770 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.08178180%	0.07957502%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.08192350%</u>	<u>0.08129103%</u>	
Change in proportionate share	<u>0.00014170%</u>	<u>0.00171601%</u>	
Proportionate share of the net OPEB liability	\$ 1,550,469	\$ -	\$ 1,550,469
Proportionate share of the net OPEB asset	\$ -	\$ 1,713,955	\$ 1,713,955
OPEB expense	\$ 14,388	\$ (127,862)	\$ (113,474)

Of the District's total OPEB expense of (\$113,474), (\$98,879) is reported in the governmental activities and (\$14,595) is reported in the business-type activities.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 16,525	\$ 61,030	\$ 77,555
Changes of assumptions	243,231	109,479	352,710
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	233,177	15,823	249,000
Contributions subsequent to the measurement date	<u>54,770</u>	<u>-</u>	<u>54,770</u>
Total deferred outflows of resources	<u>\$ 547,703</u>	<u>\$ 186,332</u>	<u>\$ 734,035</u>



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 772,202	\$ 314,025	\$ 1,086,227
Net difference between projected and actual earnings on OPEB plan investments	33,686	475,079	508,765
Changes of assumptions	212,324	1,022,500	1,234,824
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>145,736</u>	<u>25,300</u>	<u>171,036</u>
Total deferred inflows of resources	<u>\$ 1,163,948</u>	<u>\$ 1,836,904</u>	<u>\$ 3,000,852</u>

\$54,770 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023. Of the total contributions made subsequent to the measurement date, \$46,516 relates to governmental activities and \$8,254 relates to business-type activities.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	\$ (144,320)	\$ (476,304)	\$ (620,624)
2024	(144,553)	(464,413)	(608,966)
2025	(154,655)	(445,089)	(599,744)
2026	(135,717)	(199,324)	(335,041)
2027	(69,220)	(67,148)	(136,368)
Thereafter	<u>(22,550)</u>	<u>1,706</u>	<u>(20,844)</u>
Total	<u>\$ (671,015)</u>	<u>\$ (1,650,572)</u>	<u>\$ (2,321,587)</u>

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,921,219	\$ 1,550,469	\$ 1,254,288

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,193,734	\$ 1,550,469	\$ 2,026,958

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Assumption Changes Since the Prior Measurement Date** - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,446,313	\$ 1,713,955	\$ 1,937,529
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,928,470	\$ 1,713,955	\$ 1,448,687

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 16 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances (less amounts already included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 351,225
Building	7,431,545
Non-Major Governmental Funds	<u>1,121,213</u>
Total	<u>\$ 8,903,983</u>

**NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Grandview Heights has entered into such agreements. Under these agreements, the District’s property taxes were reduced by \$2,747,882.

**NOTE 18 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.07933590%	0.07853500%	0.07743560%	0.07839430%
District's proportionate share of the net pension liability	\$ 2,927,266	\$ 5,194,470	\$ 4,633,107	\$ 4,489,786
District's covered payroll	\$ 2,733,471	\$ 2,760,350	\$ 2,672,452	\$ 2,529,874
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.09%	188.18%	173.37%	177.47%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.07277760%	0.07344680%	0.07543990%	0.07746000%	0.07746000%
\$ 4,348,300	\$ 5,375,629	\$ 4,304,674	\$ 3,920,206	\$ 4,606,298
\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837	\$ 2,299,668
179.37%	235.10%	189.54%	174.17%	200.30%
69.50%	62.98%	69.16%	71.70%	65.52%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.08129103%	0.07957502%	0.07879218%	0.07914243%
District's proportionate share of the net pension liability	\$ 10,393,788	\$ 19,254,323	\$ 17,424,417	\$ 17,401,643
District's covered payroll	\$ 10,239,136	\$ 9,324,893	\$ 9,260,286	\$ 8,883,671
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.51%	206.48%	188.16%	195.88%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.07835398%	0.07992165%	0.08051284%	0.08213870%	0.08213870%
\$ 18,613,156	\$ 26,752,185	\$ 22,251,394	\$ 19,978,974	\$ 23,798,824
\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308	\$ 8,626,892
207.15%	313.63%	264.89%	238.06%	275.87%
75.30%	66.80%	72.10%	74.70%	69.30%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 426,927	\$ 382,686	\$ 386,449	\$ 360,781
Contributions in relation to the contractually required contribution	<u>(426,927)</u>	<u>(382,686)</u>	<u>(386,449)</u>	<u>(360,781)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,049,479	\$ 2,733,471	\$ 2,760,350	\$ 2,672,452
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 341,533	\$ 339,381	\$ 320,114	\$ 299,336	\$ 311,966	\$ 318,274
<u>(341,533)</u>	<u>(339,381)</u>	<u>(320,114)</u>	<u>(299,336)</u>	<u>(311,966)</u>	<u>(318,274)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,529,874	\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837	\$ 2,299,668
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,474,344	\$ 1,433,479	\$ 1,305,485	\$ 1,296,440
Contributions in relation to the contractually required contribution	<u>(1,474,344)</u>	<u>(1,433,479)</u>	<u>(1,305,485)</u>	<u>(1,296,440)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,531,029	\$ 10,239,136	\$ 9,324,893	\$ 9,260,286
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,243,714	\$ 1,257,961	\$ 1,194,177	\$ 1,176,023	\$ 1,091,000	\$ 1,121,496
<u>(1,243,714)</u>	<u>(1,257,961)</u>	<u>(1,194,177)</u>	<u>(1,176,023)</u>	<u>(1,091,000)</u>	<u>(1,121,496)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,883,671	\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308	\$ 8,626,892
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.08192350%	0.08178180%	0.07941580%	0.07929660%	0.07401690%	0.07447867%
District's proportionate share of the net OPEB liability	\$ 1,550,469	\$ 1,777,386	\$ 1,997,141	\$ 2,199,903	\$ 1,986,419	\$ 2,122,918
District's covered payroll	\$ 2,733,471	\$ 2,760,350	\$ 2,672,452	\$ 2,529,874	\$ 2,424,150	\$ 2,286,529
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.72%	64.39%	74.73%	86.96%	81.94%	92.84%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/ASSET  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.08129103%	0.07957502%	0.07879218%	0.07914243%	0.07835398%	0.79921650%
District's proportionate share of the net OPEB liability/(asset)	\$ (1,713,955)	\$ (1,398,530)	\$ (1,304,987)	\$ (1,271,738)	\$ 3,057,083	\$ 4,274,231
District's covered payroll	\$ 10,239,136	\$ 9,324,893	\$ 9,260,286	\$ 8,883,671	\$ 8,985,436	\$ 8,529,836
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.74%	15.00%	14.09%	14.32%	34.02%	50.11%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 54,770	\$ 53,173	\$ 53,892	\$ 62,114
Contributions in relation to the contractually required contribution	<u>(54,770)</u>	<u>(53,173)</u>	<u>(53,892)</u>	<u>(62,114)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,049,479	\$ 2,733,471	\$ 2,760,350	\$ 2,672,452
Contributions as a percentage of covered payroll	1.80%	1.95%	1.95%	2.32%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 54,447	\$ 41,102	\$ 37,894	\$ 58,246	\$ 41,378	\$ 38,749
<u>(54,447)</u>	<u>(41,102)</u>	<u>(37,894)</u>	<u>(58,246)</u>	<u>(41,378)</u>	<u>(38,749)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,529,874	\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837	\$ 2,299,668
2.15%	1.70%	1.66%	2.56%	1.84%	1.68%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,531,029	\$ 10,239,136	\$ 9,324,893	\$ 9,260,286
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 83,923	\$ 81,789
-	-	-	-	(83,923)	(81,789)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,883,671	\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308	\$ 8,626,892
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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PENSION (CONTINUED)

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*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.



## **SUPPLEMENTARY INFORMATION**

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Ohio Department of Education</i>			
<b>Child Nutrition Cluster:</b>			
School Breakfast Program	10.553	2022	111,520
COVID-19 - National School Lunch Program	10.555	COVID-19, 2022	27,600
National School Lunch Program	10.555	2022	374,623
National School Lunch Program - Food Donation	10.555	2022	17,817
<b>Total National School Lunch Program</b>			<b>420,040</b>
<b>Total Child Nutrition Cluster</b>			<b>531,560</b>
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
<b>Total U.S. Department of Agriculture</b>			<b>532,174</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2022	66,549
Title I Grants to Local Educational Agencies - - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2022	429
<b>Total Title I Grants to Local Educational Agencies</b>			<b>66,978</b>
<b>Special Education Cluster (IDEA):</b>			
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2021	16,338
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2022	209,979
COVID-19 - Special Education-Grants to States (IDEA, Part B) - ARP	84.027X	COVID-19, 84.027X, 2022	38,942
<b>Total Special Education-Grants to States</b>			<b>265,259</b>
COVID-19 - Special Education_Preschool Grants (IDEA Preschool)- ARP	84.173X	COVID-19, 84.173X, 2022	3,765
<b>Total Special Education Cluster (IDEA):</b>			<b>269,024</b>
Supporting Effective Instruction State Grants	84.367A	84.367A, 2022	18,376
Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	10,000
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	31,830
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2022	142,897
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund - State Activity Supplement	84.425U	COVID-19, 84.425U, 2022	134,741
<b>Total Education Stabilization Fund (ESF)</b>			<b>309,468</b>
<b>Total U.S. Department of Education</b>			<b>673,846</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 1,206,020</b>

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Grandview Heights City School District under programs of the federal government for the fiscal year ended June 30, 2022 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Grandview Heights City School District, it is not intended to and does not present the financial position, or changes in net position or cash flows of the Grandview Heights City School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Grandview Heights City School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - CHILD NUTRITION CLUSTER**

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

**NOTE 4 – FOOD DONATION PROGRAM**

The Grandview Heights City School District reports commodities consumed on the Schedule at the entitlement value. The Grandview Heights City School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE 5 – PASS THROUGH FUNDS**

The Grandview Heights City School District was awarded federal program allocations to be administered on their behalf by area Educational Service Center (ESC). For 2022, Grandview Heights City School District’s allocations are as follows:

Title III English Language Acquisitions State Grants (ALN 84.365A; ESC of Central Ohio)	\$1,362
Special Education Preschool Grants (ALN 84.173A; ESC of Central Ohio)	\$3,124

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

Grandview Heights City School District  
Franklin County  
1587 West Third Avenue  
Columbus, Ohio 43212

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Grandview Heights City School District, Franklin County, Ohio, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Grandview Heights City School District's basic financial statements, and have issued our report thereon dated December 7, 2022, wherein we noted as described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Grandview Heights City School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grandview Heights City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grandview Heights City School District's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Grandview Heights City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Grandview Heights City School District

Franklin County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Page 2

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grandview Heights City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grandview Heights City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

December 7, 2022

**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Grandview Heights City School District  
Franklin County  
1587 West Third Avenue  
Columbus, Ohio 43212

To the Board of Education:

**Report on Compliance for Each Major Federal Program*****Opinion on Each Major Federal Program***

We have audited the Grandview Heights City School District’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Grandview Heights City School District’s major federal programs for the year ended June 30, 2022. The Grandview Heights City School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the Grandview Heights City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the “Auditor’s Responsibilities for the Audit of Compliance” section of our report.

We are required to be independent of the Grandview Heights City School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Grandview Heights City School District’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Grandview Heights City School District’s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Grandview Heights City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Grandview Heights City School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Grandview Heights City School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Grandview Heights City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Grandview Heights City School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
December 7, 2022



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2022**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Child Nutrition Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/3/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)