

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

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**



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 Grandview Heights City School District, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2022 through June 30, 2023. 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

February 14, 2024

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

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## Independent Auditor's Report

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

To the Members of 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 fiscal year ended June 30, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the fiscal 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.

#### *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 contributions* 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 1, 2023 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 the Grandview Heights City School District's internal control over financial reporting and compliance.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
December 1, 2023

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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 2023 are as follows:

- In total, net position decreased \$3,517,127 from 2022's net position. Net position of governmental activities decreased \$3,551,260, which represents a 34.55% decrease from 2022's net position. Business-type activities net position increased \$34,133 from 2022.
- General revenues accounted for \$26,835,434 in revenue or 93.69% of governmental activities revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for \$1,806,525 or 6.31% of governmental activities revenues.
- The District had \$32,193,219 in expenses related to governmental activities; only \$1,806,525 of these expenses was offset by program specific charges for services or operating and capital grants resulting in a net cost of \$30,386,694 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$26,835,434 were not adequate to provide for these programs.
- The District's major governmental funds are the general fund and the building fund. The general fund had \$24,319,466 in revenues and \$23,575,234 in expenditures and other financing uses. During fiscal 2023, the general fund's fund balance increased \$744,232 from a balance of \$18,319,117 to \$19,063,349.
- The building fund had \$606,987 in revenues and \$7,354,066 in expenditures. During fiscal 2023, the building fund's fund balance decreased \$6,747,079 from a balance of \$8,140,241 to \$1,393,162 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 \$34,133 on \$943,104 in expenses and \$977,237 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, 2023

**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 2023?" 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, 2023**

**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, 2023

**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 2023 and 2022.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>				
Current and other assets	\$ 44,954,998	\$ 53,070,329	\$ 299,473	\$ 329,895
Net OPEB asset	2,074,500	1,713,955	-	-
Capital assets, net	<u>56,834,859</u>	<u>54,757,380</u>	<u>58,131</u>	<u>63,255</u>
Total assets	<u>103,864,357</u>	<u>109,541,664</u>	<u>357,604</u>	<u>393,150</u>
<b><u>Deferred outflows of resources</u></b>				
Pension	5,357,735	5,488,829	135,180	152,823
OPEB	<u>508,568</u>	<u>625,932</u>	<u>87,741</u>	<u>108,103</u>
Total deferred outflows	<u>5,866,303</u>	<u>6,114,761</u>	<u>222,921</u>	<u>260,926</u>
<b><u>Liabilities</u></b>				
Current liabilities	3,476,271	5,909,600	110,525	121,553
Long-term liabilities:				
Due within one year	702,689	721,987	5,133	5,102
Due in more than one year:				
Net pension liability	21,493,548	12,879,901	655,377	441,153
Net OPEB liability	980,148	1,316,806	174,395	233,663
Other amounts	<u>55,009,227</u>	<u>55,675,227</u>	<u>11,897</u>	<u>14,904</u>
Total liabilities	<u>81,661,883</u>	<u>76,503,521</u>	<u>957,327</u>	<u>816,375</u>
<b><u>Deferred inflows of resources</u></b>				
Property taxes and PILOTS	15,853,986	15,099,193	-	-
Lease	517,929	564,575	-	-
Pensions	2,095,438	10,458,098	27,173	282,958
OPEB	<u>2,873,626</u>	<u>2,751,980</u>	<u>256,021</u>	<u>248,872</u>
Total deferred inflows	<u>21,340,979</u>	<u>28,873,846</u>	<u>283,194</u>	<u>531,830</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	7,364,509	9,670,032	58,131	63,255
Restricted	2,640,704	5,182,440	-	-
Unrestricted (deficit)	<u>(3,277,415)</u>	<u>(4,573,414)</u>	<u>(718,127)</u>	<u>(757,384)</u>
Total net position (deficit)	<u>\$ 6,727,798</u>	<u>\$ 10,279,058</u>	<u>\$ (659,996)</u>	<u>\$ (694,129)</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

Over time, net position can serve as a useful indicator of a District's financial position. At June 30, 2023, the District's assets plus deferred outflows of resources exceeded liabilities and deferred inflows by \$6,067,802. Of this total, \$2,640,704 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 decreased 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 54.59% 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, 2023, was \$7,422,640. 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 increased primarily due to an increase in the net pension liability. The increase in the net pension liability is 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 to District employees, not the District.

The net pension liability increased \$8,827,871 or 66.27% and deferred inflows of resources related to pension decreased \$8,618,445 or 80.24%. 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). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

A portion of the District's net position, \$2,640,704, 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 \$3,995,542. Of the unrestricted net position, a deficit of \$3,277,415 is reported in the governmental activities and a deficit of \$718,127 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, 2023**

The table below shows the change in net position for fiscal years 2023 and 2022.

**Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services and sales	\$ 476,542	\$ 474,816	\$ 830,304	\$ 434,865	\$ 1,306,846	\$ 909,681
Operating grants and contributions	784,648	889,291	138,863	671,743	923,511	1,561,034
Capital grants and contributions	545,335	648,807	-	-	545,335	648,807
General revenues:						
Property taxes	18,281,873	17,062,632	-	-	18,281,873	17,062,632
Payments in lieu of taxes	4,982,438	4,130,051	-	-	4,982,438	4,130,051
Grants and entitlements	2,768,992	2,840,949	-	-	2,768,992	2,840,949
Investment earnings	474,701	(649,433)	8,041	199	482,742	(649,234)
Other	327,430	250,006	29	15	327,459	250,021
<b>Total revenues</b>	<b>28,641,959</b>	<b>25,647,119</b>	<b>977,237</b>	<b>1,106,822</b>	<b>29,619,196</b>	<b>26,753,941</b>
<b><u>Expenses</u></b>						
Program expenses:						
Instruction:						
Regular	16,536,825	9,478,250	-	-	16,536,825	9,478,250
Special	2,759,043	2,484,679	-	-	2,759,043	2,484,679
Other	1	381	-	-	1	381
Support services:						
Pupil	1,406,638	1,317,423	-	-	1,406,638	1,317,423
Instructional staff	2,603,248	2,005,944	-	-	2,603,248	2,005,944
Board of education	185,864	173,020	-	-	185,864	173,020
Administration	1,864,862	1,637,776	-	-	1,864,862	1,637,776
Fiscal	767,347	719,145	-	-	767,347	719,145
Business	93,073	113,883	-	-	93,073	113,883
Operations and maintenance	2,493,246	2,305,143	-	-	2,493,246	2,305,143
Pupil transportation	14,496	11,346	-	-	14,496	11,346
Central	295,190	259,640	-	-	295,190	259,640
Operation of non-instructional services	155	10,874	-	-	155	10,874
Extracurricular activities	1,355,566	1,057,957	-	-	1,355,566	1,057,957
Interest and fiscal charges	1,817,665	1,855,365	-	-	1,817,665	1,855,365
Food service	-	-	567,344	495,130	567,344	495,130
Child care	-	-	375,760	270,078	375,760	270,078
<b>Total expenses</b>	<b>32,193,219</b>	<b>23,430,826</b>	<b>943,104</b>	<b>765,208</b>	<b>33,136,323</b>	<b>24,196,034</b>
<b>Changes in net position</b>	<b>(3,551,260)</b>	<b>2,216,293</b>	<b>34,133</b>	<b>341,614</b>	<b>(3,517,127)</b>	<b>2,557,907</b>
<b>Net position (deficit) at beginning of year</b>	<b>10,279,058</b>	<b>8,062,765</b>	<b>(694,129)</b>	<b>(1,035,743)</b>	<b>9,584,929</b>	<b>7,027,022</b>
<b>Net position (deficit) at end of year</b>	<b>\$ 6,727,798</b>	<b>\$ 10,279,058</b>	<b>\$ (659,996)</b>	<b>\$ (694,129)</b>	<b>\$ 6,067,802</b>	<b>\$ 9,584,929</b>



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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

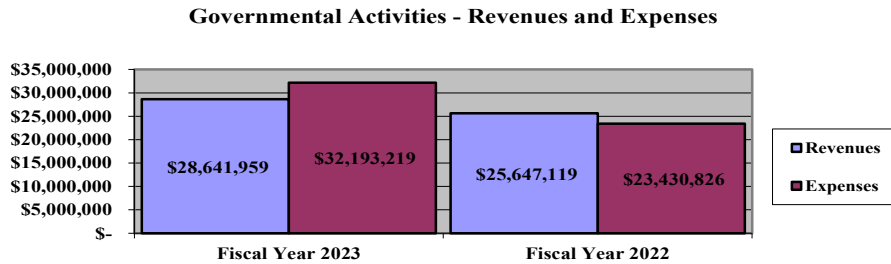
**Governmental Activities**

For fiscal year 2023, the net position of the District’s governmental activities decreased \$3,551,260 from 2022. Total governmental expenses of \$32,193,219 were partially offset by program revenues of \$1,806,525 and general revenues of \$26,835,434. Program revenues supported 5.61% of the total governmental expenses.

Revenues of the governmental activities increased \$2,994,840 from fiscal year 2022. The increase is mostly attributable to an increase in property taxes of \$1,219,241. This increase in property taxes is due to increased collections. Operating grants and contributions decreased due to the District receiving less ESSER COVID-19 money in the fiscal year. Investment earnings increased due to increased interest rates on the District’s investments.

Overall, expenses of the governmental activities increased \$8,762,393 or 37.40%. This increase is partially the result of an increase in pension expense. Pension expense increase approximately \$2,044,418. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years. Additionally, expenses increased due to the net disposal of \$5,480,981 of buildings and improvements that were replaced by the completion of the District’s building projects.

The graph below presents the District’s governmental activities revenue and expenses for fiscal year 2023 and 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, 2023**

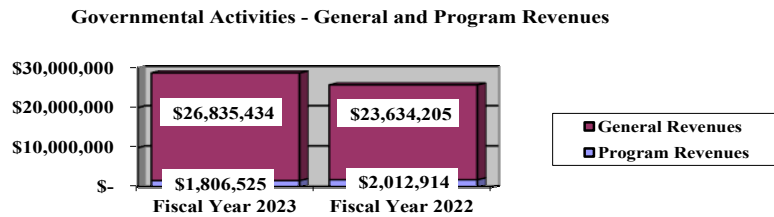
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	\$ 16,536,825	\$ 16,439,279	\$ 9,478,250	\$ 9,311,940
Special	2,759,043	2,270,170	2,484,679	1,939,851
Vocational	-	(324)	-	(120)
Other	1	1	381	381
Support services:				
Pupil	1,406,638	1,325,871	1,317,423	1,207,639
Instructional staff	2,603,248	2,427,653	2,005,944	1,781,904
Board of education	185,864	185,864	173,020	173,020
Administration	1,864,862	1,864,862	1,637,776	1,637,776
Fiscal	767,347	767,347	719,145	719,145
Business	93,073	69,382	113,883	90,023
Operations and maintenance	2,493,246	1,887,902	2,305,143	1,594,707
Pupil transportation	14,496	14,496	11,346	11,346
Central	295,190	295,190	259,640	259,640
Operation of non-instructional services	155	155	10,874	10,874
Extracurricular activities	1,355,566	1,021,181	1,057,957	824,421
Interest and fiscal charges	1,817,665	1,817,665	1,855,365	1,855,365
<b>Total expenses</b>	<b>\$ 32,193,219</b>	<b>\$ 30,386,694</b>	<b>\$ 23,430,826</b>	<b>\$ 21,417,912</b>

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 96.96% of 2023 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 94.39%. 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 2023 and 2022.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Business-type Activities**

Business-type activities include food service operations and the child care program. These programs had revenues of \$977,237 and expenses of \$943,104 for fiscal year 2023. 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 \$458,440 in charges for services and sales and had total expenses of \$375,760. Child care revenues were sufficient to support child care expenses by \$82,680.

**The District's Funds**

**Governmental Funds**

The District's governmental funds (as presented on the Balance Sheet) reported a combined fund balance of \$24,818,903, which is less than last year's fund total of \$31,336,664.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	<u>Change</u>
General	\$ 19,063,349	\$ 18,319,117	\$ 744,232
Building	1,393,162	8,140,241	(6,747,079)
Other governmental	<u>4,362,392</u>	<u>4,877,306</u>	<u>(514,914)</u>
Total	<u>\$ 24,818,903</u>	<u>\$ 31,336,664</u>	<u>\$ (6,517,761)</u>

**General Fund**

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

	<u>2023</u> <u>Amount</u>	<u>2022</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	\$ 20,867,751	\$ 19,336,743	\$ 1,531,008	7.92 %
Intergovernmental	2,934,516	2,955,700	(21,184)	(0.72) %
Investment earnings	5,883	155,514	(149,631)	(96.22) %
Tuition and fees	55,332	163,290	(107,958)	(66.11) %
Other revenues	<u>455,984</u>	<u>360,754</u>	<u>95,230</u>	26.40 %
Total	<u>\$ 24,319,466</u>	<u>\$ 22,972,001</u>	<u>\$ 1,347,465</u>	5.87 %

Property taxes increased due to increased collections. Investment earnings decreased due to the District's investments fair value decreasing during the year. The District intends to hold investments to maturity to reduce the interest rate risk. Other revenues increased due to increased reimbursements in fiscal year 2023. Tuition and fees revenue decreased due to decreased open enrollment.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 12,838,956	\$ 12,112,388	\$ 726,568	6.00 %
Support services	8,876,103	8,062,547	813,556	10.09 %
Extracurricular activities	<u>951,269</u>	<u>836,072</u>	<u>115,197</u>	<u>13.78 %</u>
Total	<u>\$ 22,666,328</u>	<u>\$ 21,011,007</u>	<u>\$ 1,655,321</u>	7.88 %

In total, expenditures increased 7.88% from 2022. Instruction expenditures increased 6.00% mainly due to increases in regular instruction for expenses due to inflation. Support services increased due to increased instructional staff and operations and maintenance. Extracurricular expenditures increased due to increased student participation.

***Building Fund***

The building fund had \$606,987 in revenues and \$7,354,066 in expenditures. During fiscal 2023, the building fund's fund balance decreased \$6,747,079 from a balance of \$8,140,241 to \$1,393,162 due to continuing the District's new building and renovation project.

***Nonmajor Governmental Funds***

The nonmajor governmental funds had \$4,497,650 in revenues and other financing sources and \$5,012,564 in expenditures. During fiscal 2023, the nonmajor governmental fund's fund balance decreased \$514,914 from \$4,877,306 to \$4,362,392.

***Enterprise Funds***

The District's enterprise funds reported operating revenues of \$830,333, operating expenses of \$943,104, and nonoperating revenues of \$146,904. Net position of the enterprise funds increased \$34,133 from a deficit of \$694,129 to a deficit of \$659,996. The Child Care Fund (a nonmajor enterprise fund) reported both an operating income and a positive change in net position of \$82,709. The Food Service Fund (a nonmajor enterprise fund) reported an operating loss of \$195,480 and a negative change in net position of \$48,576.

**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 \$22,995,640 and \$24,245,640, respectively. Actual revenue and other financing sources were \$24,666,374. The difference between the final budgeted revenues and the actual revenues and other financing sources was \$420,734.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$23,732,595. This amount was \$1,838,804 less than final budgeted amounts of \$25,571,399. The original budgeted amounts of \$23,321,399 were increased \$2,250,000 to arrive at the final budgeted amounts. Overall, fund balance on the budget basis increased \$933,779 from the prior year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2023, the District had \$56,892,990 invested in land, construction in progress, buildings and improvements, furniture and equipment and vehicles. Of this total, \$56,834,859 was reported in governmental activities and \$58,131 was reported in business-type activities. The following table shows fiscal 2023 balances compared to 2022:

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 137,400	\$ 137,400	\$ -	\$ -	\$ 137,400	\$ 137,400
Construction in progress	547,435	46,690,744	-	-	547,435	46,690,744
Buildings and improvements	55,219,134	7,068,823	-	-	55,219,134	7,068,823
Furniture and equipment	906,805	827,186	58,131	63,255	964,936	890,441
Vehicles	24,085	33,227	-	-	24,085	33,227
<b>Total</b>	<b>\$ 56,834,859</b>	<b>\$ 54,757,380</b>	<b>\$ 58,131</b>	<b>\$ 63,255</b>	<b>\$ 56,892,990</b>	<b>\$ 54,820,635</b>

Overall capital assets, net of accumulated depreciation, increased \$2,072,355 from fiscal year 2022 to fiscal year 2023. Capital outlays of \$7,936,334 were more than depreciation expense of \$382,998 and disposals of \$5,480,981 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, 2023, the District has \$49,750,000 in long-term debt outstanding. Of this total, \$520,000 is due within one year and \$49,230,000 is due within greater than one year. The following table summarizes outstanding long-term debt:

**Outstanding Debt, at Year End**

<b>Long Term Debt:</b>	Governmental	Governmental
	Activities	Activities
	2023	2022
General obligation bonds	<u>\$ 49,750,000</u>	<u>\$ 50,260,000</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, 2023**

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 2023, the District received a total of \$4,982,438 for payment in lieu of taxes from the City of Grandview Heights. Of this total, \$1,172,353 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, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 20,922,226	\$ 273,019	\$ 21,195,245
Receivables:			
Property taxes	18,544,238	-	18,544,238
Payment in lieu of taxes	4,822,822	-	4,822,822
Accounts	3,450	3,461	6,911
Accrued interest	61,095	-	61,095
Intergovernmental	36,602	9,120	45,722
Lease	552,507	-	552,507
Prepayments	12,058	406	12,464
Materials and supplies inventory	-	4,602	4,602
Inventory held for resale	-	8,865	8,865
Net OPEB asset	2,074,500	-	2,074,500
Capital assets:			
Nondepreciable capital assets	684,835	-	684,835
Depreciable capital assets, net	56,150,024	58,131	56,208,155
Capital assets, net	<u>56,834,859</u>	<u>58,131</u>	<u>56,892,990</u>
Total assets	<u>103,864,357</u>	<u>357,604</u>	<u>104,221,961</u>
<b>Deferred outflows of resources:</b>			
Pension	5,357,735	135,180	5,492,915
OPEB	508,568	87,741	596,309
Total deferred outflows of resources	<u>5,866,303</u>	<u>222,921</u>	<u>6,089,224</u>
<b>Liabilities:</b>			
Accounts payable	144,193	1,949	146,142
Contracts payable	733,975	-	733,975
Retainage payable	193,360	-	193,360
Accrued wages and benefits payable	1,965,119	52,809	2,017,928
Intergovernmental payable	57,375	602	57,977
Pension and postemployment benefits payable	219,550	10,986	230,536
Accrued interest payable	162,699	-	162,699
Unearned revenue	-	44,179	44,179
Long-term liabilities:			
Due within one year	702,689	5,133	707,822
Due in more than one year:			
Net pension liability	21,493,548	655,377	22,148,925
Net OPEB liability	980,148	174,395	1,154,543
Other amounts due in more than one year	<u>55,009,227</u>	<u>11,897</u>	<u>55,021,124</u>
Total liabilities	<u>81,661,883</u>	<u>957,327</u>	<u>82,619,210</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	11,031,164	-	11,031,164
Payment in lieu of taxes levied for the next fiscal year	4,822,822	-	4,822,822
Lease	517,929	-	517,929
Pension	2,095,438	27,173	2,122,611
OPEB	2,873,626	256,021	3,129,647
Total deferred inflows of resources	<u>21,340,979</u>	<u>283,194</u>	<u>21,624,173</u>
<b>Net position:</b>			
Net investment in capital assets	7,364,509	58,131	7,422,640
Restricted for:			
Capital projects	2,460,203	-	2,460,203
Federally funded programs	180,501	-	180,501
Unrestricted (deficit)	<u>(3,277,415)</u>	<u>(718,127)</u>	<u>(3,995,542)</u>
Total net position (deficit)	<u>\$ 6,727,798</u>	<u>\$ (659,996)</u>	<u>\$ 6,067,802</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, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 16,536,825	\$ 36,957	\$ 60,589	\$ -
Special	2,759,043	32,224	456,649	-
Vocational	-	-	324	-
Other	1	-	-	-
Support services:				
Pupil	1,406,638	-	80,767	-
Instructional staff	2,603,248	21,017	154,578	-
Board of education	185,864	-	-	-
Administration	1,864,862	-	-	-
Fiscal	767,347	-	-	-
Business	93,073	19,956	3,735	-
Operations and maintenance	2,493,246	60,009	-	545,335
Pupil transportation	14,496	-	-	-
Central	295,190	-	-	-
Operation of non-instructional services:				
Other non-instructional services	155	-	-	-
Extracurricular activities	1,355,566	306,379	28,006	-
Interest and fiscal charges	1,817,665	-	-	-
<b>Total governmental activities</b>	<b>32,193,219</b>	<b>476,542</b>	<b>784,648</b>	<b>545,335</b>
<b>Business-type activities:</b>				
Food service	567,344	371,864	138,863	-
Child care	375,760	458,440	-	-
<b>Total business-type activities</b>	<b>943,104</b>	<b>830,304</b>	<b>138,863</b>	<b>-</b>
<b>Totals</b>	<b>\$ 33,136,323</b>	<b>\$ 1,306,846</b>	<b>\$ 923,511</b>	<b>\$ 545,335</b>

**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>
\$ (16,439,279)	\$ -	\$ (16,439,279)
(2,270,170)	-	(2,270,170)
324	-	324
(1)	-	(1)
(1,325,871)	-	(1,325,871)
(2,427,653)	-	(2,427,653)
(185,864)	-	(185,864)
(1,864,862)	-	(1,864,862)
(767,347)	-	(767,347)
(69,382)	-	(69,382)
(1,887,902)	-	(1,887,902)
(14,496)	-	(14,496)
(295,190)	-	(295,190)
(155)	-	(155)
(1,021,181)	-	(1,021,181)
(1,817,665)	-	(1,817,665)
<u>(30,386,694)</u>	<u>-</u>	<u>(30,386,694)</u>
-	(56,617)	(56,617)
-	82,680	82,680
-	26,063	26,063
<u>(30,386,694)</u>	<u>26,063</u>	<u>(30,360,631)</u>
16,018,405	-	16,018,405
1,728,942	-	1,728,942
534,526	-	534,526
4,982,438	-	4,982,438
2,768,992	-	2,768,992
526,931	8,041	534,972
(52,230)	-	(52,230)
327,430	29	327,459
<u>26,835,434</u>	<u>8,070</u>	<u>26,843,504</u>
(3,551,260)	34,133	(3,517,127)
<u>10,279,058</u>	<u>(694,129)</u>	<u>9,584,929</u>
<u>\$ 6,727,798</u>	<u>\$ (659,996)</u>	<u>\$ 6,067,802</u>

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 15,058,507	\$ 2,002,583	\$ 3,861,136	\$ 20,922,226
Receivables:				
Property taxes	16,273,903	-	2,270,335	18,544,238
Payment in lieu of taxes	4,822,822	-	-	4,822,822
Accounts	3,450	-	-	3,450
Accrued interest	61,095	-	-	61,095
Interfund loans	36,789	-	-	36,789
Intergovernmental	-	-	36,602	36,602
Lease	552,507	-	-	552,507
Prepayments	12,058	-	-	12,058
Total assets	<u>\$ 36,821,131</u>	<u>\$ 2,002,583</u>	<u>\$ 6,168,073</u>	<u>\$ 44,991,787</u>
<b>Liabilities:</b>				
Accounts payable	\$ 122,614	\$ 3,735	\$ 17,844	\$ 144,193
Contracts payable	-	412,326	321,649	733,975
Retainage payable	-	193,360	-	193,360
Accrued wages and benefits payable	1,942,645	-	22,474	1,965,119
Intergovernmental payable	57,128	-	247	57,375
Pension and postemployment benefits payable	215,360	-	4,190	219,550
Interfund loans payable	-	-	36,789	36,789
Total liabilities	<u>2,337,747</u>	<u>609,421</u>	<u>403,193</u>	<u>3,350,361</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	9,680,640	-	1,350,524	11,031,164
Payment in lieu of taxes levied for the next fiscal year	4,822,822	-	-	4,822,822
Delinquent property tax revenue not available	372,482	-	51,964	424,446
Accrued interest not available	26,162	-	-	26,162
Lease	517,929	-	-	517,929
Total deferred inflows of resources	<u>15,420,035</u>	<u>-</u>	<u>1,402,488</u>	<u>16,822,523</u>
<b>Fund balances:</b>				
Nonspendable:				
Prepays	12,058	-	-	12,058
Restricted:				
Debt service	-	-	2,699,222	2,699,222
Capital improvements	-	1,393,162	1,334,921	2,728,083
Federally funded programs	-	-	180,501	180,501
Committed:				
Extracurricular	-	-	147,748	147,748
Assigned:				
Student instruction	63,074	-	-	63,074
Student and staff support	231,580	-	-	231,580
Extracurricular activities	1,781	-	-	1,781
Subsequent year's appropriations	49,919	-	-	49,919
Unassigned (deficit)	<u>18,704,937</u>	<u>-</u>	<u>-</u>	<u>18,704,937</u>
Total fund balances	<u>19,063,349</u>	<u>1,393,162</u>	<u>4,362,392</u>	<u>24,818,903</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 36,821,131</u>	<u>\$ 2,002,583</u>	<u>\$ 6,168,073</u>	<u>\$ 44,991,787</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, 2023

<b>Total governmental fund balances</b>		\$	24,818,903
<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.			56,834,859
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	424,446	
Accrued interest receivable		26,162	
Total		450,608	450,608
Unamortized premiums on bonds issued are not recognized in the funds.			(4,574,314)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(162,699)
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		5,357,735	
Deferred inflows - pension		(2,095,438)	
Net pension liability		(21,493,548)	
Deferred outflows - OPEB		508,568	
Deferred inflows - OPEB		(2,873,626)	
Net OPEB asset		2,074,500	
Net OPEB liability		(980,148)	
Total		(19,501,957)	(19,501,957)
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		(49,750,000)	
Compensated absences		(1,387,602)	
Total		(51,137,602)	(51,137,602)
<b>Net position of governmental activities</b>		\$	6,727,798

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, 2023

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 15,885,313	\$ -	\$ 2,245,309	\$ 18,130,622
Intergovernmental	2,934,516	-	817,185	3,751,701
Investment earnings	500,769	164,331	-	665,100
Tuition and fees	55,332	-	-	55,332
Extracurricular	-	-	295,795	295,795
Rental income	60,009	-	-	60,009
Contributions and donations	12,742	-	226,025	238,767
Payment in lieu of taxes	4,982,438	-	-	4,982,438
Miscellaneous	383,233	-	4,430	387,663
(Decrease) in fair value of investments	(494,886)	442,656	-	(52,230)
Total revenues	<u>24,319,466</u>	<u>606,987</u>	<u>3,588,744</u>	<u>28,515,197</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,293,733	573,321	57,532	10,924,586
Special	2,545,222	-	288,672	2,833,894
Other	1	-	-	1
Support services:				
Pupil	1,398,903	-	27,840	1,426,743
Instructional staff	2,105,556	574,218	150,693	2,830,467
Board of education	185,907	-	-	185,907
Administration	1,891,866	-	-	1,891,866
Fiscal	734,279	1,795	31,880	767,954
Business	90,720	-	-	90,720
Operations and maintenance	2,157,401	-	20,499	2,177,900
Pupil transportation	14,496	-	-	14,496
Central	296,975	-	-	296,975
Extracurricular activities	951,269	-	371,277	1,322,546
Facilities acquisition and construction	-	6,204,732	1,596,690	7,801,422
Debt service:				
Principal retirement	-	-	510,000	510,000
Interest and fiscal charges	-	-	1,957,481	1,957,481
Total expenditures	<u>22,666,328</u>	<u>7,354,066</u>	<u>5,012,564</u>	<u>35,032,958</u>
Excess of revenues over (under) expenditures	<u>1,653,138</u>	<u>(6,747,079)</u>	<u>(1,423,820)</u>	<u>(6,517,761)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	908,906	908,906
Transfers (out)	(908,906)	-	-	(908,906)
Total other financing sources (uses)	<u>(908,906)</u>	<u>-</u>	<u>908,906</u>	<u>-</u>
Net change in fund balances	744,232	(6,747,079)	(514,914)	(6,517,761)
<b>Fund balances at beginning of year</b>	<u>18,319,117</u>	<u>8,140,241</u>	<u>4,877,306</u>	<u>31,336,664</u>
<b>Fund balances at end of year</b>	<u>\$ 19,063,349</u>	<u>\$ 1,393,162</u>	<u>\$ 4,362,392</u>	<u>\$ 24,818,903</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, 2023

<b>Net change in fund balances - total governmental funds</b>	\$	(6,517,761)
<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	\$ 7,936,334	
Current year depreciation	(377,874)	
Total		7,558,460
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(5,480,981)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	151,251	
Earnings on investments	6,166	
Intergovernmental	(30,655)	
Total		126,762
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		510,000
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	850	
Amortization of bond premiums	138,966	
Total		139,816
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,926,903	
OPEB	49,794	
Total		1,976,697
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	(2,308,984)	
OPEB	408,399	
Total		(1,900,585)
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.		
		36,332
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>(3,551,260)</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, 2023

	<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	\$ 15,217,026	\$ 15,717,026	\$ 15,777,343	\$ 60,317
Intergovernmental	2,733,542	2,733,542	2,937,222	203,680
Investment earnings	206,000	206,000	446,971	240,971
Tuition and fees	98,035	98,035	55,332	(42,703)
Rental income	97,717	97,717	67,696	(30,021)
Contributions and donations	-	-	500	500
Payment in lieu of taxes	4,331,769	5,031,446	4,982,438	(49,008)
Miscellaneous	311,551	361,874	366,798	4,924
Total revenues	<u>22,995,640</u>	<u>24,245,640</u>	<u>24,634,300</u>	<u>388,660</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,150,842	10,244,821	10,305,134	(60,313)
Special	2,516,630	2,834,621	2,603,005	231,616
Other	464	464	1	463
Support services:				
Pupil	1,450,839	1,526,891	1,369,760	157,131
Instructional staff	1,913,776	2,380,372	2,200,101	180,271
Board of education	177,324	183,739	171,489	12,250
Administration	1,873,943	1,886,691	1,897,928	(11,237)
Fiscal	763,074	684,318	717,945	(33,627)
Business	64,885	72,054	76,520	(4,466)
Operations and maintenance	2,227,165	2,445,456	2,186,369	259,087
Pupil transportation	11,971	14,622	15,106	(484)
Central	301,531	296,639	287,988	8,651
Extracurricular activities	875,049	906,805	944,059	(37,254)
Total expenditures	<u>22,327,493</u>	<u>23,477,493</u>	<u>22,775,405</u>	<u>702,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>668,147</u>	<u>768,147</u>	<u>1,858,895</u>	<u>1,090,748</u>
<b>Other financing sources (uses):</b>				
Transfers (out)	(993,906)	(2,093,906)	(920,401)	1,173,505
Advances in	-	-	32,074	32,074
Advances (out)	-	-	(36,789)	(36,789)
Total other financing sources (uses)	<u>(993,906)</u>	<u>(2,093,906)</u>	<u>(925,116)</u>	<u>1,168,790</u>
Net change in fund balance	(325,759)	(1,325,759)	933,779	2,259,538
<b>Fund balance at beginning of year</b>	13,848,547	13,848,547	13,848,547	-
<b>Prior year encumbrances appropriated</b>	410,549	410,549	410,549	-
<b>Fund balance at end of year</b>	<u>\$ 13,933,337</u>	<u>\$ 12,933,337</u>	<u>\$ 15,192,875</u>	<u>\$ 2,259,538</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, 2023

	<u><b>Nonmajor Enterprise Funds</b></u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments	\$ 273,019
Receivables:	
Accounts	3,461
Intergovernmental	9,120
Prepayments	406
Materials and supplies inventory	4,602
Inventory held for resale	8,865
Total current assets	<u>299,473</u>
Noncurrent assets:	
Depreciable capital assets, net	<u>58,131</u>
Total noncurrent assets	<u>58,131</u>
Total assets	<u>357,604</u>
<b>Deferred outflows of resources:</b>	
Pension	135,180
OPEB	87,741
Total deferred outflows of resources	<u>222,921</u>
<b>Liabilities:</b>	
Accounts payable	1,949
Accrued wages and benefits	52,809
Compensated absences	5,133
Pension and postemployment benefits payable	10,986
Intergovernmental payable	602
Unearned revenue	44,179
Total current liabilities	<u>115,658</u>
Long-term liabilities:	
Compensated absences payable	11,897
Net pension liability	655,377
Net OPEB liability	174,395
Total long-term liabilities	<u>841,669</u>
Total liabilities	<u>957,327</u>
<b>Deferred inflows of resources:</b>	
Pension	27,173
OPEB	256,021
Total deferred inflows of resources	<u>283,194</u>
<b>Net position:</b>	
Investment in capital assets	58,131
Unrestricted (deficit)	<u>(718,127)</u>
Total net position (deficit)	<u>\$ (659,996)</u>

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, 2023

	<u>Nonmajor Enterprise Funds</u>
<b>Operating revenues:</b>	
Charges for services	\$ 830,304
Other	29
Total operating revenues	<u>830,333</u>
<b>Operating expenses:</b>	
Personal services	602,248
Purchased services	17,355
Materials and supplies	289,837
Other	28,540
Depreciation	5,124
Total operating expenses	<u>943,104</u>
Operating (loss)	<u>(112,771)</u>
<b>Nonoperating revenues:</b>	
Grants and subsidies	116,919
Interest revenue	8,041
Federal donated commodities	21,944
Total nonoperating revenues	<u>146,904</u>
Change in net position	34,133
<b>Net position (deficit) at beginning of year</b>	<u>(694,129)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ (659,996)</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, 2023

	<u>Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services	\$ 823,026
Cash received from other operations	29
Cash payments for personal services	(664,423)
Cash payments for purchased services	(16,878)
Cash payments for materials and supplies	(272,847)
Cash payments for other expenses	<u>(28,540)</u>
Net cash (used in) operating activities	<u>(159,633)</u>
<b>Cash flows from noncapital financing activities:</b>	
Cash received from grants and subsidies	<u>107,799</u>
Net cash provided by noncapital financing activities	<u>107,799</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>8,041</u>
Net cash provided by investing activities	<u>8,041</u>
Net (decrease) in cash and cash cash equivalents	(43,793)
<b>Cash and cash equivalents at beginning of year</b>	<u>316,812</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 273,019</u></u>
<b>Reconciliation of operating (loss) to net cash (used in) operating activities:</b>	
Operating (loss)	\$ (112,771)
Adjustments:	
Depreciation	5,124
Federal donated commodities	21,944
Changes in assets and liabilities:	
(Increase) in materials and supplies inventory	(1,677)
(Increase) in inventory held for resale	(1,781)
(Increase) in accounts receivable	(750)
(Increase) in prepayments	(43)
Decrease in deferred outflows - pension	17,643
Decrease in deferred outflows - OPEB	20,362
(Decrease) in accounts payable	(1,019)
Increase in accrued wages and benefits	10,892
Increase in due to other governments	147
(Decrease) in compensated absences payable	(2,976)
(Decrease) in pension and postemployment benefits payable	(14,520)
(Decrease) in unearned revenue	(6,528)
Increase in net pension liability	214,224
(Decrease) in net OPEB liability	(59,268)
(Decrease) in deferred inflows - pension	(255,785)
Increase in deferred inflows - OPEB	<u>7,149</u>
Net cash (used in) operating activities	<u><u>\$ (159,633)</u></u>

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, 2023

**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, 2023

**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 2023, the District paid META Solutions \$24,159 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 2023. 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, 2023

**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.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District did not have any pension trust funds, investment trust funds, private-purpose trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for monies collected on behalf of and disbursed to the Ohio High School Athletic Association (OHSAA). During fiscal year 2023, the District's custodial fund had no activity.

**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. Fiduciary funds are reported by type.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

**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 and fiduciary 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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 14 and 15 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes, payment in lieu of taxes, leases, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and accrued interest. 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 lease revenue in a systematic and rational manner over the term of the lease.

See Notes 14 and 15 for deferred inflows of resources related to net pension liability/asset 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 2023, 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.

The District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their 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.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. 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 2023 amounted to \$500,769 which includes \$111,649 assigned from other District funds.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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.

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**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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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, 2023, the balance in the budget stabilization reserve was \$1,158,354. 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. 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 legal level of budgetary control has been established by the Board of Education at the fund level. 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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. Neither type of transaction occurred during fiscal year 2023.

**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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2023, the District has implemented GASB Statement No. 91, “Conduit Debt Obligations”, GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, GASB Statement No. 96, “Subscription Based Information Technology Arrangements”, certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, “Omnibus 2022”.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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.

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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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, 2023, 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”.

**B. Deposits with Financial Institutions**

At June 30, 2023, the carrying amount of all District deposits was \$399,583 and the bank balance of all District deposits was \$505,665. Of the bank balance, \$260,183 was covered by the FDIC and \$245,482 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 2023, 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.



**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**C. Investments**

As of June 30, 2023, 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	\$ 6,681,647	\$ 6,681,647	\$ -	\$ -	\$ -	\$ -
<i>Fair value:</i>						
Negotiable CDs	2,088,784	127,876	484,599	236,544	262,354	977,411
FFCB	2,463,710	-	306,483	399,797	187,462	1,569,968
FHLMC	90,877	-	-	-	-	90,877
FHLB	1,086,508	-	-	197,536	-	888,972
FNMA	138,809	-	-	-	-	138,809
U.S. Treasury notes	7,442,001	810,970	791,339	815,684	797,844	4,226,164
Commercial paper	755,823	755,823	-	-	-	-
U.S. Government money market mutual funds	47,253	47,253	-	-	-	-
<b>Totals</b>	<b>\$ 20,795,412</b>	<b>\$ 8,423,569</b>	<b>\$ 1,582,421</b>	<b>\$ 1,649,561</b>	<b>\$ 1,247,660</b>	<b>\$ 7,892,201</b>

The weighted average maturity of investments is 1.59 years.

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).

*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.

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FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

*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, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 6,681,647	32.13
<i>Fair value:</i>		
Negotiable CDs	2,088,784	10.04
FFCB	2,463,710	11.85
FHLMC	90,877	0.44
FHLB	1,086,508	5.22
FNMA	138,809	0.67
U.S. Treasury notes	7,442,001	35.79
Commerical paper	755,823	3.63
U.S. Government money market mutual funds	<u>47,253</u>	<u>0.23</u>
Total	<u>\$ 20,795,412</u>	<u>100.00</u>

**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, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 399,583
Investments	20,795,412
Cash on hand	<u>250</u>
Total	<u>\$ 21,195,245</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 20,922,226
Business-type activities	<u>273,019</u>
Total	<u>\$ 21,195,245</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 5 - RECEIVABLES**

**A. Receivables**

Receivables at June 30, 2023 consisted of property taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), interest, leases 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	\$ 18,544,238	\$ -
Intergovernmental	36,602	9,120
Accrued interest	61,095	-
Accounts	3,450	3,461
Leases	552,507	-
Payments in lieu of taxes	4,822,822	-
Total	\$ 24,020,714	\$ 12,581

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year except for leases, which will be collected over the term of the lease.

**B. Leases Receivable**

The District is reporting leases receivable of \$552,507 in the general fund. For fiscal year 2023, the District recognized lease revenue of \$46,646, which is reported in rental income, and interest revenue of \$22,644.

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

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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>
2024	\$ 32,904	\$ 21,503	\$ 54,407
2025	34,732	20,153	54,885
2026	38,865	18,703	57,568
2027	42,096	17,076	59,172
2028	44,550	15,351	59,901
2029 - 2033	200,798	49,750	250,548
2034 - 2038	90,376	23,404	113,780
2039 - 2041	<u>68,186</u>	<u>4,103</u>	<u>72,289</u>
Total	<u>\$ 552,507</u>	<u>\$ 170,043</u>	<u>\$ 722,550</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 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, 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 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, 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.

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, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$6,220,781 in the general fund, \$671,273 in the debt service fund (a nonmajor governmental fund) and \$196,574 in the permanent improvement fund (a nonmajor governmental fund). 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 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, 2023 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 439,839,220	96.11	\$ 445,863,330	95.70
Public utility personal	<u>17,789,830</u>	<u>3.89</u>	<u>20,048,390</u>	<u>4.30</u>
Total	<u>\$ 457,629,050</u>	<u>100.00</u>	<u>\$ 465,911,720</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 111.85		\$ 111.85	

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/23</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 137,400	\$ -	\$ -	\$ 137,400
Construction in progress	<u>46,690,744</u>	<u>7,641,083</u>	<u>(53,784,392)</u>	<u>547,435</u>
Total capital assets, not being depreciated	<u>46,828,144</u>	<u>7,641,083</u>	<u>(53,784,392)</u>	<u>684,835</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	17,261,523	53,784,392	(13,649,269)	57,396,646
Furniture and equipment	3,046,832	295,251	(35,894)	3,306,189
Vehicles	<u>164,234</u>	<u>-</u>	<u>-</u>	<u>164,234</u>
Total capital assets, being depreciated	<u>20,472,589</u>	<u>54,079,643</u>	<u>(13,685,163)</u>	<u>60,867,069</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(10,192,700)	(153,100)	8,168,288	(2,177,512)
Furniture and equipment	(2,219,646)	(215,632)	35,894	(2,399,384)
Vehicles	<u>(131,007)</u>	<u>(9,142)</u>	<u>-</u>	<u>(140,149)</u>
Total accumulated depreciation	<u>(12,543,353)</u>	<u>(377,874)</u>	<u>8,204,182</u>	<u>(4,717,045)</u>
Governmental activities capital assets, net	<u>\$ 54,757,380</u>	<u>\$ 61,342,852</u>	<u>\$ (59,265,373)</u>	<u>\$ 56,834,859</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 84,362
Special	299

Support services:

Instructional staff	88,079
Administration	150
Fiscal	180
Business	2,353
Operations and maintenance	153,634
Operation of non-instructional	155
Extracurricular activities	<u>48,662</u>

Total depreciation expense \$ 377,874

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
<b>Business-type activities:</b>				
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 127,523	\$ -	\$ -	\$ 127,523
Total capital assets, being depreciated	<u>127,523</u>	<u>-</u>	<u>-</u>	<u>127,523</u>
<i>Less: accumulated depreciation:</i>				
Furniture and equipment	<u>(64,268)</u>	<u>(5,124)</u>	<u>-</u>	<u>(69,392)</u>
Total accumulated depreciation	<u>(64,268)</u>	<u>(5,124)</u>	<u>-</u>	<u>(69,392)</u>
Business-type activities capital assets, net	<u><u>\$ 63,255</u></u>	<u><u>\$ (5,124)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 58,131</u></u>

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

Business-type activities:

Child care	\$ 3,494
Food service	<u>1,630</u>
Total business-type activities	<u><u>\$ 5,124</u></u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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>06/31/22</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>06/30/23</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	\$ 50,260,000	\$ -	\$ (510,000)	\$ 49,750,000	\$ 520,000
Total general obligation bonds	<u>50,260,000</u>	<u>-</u>	<u>(510,000)</u>	<u>49,750,000</u>	<u>520,000</u>
Net pension liability:					
STRS	10,393,788	7,416,361	-	17,810,149	-
SERS	<u>2,486,113</u>	<u>1,197,286</u>	<u>-</u>	<u>3,683,399</u>	<u>-</u>
Total net pension liability	<u>12,879,901</u>	<u>8,613,647</u>	<u>-</u>	<u>21,493,548</u>	<u>-</u>
Net OPEB liability:					
SERS	<u>1,316,806</u>	<u>-</u>	<u>(336,658)</u>	<u>980,148</u>	<u>-</u>
Compensated absences	<u>1,423,934</u>	<u>321,751</u>	<u>(358,083)</u>	<u>1,387,602</u>	<u>182,689</u>
Total governmental activities	65,880,641	<u>\$ 8,935,398</u>	<u>\$ (1,204,741)</u>	73,611,298	<u>\$ 702,689</u>
Add: unamortized premium	<u>4,713,280</u>			<u>4,574,314</u>	
Total on statement of net position	<u>\$ 70,593,921</u>			<u>\$ 78,185,612</u>	
<b><u>Business-type activities:</u></b>					
Compensated absences	\$ 20,006	\$ 2,126	\$ (5,102)	\$ 17,030	\$ 5,133
Net pension liability:					
SERS	441,153	214,224	-	655,377	-
Net OPEB liability:					
SERS	<u>233,663</u>	<u>-</u>	<u>(59,268)</u>	<u>174,395</u>	<u>-</u>
Total business-type activities	<u>\$ 694,822</u>	<u>\$ 216,350</u>	<u>\$ (64,370)</u>	<u>\$ 846,802</u>	<u>\$ 5,133</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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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, 2023, \$1,206,985 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, 2023 of \$4,574,314 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, 2023, are as follows:

Fiscal Year Ending,	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	830,000	1,840,232	2,670,232
2029-2033	4,930,000	8,510,160	13,440,160
2034-2038	6,550,000	7,190,055	13,740,055
2039-2043	8,615,000	5,658,905	14,273,905
2044-2048	9,455,000	3,893,480	13,348,480
2049-2053	9,775,000	2,347,980	12,122,980
2054-2056	6,910,000	350,359	7,260,359
Total	<u>\$ 49,750,000</u>	<u>\$ 37,414,198</u>	<u>\$ 87,164,198</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, 2023, are a voted debt margin of (\$5,118,723) (including available funds of \$2,699,222) and an unvoted debt margin of \$465,912.

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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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	\$ 933,779
Net adjustment for revenue accruals	(392,482)
Net adjustment for expenditure accruals	(108,633)
Net adjustment for other sources/uses	31,960
Funds budgeted elsewhere	4,860
Adjustment for encumbrances	274,748
GAAP basis	\$ 744,232

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 public school support fund, and OHSAAs Tournament Activity 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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, 2022	\$ -
Current year set-aside requirement	243,126
Current year offsets	<u>(243,126)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

**NOTE 11 - INTERFUND TRANSACTIONS**

A. Interfund loans receivable/payable consisted of the following at June 30, 2023, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 36,789</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, 2023, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from General Fund to:</u>	
Nonmajor governmental funds	<u>\$ 908,906</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.

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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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 2023, 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	\$113,864,096
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 Anthem, 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, 2023, 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, 2023

**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 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.

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 basis of accounting.

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

Plan Description - The District’s 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$446,775 for fiscal year 2023. Of this amount, \$24,297 is reported as pension and postemployment benefits payable.

***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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years 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, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. 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, on or after July 1, 2013, must have at least ten years of qualifying service credit to 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.

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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,547,614 for fiscal year 2023. Of this amount, \$147,586 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, 2022, 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 contributions of all participating entities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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	0.079335900%	0.081291030%	
Proportion of the net pension liability current measurement date	<u>0.080217300%</u>	<u>0.080117170%</u>	
Change in proportionate share	<u>0.000881400%</u>	<u>-0.001173860%</u>	
Proportionate share of the net pension liability	\$ 4,338,776	\$ 17,810,149	\$ 22,148,925
Pension expense	\$ 274,751	\$ 2,077,799	\$ 2,352,550

At June 30, 2023, 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	\$ 175,724	\$ 227,991	\$ 403,715
Net difference between projected and actual earnings on pension plan investments	-	619,753	619,753
Changes of assumptions	42,811	2,131,339	2,174,150
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	65,043	235,865	300,908
Contributions subsequent to the measurement date	<u>446,775</u>	<u>1,547,614</u>	<u>1,994,389</u>
Total deferred outflows of resources	<u>\$ 730,353</u>	<u>\$ 4,762,562</u>	<u>\$ 5,492,915</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 28,484	\$ 68,131	\$ 96,615
Net difference between projected and actual earnings on pension plan investments	151,402	-	151,402
Changes of assumptions	-	1,604,286	1,604,286
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>17,070</u>	<u>253,238</u>	<u>270,308</u>
Total deferred inflows of resources	<u>\$ 196,956</u>	<u>\$ 1,925,655</u>	<u>\$ 2,122,611</u>

\$1,994,389 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, 2024.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ 47,711	\$ 30,634	\$ 78,345
2025	18,201	(52,085)	(33,884)
2026	(216,281)	(495,494)	(711,775)
2027	236,991	1,806,240	2,043,231
Total	\$ 86,622	\$ 1,289,295	\$ 1,375,917

***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.

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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, 2022, are presented below:

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

In 2022, 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, 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.

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, 2023

**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 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
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	\$ 6,386,470	\$ 4,338,776	\$ 2,613,620

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio’s 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 pension liability was 7.00% as of June 30, 2022. 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, 2022. 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, 2022.

**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, 2022, 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	\$ 26,904,650	\$ 17,810,149	\$ 10,119,015

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

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, 2023, 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 2023, 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 2023, the District's surcharge obligation was \$58,654.

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 \$58,654 for fiscal year 2023. Of this amount, \$58,654 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

***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, 2022, 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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	0.081923500%	0.081291030%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.082231800%</u>	<u>0.080117170%</u>	
Change in proportionate share	<u>0.000308300%</u>	<u>-0.001173860%</u>	
Proportionate share of the net OPEB liability	\$ 1,154,543	\$ -	\$ 1,154,543
Proportionate share of the net OPEB asset	\$ -	\$ 2,074,500	\$ 2,074,500
OPEB expense	\$ (49,457)	\$ (381,837)	\$ (431,294)

At June 30, 2023, 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	\$ 9,708	\$ 30,077	\$ 39,785
Net difference between projected and actual earnings on OPEB plan investments	6,000	36,109	42,109
Changes of assumptions	183,646	88,365	272,011
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	172,015	11,735	183,750
Contributions subsequent to the measurement date	<u>58,654</u>	<u>-</u>	<u>58,654</u>
Total deferred outflows of resources	<u>\$ 430,023</u>	<u>\$ 166,286</u>	<u>\$ 596,309</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 738,531	\$ 311,555	\$ 1,050,086
Changes of assumptions	473,947	1,471,022	1,944,969
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>121,605</u>	<u>12,987</u>	<u>134,592</u>
Total deferred inflows of resources	<u>\$ 1,334,083</u>	<u>\$ 1,795,564</u>	<u>\$ 3,129,647</u>

\$58,654 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, 2024.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (202,790)	\$ (483,810)	\$ (686,600)
2025	(212,872)	(464,595)	(677,467)
2026	(193,845)	(222,445)	(416,290)
2027	(127,076)	(92,176)	(219,252)
2028	(88,389)	(120,966)	(209,355)
Thereafter	(137,742)	(245,286)	(383,028)
Total	\$ (962,714)	\$ (1,629,278)	\$ (2,591,992)

***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.

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, 2023

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, 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, mortality rates were based on the PUB-2010 General Employee Amount Weighted 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.

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, 2023

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 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 long-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 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. 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, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

**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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% 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, 2023

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,433,960	\$ 1,154,543	\$ 928,978

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 890,360	\$ 1,154,543	\$ 1,499,609

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, 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%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

For the prior measurement date, 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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 liability was 7.00% as of June 30, 2022. 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 those 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, 2022. 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, 2022.

**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, 2022, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,921,025	\$ 2,074,500	\$ 2,208,709
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,151,761	\$ 2,074,500	\$ 1,976,977

**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	\$ 211,215
Building	969,274
Non-Major Governmental Funds	1,036,562
Total	\$ 2,217,051

**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 \$2,760,430.

**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 ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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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 TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.08021730%	0.07933590%	0.07853500%	0.07743560%
District's proportionate share of the net pension liability	\$ 4,338,776	\$ 2,927,266	\$ 5,194,470	\$ 4,633,107
District's covered payroll	\$ 3,049,479	\$ 2,733,471	\$ 2,760,350	\$ 2,672,452
District's proportionate share of the net pension liability as a percentage of its covered payroll	142.28%	107.09%	188.18%	173.37%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.07839430%	0.07277760%	0.07344680%	0.07543990%	0.07746000%	0.07746000%
\$ 4,489,786	\$ 4,348,300	\$ 5,375,629	\$ 4,304,674	\$ 3,920,206	\$ 4,606,298
\$ 2,529,874	\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837	\$ 2,299,668
177.47%	179.37%	235.10%	189.54%	174.17%	200.30%
71.36%	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 TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.08011717%	0.08129103%	0.07957502%	0.07879218%
District's proportionate share of the net pension liability	\$ 17,810,149	\$ 10,393,788	\$ 19,254,323	\$ 17,424,417
District's covered payroll	\$ 10,531,029	\$ 10,239,136	\$ 9,324,893	\$ 9,260,286
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.12%	101.51%	206.48%	188.16%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.07914243%	0.07835398%	0.07992165%	0.08051284%	0.08213870%	0.08213870%
\$ 17,401,643	\$ 18,613,156	\$ 26,752,185	\$ 22,251,394	\$ 19,978,974	\$ 23,798,824
\$ 8,883,671	\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308	\$ 8,626,892
195.88%	207.15%	313.63%	264.89%	238.06%	275.87%
77.31%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 446,775	\$ 426,927	\$ 382,686	\$ 386,449
Contributions in relation to the contractually required contribution	<u>(446,775)</u>	<u>(426,927)</u>	<u>(382,686)</u>	<u>(386,449)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,191,250	\$ 3,049,479	\$ 2,733,471	\$ 2,760,350
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 360,781	\$ 341,533	\$ 339,381	\$ 320,114	\$ 299,336	\$ 311,966
<u>(360,781)</u>	<u>(341,533)</u>	<u>(339,381)</u>	<u>(320,114)</u>	<u>(299,336)</u>	<u>(311,966)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,672,452	\$ 2,529,874	\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,547,614	\$ 1,474,344	\$ 1,433,479	\$ 1,305,485
Contributions in relation to the contractually required contribution	<u>(1,547,614)</u>	<u>(1,474,344)</u>	<u>(1,433,479)</u>	<u>(1,305,485)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,054,386	\$ 10,531,029	\$ 10,239,136	\$ 9,324,893
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,296,440	\$ 1,243,714	\$ 1,257,961	\$ 1,194,177	\$ 1,176,023	\$ 1,091,000
<u>(1,296,440)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,260,286	\$ 8,883,671	\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308
14.00%	14.00%	14.00%	14.00%	14.00%	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 SEVEN FISCAL YEARS

	<u>2023</u>	<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	0.08223180%	0.08192350%	0.08178180%	0.07941580%	0.07929660%	0.07401690%	0.07447867%
District's proportionate share of the net OPEB liability	\$ 1,154,543	\$ 1,550,469	\$ 1,777,386	\$ 1,997,141	\$ 2,199,903	\$ 1,986,419	\$ 2,122,918
District's covered payroll	\$ 3,049,479	\$ 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	37.86%	56.72%	64.39%	74.73%	86.96%	81.94%	92.84%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	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 SEVEN FISCAL YEARS

	<u>2023</u>	<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	0.08011717%	0.08129103%	0.07957502%	0.07879218%	0.07914243%	0.07835398%	0.79921650%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,074,500)	\$ (1,713,955)	\$ (1,398,530)	\$ (1,304,987)	\$ (1,271,738)	\$ 3,057,083	\$ 4,274,231
District's covered payroll	\$ 10,531,029	\$ 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	19.70%	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	230.73%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 58,654	\$ 54,770	\$ 53,173	\$ 53,892
Contributions in relation to the contractually required contribution	<u>(58,654)</u>	<u>(54,770)</u>	<u>(53,173)</u>	<u>(53,892)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,191,250	\$ 3,049,479	\$ 2,733,471	\$ 2,760,350
Contributions as a percentage of covered payroll	1.84%	1.80%	1.95%	1.95%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 62,114	\$ 54,447	\$ 41,102	\$ 37,894	\$ 58,246	\$ 41,378
<u>(62,114)</u>	<u>(54,447)</u>	<u>(41,102)</u>	<u>(37,894)</u>	<u>(58,246)</u>	<u>(41,378)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,672,452	\$ 2,529,874	\$ 2,424,150	\$ 2,286,529	\$ 2,271,138	\$ 2,250,837
2.32%	2.15%	1.70%	1.66%	2.56%	1.84%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,054,386	\$ 10,531,029	\$ 10,239,136	\$ 9,324,893
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,923
-	-	-	-	-	(83,923)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,260,286	\$ 8,883,671	\$ 8,985,436	\$ 8,529,836	\$ 8,400,164	\$ 8,392,308
0.00%	0.00%	0.00%	0.00%	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, 2023

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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 year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- 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%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 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 Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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PENSION (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 reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- 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 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%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

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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 year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)*

*Changes in assumptions:*

- For fiscal year 2017, 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.
- 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%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB 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 Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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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.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

*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.

(Continued)



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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)*

*Changes in assumptions (continued):*

- 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.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

## **SUPPLEMENTARY INFORMATION**

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	2023	3,954
COVID-19 - National School Lunch Program	10.555	COVID-19, 2023	32,765
National School Lunch Program	10.555	2023	200,066
National School Lunch Program - Food Donation	10.555	2023	21,944
<b>Total National School Lunch Program</b>			<b>254,775</b>
<b>Total Child Nutrition Cluster</b>			<b>258,729</b>
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	628
<b>Total U.S. Department of Agriculture</b>			<b>259,357</b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through the Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19, 2023	20,499
<b>Total U.S. Department of Treasury</b>			<b>20,499</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, 2023	66,018
Title I Grants to Local Educational Agencies - - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2023	1,818
<b>Total Title I Grants to Local Educational Agencies</b>			<b>67,836</b>
<b>Special Education Cluster (IDEA):</b>			
COVID-19 - Special Education-Grants to States (IDEA, Part B) - ARP	84.027X	COVID-19, 84.027X, 2022	11,946
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2023	196,174
<b>Total Special Education-Grants to States</b>			<b>208,120</b>
<i>Consortium Amount Passed/Transferred to the Educational Service Center of Central Ohio</i>			
Special Education_Preschool Grants (IDEA Preschool)	84.173A	84.173A, 2023	3,462
<b>Total Special Education Cluster (IDEA):</b>			<b>211,582</b>
<i>Consortium Amount Passed/Transferred to the Educational Service Center of Central Ohio</i>			
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A, 2023	1,494
Supporting Effective Instruction State Grants	84.367A	84.367A, 2023	20,201
Student Support and Academic Enrichment Program	84.424A	84.424A, 2023	10,035
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	11,798
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2023	30,455
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund - State Activity Supplement	84.425U	COVID-19, 84.425U, 2023	185,311
<b>Total Education Stabilization Fund (ESF)</b>			<b>227,564</b>
<b>Total U.S. Department of Education</b>			<b>538,712</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 818,568</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, 2023

**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, 2023 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 the Educational Service Center of Central Ohio (ESC). For fiscal year 2023, the Grandview Heights City School District’s allocations are as follows:

<u>Grant/Program Name</u>	<u>ALN</u>	<u>Reallocated to</u>	<u>Award Amount</u>
Special Education Preschool Grants (IDEA, Preschool)	84.173A	ESC of Central Ohio	\$3,462
English Language Acquisitions State Grants - Title III	84.365A	ESC of Central Ohio	\$1,494

**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 Members of 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 fiscal year ended June 30, 2023, 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 1, 2023.

**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.

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*

### **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*.

### **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 1, 2023

**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 Members of 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 fiscal year ended June 30, 2023. 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 fiscal year ended June 30, 2023.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.



Grandview Heights City School District  
Franklin County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

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.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
December 1, 2023

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

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

<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>	IDEA Special Education 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>	Yes

**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

# 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 2/27/2024**

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)