

Comprehensive Annual Financial Report

Fiscal Year End, June 30, 2018



**Granville
Schools**
Learning for Life



www.granvilleschools.org

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Granville, OH 43023
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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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LICKING COUNTY**

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LICKING COUNTY**

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Introductory Section



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**Granville
Schools**

December 12, 2018

To the Citizens and Board of Education of the Granville Exempted Village School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Granville Exempted Village School District (the "District"). This CAFR, which includes a clean opinion unmodified from the Auditor of State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditor's Report.

This report includes all funds of the District. The District provides a full range of traditional educational programs, services and facilities. These include elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

In addition to providing these general activities the District has administrative responsibility for state funds distributed to Granville Christian Academy and Welsh Hills School, private schools located within the District boundaries. In accordance with GASB Statement 24, this responsibility is included in the reporting entity as a special revenue fund. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, these organizations' financial statements are not included in this report.

PROFILE OF THE SCHOOL DISTRICT

The District was organized in the late 1800's and is a fiscally independent political subdivision of the State of Ohio. The District is a public school system located in Licking County. The District's area is approximately 48 square miles and includes all of the Village of Granville and Granville Township as well as portions of the Cities of Newark and Heath and portions of Newark, Newton, McKean, St. Albans and Union Townships. Granville is a quaint New England-type village founded in 1805 by pioneers from Massachusetts and



Connecticut. The area enjoys a favorable reputation for its educational institutions, including Denison University.

The Board of Education (the "Board") of the District is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the District. The Board is responsible for the adoption of the tax budget, the annual operating budget and the approval of all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

The District had an enrollment of 2,510 students for the fiscal year end June 30, 2018 compared to 2,455 students for the fiscal year ended June 30, 2017. These students are housed in one elementary school (grades K to 3), an intermediate school (grades 4 to 6), a middle school (grades 7 to 8), and a comprehensive high school (grades 9 to 12). The age of the buildings varies with the oldest built in 1950 and the newest, the intermediate building, opened in fiscal year 2003. Additionally, the District operates an administration building, a transportation building, and a maintenance office.

The District estimates enrollment to be 2,534, 2,577, and 2,566 for the fiscal years ending June 30, 2019, 2020, and 2021 respectively. The District's enrollment is based on average daily attendance figures and do not include students living within the District's attendance area who attend charter, community, or private schools.

Economic Condition and Outlook

Central Ohio has rebounded well from the national recession and the local economy is now growing at a healthy pace. The housing market in Granville generally held its value during the recession and is now showing price increases in most areas of the district. New construction, which had been mostly dormant during the housing market slowdown is beginning to rebound, although nowhere near the levels achieved 10 years ago. Low rates of turnover in housing during the recession are now behind us. The number of existing home sales in the district in 2015 increased over 13 percent from 2014 and has nearly doubled since its low point during the recession. The slowdowns in both new housing construction and existing home turnover, coupled with low birthrates has led to enrollment declines since the 2009/2010 school year. However, the reversal of the former two items has led to an increasing trend in enrollment which is expected to continue over the next several years.

Granville schools, in conjunction with Granville Village, Granville Township, and the local Chamber of Commerce, have begun discussions over the past several years about strategies for enhancing long-term economic sustainability. The purpose of these discussions are to foster a shared understanding and plan to implement the area's Comprehensive Plan which is intended to provide a framework through which the Granville Community can address issues related to the future of the community, including the extension of the Columbus region into Licking County, the strengthening of the tax base, and the expansion of housing opportunities, and assist with decisions that also serve to protect and preserve the rural character of the Township, the small town character of the Village, the quality and capacity of Granville schools, and other aspects of the community's quality of life.

The Granville area offers an excellent opportunity for business growth and expansion. The community contains a diverse group of employers, from small cottage home based businesses to major commercial/industrial and service corporations. Jobs are based in the college, area businesses, and many employers in the Columbus metropolitan area. Rich in higher education opportunities, Granville is the home of Denison University, and located just east of Granville, Central Ohio Technical College and The Ohio State University Newark campus. The largest employers in

the District in terms of numbers of employees are: Denison University, Granville Exempted Village Schools, and the Owens Corning Technical Center.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

In Fiscal Year 2018, the district spent more than it was taking in for the second straight year as it entered the back end of the levy cycle following a new levy passed by the voters in 2013. In November 2018, the district passed a 0.75 percent traditional income tax that will be effective January 1, 2019. As part of the levy plan, two levies that fund most of the district's capital budget will be allowed to expire at the end of 2019 and not be replaced.

To offset the revenue loss in the capital budget, 1.25 inside mills is being repurposed from general operations to the permanent improvement fund for 2018 taxes collected during 2019. An additional 1.5 mills will be moved to permanent improvement for 2019.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for Fiscal Year 2018

Financial

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the seventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The district was also received the Ohio Auditor's Award with Distinction for excellence in financial reporting.

Following failure of an income tax levy in May, the district went through about \$640,000 of budget adjustments that were put in place for the 2018/2019 school year to offset an anticipated budget shortfall.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Instructional & Academic Achievement

- GEVSD's Performance Index of 107.0 on the 2018 Ohio State Report Card is the District's highest score to date and one of the top scores in the state.
- Early literacy skill development is foundational for future academic success. Granville's balanced literacy framework resulted in 100% of students meeting Ohio's Third-Grade Guarantee requirement for promotion to 4th grade.
- Advance Placement (AP) courses allow students to earn college credits at universities across the country by scoring at least a 3 (scale of 1 – 5) on rigorous end-of-course tests. Over 400 AP tests were taken at GHS last year from 18 AP offerings, and 86% of those scored a 3 or higher. 78 GHS students were named AP scholars for their performance on 3+ AP tests.

- Using an average of local college tuition as a benchmark, the GHS 2018 AP scores alone could save GHS students well over \$1 million in college tuition.
- Granville students earn an average ACT score of 25.6 (Ohio average is 22) and average SAT scores of 1719 (2400-pt scale) and 1168 (1600-pt scale).
- Over 92% of graduates attended a 2- or 4-year institution, including admission to over 100 top universities. Class of 2018 scholarships exceeded \$6 million.
- The 2018 National Merit Program Awards include 3 National Merit Semi-Finalists and 5 Commended Students from GHS.
- The Global Scholars Diploma, which builds competencies of investigating the world, recognizing perspectives, communicating ideas and taking action, was awarded to 26 GHS seniors, with 90 GHS students enrolled in the program.
- International travel experiences for Global Language and Global Scholar students have taken GMS and GHS students to destinations such as China, Costa Rica, Italy, France, Spain, Peru and Cuba in the past decade.
- Business and entrepreneurship career-technical pathways developed in collaboration with C-TEC are being implemented at GHS for 2018-19. The AP Computer Science Principles course was added to the existing Coding and Programming career-tech pathway.
- On the 2018 Ohio State Report Card, Granville earned an “A” for Progress (student growth) for all student sub-groups and buildings.
- An award-winning World languages program, based on performances by students on the 2018 National French, Latin and Spanish exams, now begins in Kindergarten with the implementation of the K – 6 Global Language Program.
- *Too Good For Drugs* curriculum was implemented K – 12 and Substance Abuse Prevention Testing was provided as an option to GHS families.
- Personal Chromebooks were issued to over 1300 students in grades 7 – 12 as part of the 1-to1 initiative along with an increase in devices in grades K – 6.
- GES and GIS language arts staff engaged in a week of literacy professional development in August through Teacher’s College from Columbia University.

Initiatives for Fiscal Year 2019

Financial

The district will apply to receive the Certificate of Excellence in Financial Reporting for its fiscal year 2018 CAFR.

Granville passed an income tax at the November 2018 general election. The new levy will address both the district’s long-term operating and capital needs. In 2018, the district was on the downside of the levy cycle from the additional property tax passed in 2013, spending more money than was being brought in. Additionally, the district is facing the loss of about 30 percent of its capital budget resources over the next eight years because of the

expiration of a half-mill facilities levy and the phasing out of revenue from the special assessments on homes covered by the Newark-Granville Community Authority.

The treasurer's office is planning to migrate from the current State Accounting Software system to the upgraded system in the second half of 2019. All districts that are planning to continue using state software will be required to migrate over the next few years. By being near the beginning of the transition period, we may have more opportunity to seek system enhancements.

Near the end of FY 2019, the district will be transitioning to a new CFO/Treasurer. The current treasurer has announced his resignation effective May 31, 2019. With a six-month lead time, the transition will be as seamless as possible.

Instruction

Granville Exempted Village School District (GEVSD) identified Project-Based Learning (PBL) as the innovative practice that would have the greatest impact on our students and best prepare them for the future. Through PBL, students develop critical soft skills, such as working well with others, handling interpersonal conflicts, making thoughtful decisions, and solving complex problems. A key component of PBL is the treatment of failure as part of the learning process. Unlike traditional classroom settings, students are given the opportunity to make mistakes, learn from these mistakes, and improve their skills. These are essential traits in the global marketplace. With this in mind, we employ professional development that is based on high-leverage instructional approaches that are research-based. We have engaged the national faculty from the Buck Institute to provide the professional development on PBL. The Gold Standard of PBL professional development looks at the effective design elements and teacher practices that ensure high quality experiences and projects for students.

A direct product of our PBL path will be to engage the staff and community in a process called a Portrait of a Graduate. We will work with all stakeholders to identify what success skills students need to possess to be competitive in the 21st century work environment. Once identified, professional development will be structured to help staff give students feedback on progressing towards identified benchmarks for each success skill in a strengths-based, growth-mindset format. Indirectly related and parallel to the Portrait of a Grad conversation, our Well-Being Initiative will provide students and staff tools to utilize during the course of instruction to promote mindfulness and stress-reducing techniques into the classroom.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

FINANCIAL POLICIES AND INFORMATION

The District courses of study will continue to be revised and periodically updated to provide students with instruction that is closely correlated with the State's academic content standards. To support the effective implementation of the new courses of study, additional financial resources will be needed to train teachers and to provide students with current learning materials and equipment.

Internal Controls

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed

the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Risk Management

The District is enrolled in a group purchasing program for worker's compensation. In this plan, the individual premium rate is calculated based on the worker's compensation experience of the District. Additionally, the District carries all-risk property insurance on buildings and contents, fleet insurance on all rolling stock, liability and excess liability insurance coverage as well as officers' liability insurance, employee benefits liability, and workers' compensation intentional acts defense coverage. All employees are covered by the District's blanket bond, and medical coverage for employees is provided through a conventional healthcare plan.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, negotiable certificates of deposit, and both the State Treasury Asset Reserve of Ohio (STAR Ohio) and money market accounts through Park National Bank.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Independent Audit

Office of Management and Budget Uniform Guidance requires an annual audit by independent auditors. The Auditor of State of Ohio conducted the District's fiscal year 2018 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the OMB Uniform Guidance. The Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

Acknowledgements

This report has been compiled and prepared by the Treasurer's office staff. Special acknowledgement is given to the Superintendent of Schools and the Granville Board of Education for their leadership and commitment to the students, staff and community of the Granville Exempted Village School District.

Respectfully submitted,


Mike Sobul, CFO/Treasurer

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
ELECTED OFFICIALS AND ADMINISTRATIVE STAFF
AS OF JUNE 30, 2018**

BOARD OF EDUCATION MEMBERS

| | |
|----------------|----------------------|
| President | Mr. Russell Ginise |
| Vice-President | Mr. Thomas Miller |
| Member | Ms. Amy Deeds |
| Member | Ms. Jennifer Cornman |
| Member | Mr. Fred Wolf |

APPOINTED OFFICIALS

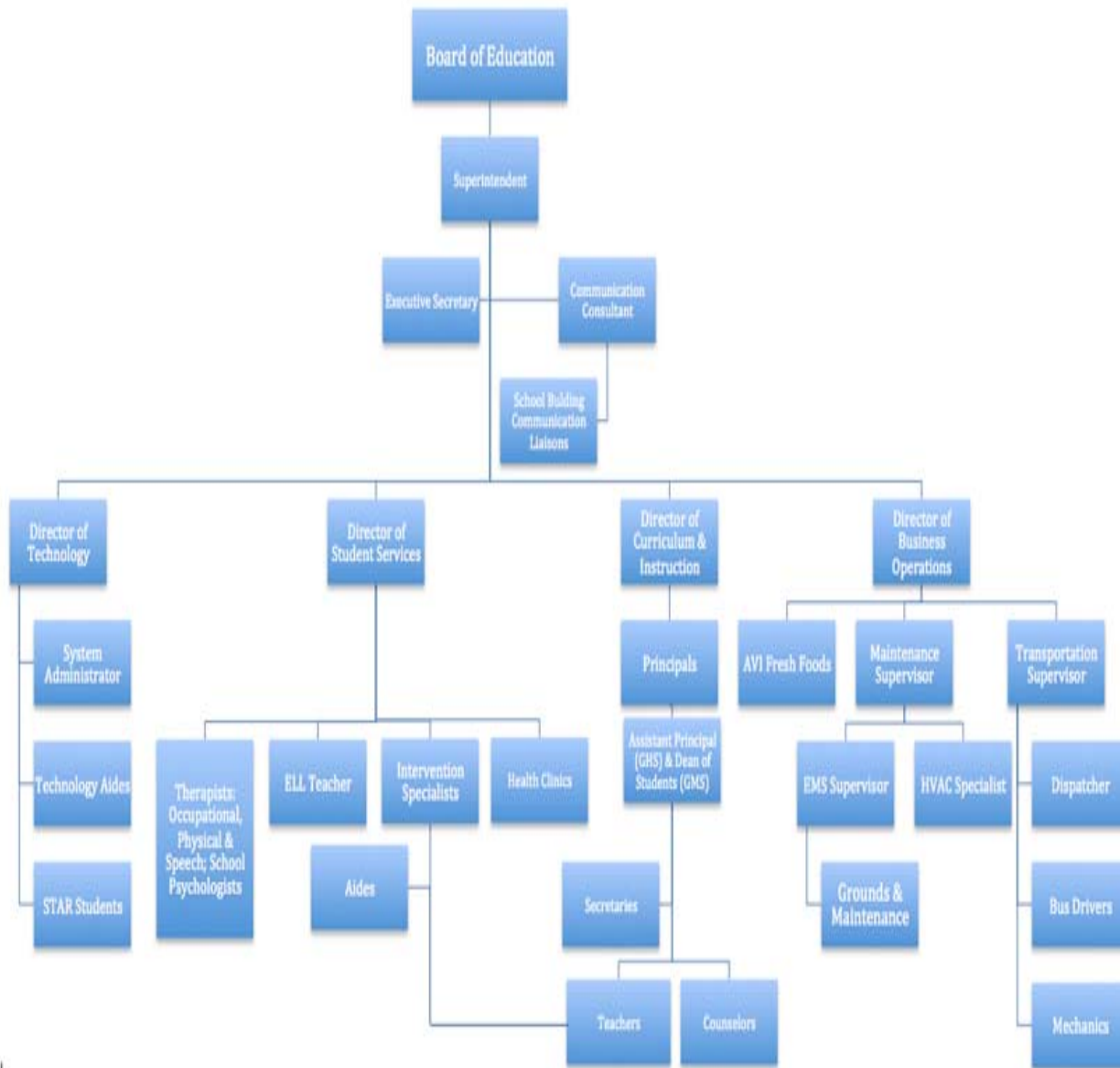
| | |
|----------------|------------------|
| Superintendent | Jeffrey R. Brown |
| Treasurer | Mike Sobul |

ADMINISTRATIVE STAFF

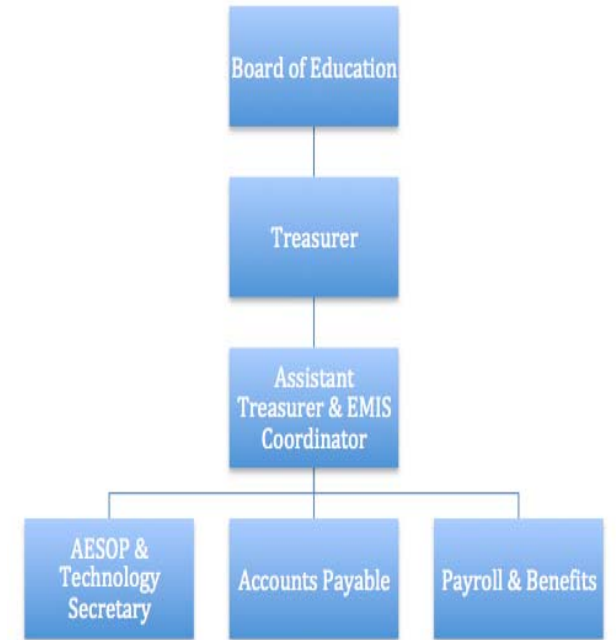
| | |
|------------------------------------|-----------------|
| Director of Educational Operations | Ryan Bernath |
| Director of Business Operations | Tonya Sherburne |
| Director of Student Services | Gwenn Spence |
| Director of Technology | Glenn Welker |
| High School Principal | Matt Durst |
| Middle School Principal | Lisa Ormond |
| Intermediate School Principal | Gayle Burris |
| Elementary School Principal | Travis Morris |
| Athletic Director | Kevin Jarrett |
| Supervisor of Transportation | Kim Clary |

ORGANIZATIONAL CHART

SUPERINTENDENT'S OFFICE



TREASURER'S OFFICE





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Granville Exempted Village
School District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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Financial Section



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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Granville Exempted Village School District
Licking County
130 Granger Street
Granville, Ohio 43023

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Granville Exempted Village School District, Licking County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Granville Exempted Village School District, Licking County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2018

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GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)

As management of the Granville Exempted Village School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-8 of this report.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows or resources at the close of the most recent fiscal year by approximately \$22.2 million (negative net position).
- Net position increased \$18.3 million during the fiscal year.
- As of the close of the most recent fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$8.9 million, an increase of \$1.3 million in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 31-32 of this report.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's major funds are the general and debt service funds. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 33-37 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 38 of this report.

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. The notes to the basic financial statements begin on page 39 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension/OPEB benefits to its employees. Required supplementary information can be found on pages 81-95 of this report.

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds can be found on pages 98-112 of this report.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$22.2 million at the close of the current fiscal year.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An analysis of fiscal year 2018 in comparison with fiscal year 2017 follows for the Statement of Net Position:

| | 2018 | Restated 2017 | Change |
|--------------------------------------|------------------------|------------------------|---------|
| Current and Other Assets | \$ 30,502,362 | \$ 32,011,599 | -4.7% |
| Capital Assets | 31,403,299 | 30,686,266 | 2.3% |
| Total Assets | <u>61,905,661</u> | <u>62,697,865</u> | -1.3% |
| Unamortized Amount on Refunding | 512,893 | 550,885 | -6.9% |
| Pension | 11,190,718 | 9,413,544 | 18.9% |
| OPEB | 403,713 | 54,664 | 638.5% |
| Total Deferred Outflows of Resources | <u>12,107,324</u> | <u>10,019,093</u> | 20.8% |
| Current Liabilities | 2,824,281 | 3,157,817 | -10.6% |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,906,916 | 2,348,071 | -18.8% |
| Due in More Than One Year: | | | |
| Net Pension Liability | 33,938,912 | 46,210,740 | -26.6% |
| Net OPEB Liability | 7,366,444 | 9,138,592 | -19.4% |
| Other Amounts | 29,550,123 | 31,360,331 | -5.8% |
| Total Liabilities | <u>75,586,676</u> | <u>92,215,551</u> | -18.0% |
| Property Taxes | 18,619,583 | 21,008,248 | -11.4% |
| Pension | 1,203,452 | 52,258 | 2202.9% |
| OPEB | 835,874 | - | 100.0% |
| Total Deferred Inflows of Resources | <u>20,658,909</u> | <u>21,060,506</u> | -1.9% |
| Net Investment in Capital Assets | 5,397,934 | 4,815,089 | 12.1% |
| Restricted | 3,953,903 | 3,881,472 | 1.9% |
| Unrestricted | (31,584,437) | (49,255,660) | -35.9% |
| Total Net Position | <u>\$ (22,232,600)</u> | <u>\$ (40,559,099)</u> | -45.2% |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "*Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.*" For fiscal year 2018, the District adopted GASB Statement 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,*" which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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.

Governmental Accounting Standards Board 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 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)

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

In accordance with GASB 68 and GASB 75, the District's financial 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, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from negative \$31.5 million to negative \$40.6 million.

The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

Other long-term liabilities decreased significantly in comparison with the prior fiscal year. This decrease primarily represents debt principal payments made during the fiscal year.

Deferred inflows of resources related to property taxes also decreased significantly as a result of a significant increase in property taxes available as an advance at fiscal year-end, compared to the prior fiscal year-end.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

An analysis of fiscal year 2018 in comparison with fiscal year 2017 follows for the Statement of Activities:

| | Governmental Activities | | Percent Change |
|---|-------------------------|------------------------|-------------------|
| | 2018 | 2017 | |
| Charges for Services | \$ 1,625,146 | \$ 1,546,895 | 5.1% |
| Operating Grants | 1,153,126 | 1,213,043 | -4.9% |
| Capital Contributions | 250,432 | 91,535 | 173.6% |
| Property Taxes | 25,516,648 | 21,797,717 | 17.1% |
| Grants and Entitlements | 9,063,699 | 8,957,080 | 1.2% |
| Payment in Lieu of Taxes | 121,259 | 35,325 | 243.3% |
| Investment Earnings | 118,671 | 75,968 | 56.2% |
| Miscellaneous | 147,283 | 68,812 | 114.0% |
| Total Revenues | <u>37,996,264</u> | <u>33,786,375</u> | 12.5% |
| Instructional | 8,164,446 | 19,488,594 | -58.1% |
| Support Services | 8,487,827 | 12,465,678 | -31.9% |
| Non-instructional Services | 1,048,714 | 1,114,705 | -5.9% |
| Extracurricular Activities | 1,040,907 | 1,451,911 | -28.3% |
| Interest and Fiscal Charges | 927,871 | 1,026,026 | -9.6% |
| Total Expenses | <u>19,669,765</u> | <u>35,546,914</u> | -44.7% |
| Change in Net Position | 18,326,499 | (1,760,539) | |
| Net Position at Beginning of Year, Restated | (40,559,099) | N/A | |
| Net Position at End of Year | <u>\$ (22,232,600)</u> | <u>\$ (40,559,099)</u> | |

Revenues

Property tax revenues increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in property taxes available as an advance at fiscal year-end, compared to the prior fiscal year-end.

Expenses

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$54,664 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1.2 million. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

| | |
|--|-------------------|
| Total 2018 operating expenses under GASB 75 | \$ 19,669,765 |
| Negative OPEB expense under GASB 75 | 1,215,616 |
| 2018 contractually required contribution | <u>69,707</u> |
| Adjusted 2018 operating expenses | 20,955,088 |
| Total 2017 operating expenses under GASB 45 | <u>35,546,914</u> |
| Decrease in operating expenses not related to OPEB | \$ (14,591,826) |

Total Expenses decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in pension expense from \$3.9 million in fiscal year 2017 to negative \$10.6 million in fiscal year 2018. This decrease is primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

The Statement of Activities shows the cost of program services and charges for service and grants and contributions, offsetting those services. Table 3 shows the total cost of services and the net cost of services.

An analysis of fiscal year 2018 in comparison with fiscal year 2017 follows:

| | <u>Total Cost of Services 2018</u> | <u>Total Cost of Services 2017</u> | <u>Net Cost of Services 2018</u> | <u>Net Cost of Services 2017</u> |
|-----------------------------|--|--|--------------------------------------|--------------------------------------|
| Program expenses | | | | |
| Instructional | \$ 8,164,446 | \$ 19,488,594 | \$ 7,034,598 | \$ 18,357,916 |
| Support services | 8,487,827 | 12,465,678 | 8,159,744 | 12,179,068 |
| Non-instructional Services | 1,048,714 | 1,114,705 | 48,302 | 69,767 |
| Extra Curricular Activities | 1,040,907 | 1,451,911 | 470,546 | 1,062,664 |
| Interest | 927,871 | 1,026,026 | 927,871 | 1,026,026 |
| Total | <u>\$ 19,669,765</u> | <u>\$ 35,546,914</u> | <u>\$ 16,641,061</u> | <u>\$ 32,695,441</u> |

This schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Only 14.1 percent of the governmental activities performed by the District are supported through program revenues such as charges for services and operating grants. The remaining 85.9 percent is provided through general revenues such as property taxes and unrestricted grants and entitlements.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

Financial Analysis of the District’s Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

An analysis of fiscal year 2018 in comparison with fiscal year 2017 follows:

| | <u>Fund Balance June 30, 2018</u> | <u>Fund Balance June 30, 2017</u> | <u>Increase/ (Decrease)</u> |
|--------------------------|---------------------------------------|---------------------------------------|---------------------------------|
| General Fund | \$ 4,855,170 | \$ 2,941,717 | \$ 1,913,453 |
| Debt Service Fund | 2,578,952 | 2,337,611 | 241,341 |
| Other Governmental Funds | 1,446,301 | 2,281,589 | (835,288) |
| Total | <u>\$ 8,880,423</u> | <u>\$ 7,560,917</u> | <u>\$ 1,319,506</u> |

General Fund

During the current fiscal year, the fund balance in the District’s General Fund increased \$1.9 million compared with a \$865,008 decrease in the previous fiscal year. This increase is primarily the result of an increase in property taxes available as an advance at fiscal year-end, compared with the prior fiscal year-end.

Debt Service Fund

During the current fiscal year, the fund balance in the Debt Service Fund increased \$241,341. This increase represents the amount in which property taxes and related revenues exceeded debt service expenditures.

General Fund Budget Information

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.

Actual revenues exceeded Final Estimated Resources by \$999,640, or 4%, and Final Appropriations exceeded actual budgetary expenditures by \$132,162. The District did not amend the revenue and expenditure budgets throughout the fiscal year.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018 (UNAUDITED)

Capital Assets

At the end of the fiscal year, the District had \$31.4 million (net of accumulated depreciation) invested in capital assets, an increase of \$717,033 in comparison with the prior fiscal year-end. This increase represents the amount in which current year capital acquisitions (approximately \$2.5 million) exceeded current year depreciation, totaling \$1.7 million. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Detailed information regarding capital asset activity is included in the Note 7 to the basic financial statements.

Debt

At the end of the fiscal year, the District had total long-term debt outstanding of \$29.9 million, a decrease of approximately \$2.5 million in comparison with the prior fiscal year-end. This decrease represents current debt service payments and premium amortization. Detailed information regarding long-term obligations is included in Note 8 to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total taxable valuation of real and personal property. As of June 30, 2018, the District's general obligation debt was below the legal limit.

Economic Factors

The District's most recent operating levy was a 0.75 percent income tax passed in November 2018 for five years. The District's administration assures the community that we will continue to look for opportunities to be more efficient with the goal of extending this new revenue for as long as possible. We understand the importance and value of fiscal stewardship and transparency. We will also continue our advocacy efforts to create a more equitable school funding formula at the state level as well as expanding the local commercial base to offset the residential tax burden. All of these efforts will create a long-term sustainable future for the District and community.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, 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 financial information you may contact Mike Sobul, Treasurer at Granville Exempted Village School District, 130 North Granger Street, P.O. Box 417, Granville, Ohio 43023. You may also email the treasurer at msobul@granvilleschools.org.

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BASIC FINANCIAL STATEMENTS

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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Pooled Cash and Cash Equivalents | \$ 7,759,735 |
| Investments in Segregated Accounts | 23,132 |
| Receivables: | |
| Property Taxes | 22,398,478 |
| Revenue in Lieu of Property Taxes | 161,064 |
| Accounts | 29,313 |
| Intergovernmental | 89,086 |
| Interest | 15,637 |
| Prepaid Items | 25,917 |
| Nondepreciable Capital Assets | 1,465,969 |
| Depreciable Capital Assets, Net | 29,937,330 |
| Total Assets | 61,905,661 |
| Deferred Outflows of Resources | |
| Unamortized Amount on Refunding Pension | 512,893 |
| OPEB | 11,190,718 |
| Total Deferred Outflows of Resources | 403,713 |
| Liabilities | |
| Accounts Payable | 35,723 |
| Accrued Wages and Benefits | 2,255,579 |
| Retainage Payable | 74,191 |
| Intergovernmental Payable | 354,726 |
| Accrued Interest Payable | 104,062 |
| Long-Term Liabilities | |
| Due within One Year | 1,906,916 |
| Due in More Than One Year: | |
| Net Pension Liability | 33,938,912 |
| Net OPEB Liability | 7,366,444 |
| Other Amounts Due in More Than One Year | 29,550,123 |
| Total Liabilities | 75,586,676 |
| Deferred Inflows of Resources | |
| Property Taxes | 18,619,583 |
| Pension | 1,203,452 |
| OPEB | 835,874 |
| Total Deferred Inflows of Resources | 20,658,909 |
| Net Position | |
| Net Investment in Capital Assets | 5,397,934 |
| Restricted for: | |
| Classroom Facilities Maintenance | 297,329 |
| Debt Service | 2,496,772 |
| Permanent Improvements | 775,067 |
| District Managed Student Activities | 278,214 |
| Food Service Program | 2,686 |
| Other Purposes | 103,835 |
| Unassigned | (31,584,437) |
| Total Net Position | \$ (22,232,600) |

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | Expenses | Program Revenues | | | Net (Expense) |
|--------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| Governmental Activities | | | | | Governmental Activities |
| Instruction | | | | | |
| Regular Instruction | \$ 5,279,177 | \$ 379,182 | \$ 130,017 | \$ - | \$ (4,769,978) |
| Special Instruction | 2,843,156 | 109,198 | 507,580 | - | (2,226,378) |
| Vocational Instruction | 38,705 | 3,761 | - | - | (34,944) |
| Other | 3,408 | 110 | - | - | (3,298) |
| Support Services | | | | | |
| Pupils | 1,151,730 | 166,009 | 43,920 | - | (941,801) |
| Instructional Staff | 690,182 | - | 12 | - | (690,170) |
| Board of Education | 14,285 | - | - | - | (14,285) |
| Administration | 688,375 | - | - | - | (688,375) |
| Fiscal Services | 972,013 | - | 2,031 | - | (969,982) |
| Business Operations | 83,181 | - | - | - | (83,181) |
| Operation and Maintenance of Plant | 2,492,700 | - | 102,852 | - | (2,389,848) |
| Pupil Transportation | 2,032,330 | - | 6,059 | - | (2,026,271) |
| Central | 363,031 | - | 7,200 | - | (355,831) |
| Non-instructional Services | 1,048,714 | 689,984 | 310,428 | - | (48,302) |
| Extracurricular Activities | 1,040,907 | 276,902 | 43,027 | 250,432 | (470,546) |
| Interest and Fiscal Charges | 927,871 | - | - | - | (927,871) |
| Total Governmental Activities | \$ 19,669,765 | \$ 1,625,146 | \$ 1,153,126 | \$ 250,432 | \$ (16,641,061) |

General Revenues

Property Taxes Levied for:

| | |
|------------------------------------|---------------|
| General Purposes | \$ 21,463,653 |
| Debt Service | 3,110,927 |
| Capital Projects | 767,091 |
| Classroom Facilities Maintenance | 174,977 |
| Unrestricted Grants & Entitlements | 9,063,699 |
| Revenue in Lieu of Property Taxes | 121,259 |
| Investment Earnings | 118,671 |
| Miscellaneous | 147,283 |

Total General Revenues 34,967,560

Change in Net Position 18,326,499

Net Position Beginning of Year, Restated (40,559,099)

Net Position End of Year \$ (22,232,600)

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018

| | General Fund | Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------|--------------------------------|--------------------------------|
| Assets: | | | | |
| Pooled Cash and Cash Equivalents | \$ 4,210,792 | \$ 2,146,412 | \$ 1,402,531 | \$ 7,759,735 |
| Investments in Segregated Accounts | - | - | 23,132 | 23,132 |
| Receivables: | | | | |
| Property Taxes | 19,105,640 | 2,457,311 | 835,527 | 22,398,478 |
| Revenue in Lieu of Property Taxes | 161,064 | - | - | 161,064 |
| Accounts | 17,563 | - | 11,750 | 29,313 |
| Intergovernmental | 9,715 | - | 79,371 | 89,086 |
| Interest | 15,637 | - | - | 15,637 |
| Prepaid Items | 25,917 | - | - | 25,917 |
| Due From Other Funds | 203 | - | - | 203 |
| Total Assets | \$ 23,546,531 | \$ 4,603,723 | \$ 2,352,311 | \$ 30,502,565 |
| Liabilities: | | | | |
| Accounts Payable | \$ 25,787 | \$ - | \$ 9,936 | \$ 35,723 |
| Accrued Wages and Benefits | 2,159,362 | - | 96,217 | 2,255,579 |
| Matured Compensated Absences | 41,195 | - | - | 41,195 |
| Retainage Payable | - | - | 74,191 | 74,191 |
| Intergovernmental Payable | 335,960 | - | 18,766 | 354,726 |
| Due to Other Funds | - | - | 203 | 203 |
| Total Liabilities | 2,562,304 | - | 199,313 | 2,761,617 |
| Deferred Inflows of Resources: | | | | |
| Property Taxes | 15,929,167 | 2,002,889 | 687,527 | 18,619,583 |
| Unavailable Revenue | 199,890 | 21,882 | 19,170 | 240,942 |
| Total Deferred Inflows of Resources | 16,129,057 | 2,024,771 | 706,697 | 18,860,525 |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Prepaid Items | 25,917 | - | - | 25,917 |
| Restricted for: | | | | |
| Classroom Facilities Maintenance | - | - | 295,933 | 295,933 |
| Debt Service | - | 2,578,952 | - | 2,578,952 |
| Permanent Improvements | - | - | 771,973 | 771,973 |
| District Managed Student Activities | - | - | 278,214 | 278,214 |
| Food Service Program | - | - | 2,686 | 2,686 |
| Other Purposes | - | - | 103,835 | 103,835 |
| Assigned for: | | | | |
| Public School Support | 91,082 | - | - | 91,082 |
| Instruction | 326,390 | - | - | 326,390 |
| Support Services | 482,714 | - | - | 482,714 |
| Future Appropriations | 3,925,541 | - | - | 3,925,541 |
| Extracurricular Activities | 3,526 | - | - | 3,526 |
| Unassigned | - | - | (6,340) | (6,340) |
| Total Fund Balances | 4,855,170 | 2,578,952 | 1,446,301 | 8,880,423 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 23,546,531 | \$ 4,603,723 | \$ 2,352,311 | \$ 30,502,565 |

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total Governmental Fund Balances \$ 8,880,423

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 31,403,299

Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.

| | |
|-------------------------------------|---------|
| Delinquent Property Tax Receivables | 211,629 |
| Accounts Receivables | 11,750 |
| Tuition and Fee Receivables | 17,563 |

The net pension/OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

| | |
|-----------------------------|--------------|
| Deferred Outflows - Pension | 11,190,718 |
| Deferred Outflows - OPEB | 403,713 |
| Deferred Inflows - Pension | (1,203,452) |
| Deferred Inflows - OPEB | (835,874) |
| Net Pension Liability | (33,938,912) |
| Net OPEB Liability | (7,366,444) |

Long-Term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

| | |
|--|--------------|
| Bonds and Notes Payable (Including CABS and Accretion) | (24,735,000) |
| Lease Purchase Agreement | (1,866,667) |
| Bond Premium | (3,257,903) |
| Deferred Amount on Refunding | 512,893 |
| Accrued Interest Payable | (104,062) |
| Capital Leases Payable | (281,444) |
| Compensated Absences | (1,274,830) |
| | (1,274,830) |

Net Position of Governmental Activities \$ (22,232,600)

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | General Fund | Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 21,562,452 | \$ 3,124,050 | \$ 946,059 | \$ 25,632,561 |
| Revenue in Lieu of Property Taxes | 60,000 | - | 61,259 | 121,259 |
| Intergovernmental | 8,712,047 | 332,013 | 1,016,694 | 10,060,754 |
| Charges for Services | - | - | 678,234 | 678,234 |
| Interest | 118,327 | - | 344 | 118,671 |
| Tuition and Fees | 525,139 | - | - | 525,139 |
| Extracurricular Activities | 164,402 | - | 228,058 | 392,460 |
| Donations | 12,342 | - | 48,770 | 61,112 |
| Other | 178,861 | - | 63,381 | 242,242 |
| Total Revenues | 31,333,570 | 3,456,063 | 3,042,799 | 37,832,432 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Regular | 13,258,723 | - | 416,631 | 13,675,354 |
| Special | 3,813,464 | - | 503,751 | 4,317,215 |
| Vocational | 154,198 | - | - | 154,198 |
| Other | 3,834 | - | - | 3,834 |
| Support services: | | | | |
| Pupils | 2,234,788 | - | 9,056 | 2,243,844 |
| Instructional Staff | 1,350,519 | - | 2,632 | 1,353,151 |
| Board of Education | 14,267 | - | - | 14,267 |
| Administration | 2,023,936 | - | - | 2,023,936 |
| Fiscal Services | 909,982 | 38,262 | 29,379 | 977,623 |
| Business Operations | 183,438 | - | - | 183,438 |
| Operation and Maintenance of Plant | 1,985,497 | - | 1,538,667 | 3,524,164 |
| Pupil Transportation | 1,906,175 | - | 259,285 | 2,165,460 |
| Central | 365,801 | - | 11,990 | 377,791 |
| Non-instructional Services | 16,300 | - | 1,004,950 | 1,021,250 |
| Extracurricular Activities | 1,053,147 | - | 251,386 | 1,304,533 |
| Debt service: | | | | |
| Principal Retirement | 133,333 | 1,966,772 | 72,061 | 2,172,166 |
| Interest and Fiscal Charges | 12,715 | 1,209,688 | 37,584 | 1,259,987 |
| Total Expenditures | 29,420,117 | 3,214,722 | 4,137,372 | 36,772,211 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,913,453 | 241,341 | (1,094,573) | 1,060,221 |
| Other Financing Sources: | | | | |
| Inception of Capital Lease | - | - | 259,285 | 259,285 |
| Total Other Financing Sources | - | - | 259,285 | 259,285 |
| Net Change in Fund Balances | 1,913,453 | 241,341 | (835,288) | 1,319,506 |
| Fund Balance Beginning of Year | 2,941,717 | 2,337,611 | 2,281,589 | 7,560,917 |
| Fund Balance End of Year | \$ 4,855,170 | \$ 2,578,952 | \$ 1,446,301 | \$ 8,880,423 |

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | |
|---|-----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 1,319,506 |
| <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. | |
| Depreciation Expense | (1,733,678) |
| Capital Outlay | 2,200,279 |
| The net effect of various transactions involving capital assets (i.e. contributions, sales, etc.) | |
| Donations | 250,432 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | |
| Charges for Services | 11,750 |
| Tuition and Fees | 17,563 |
| Property Taxes | (115,913) |
| Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position the lease obligation is reported as a liability. | (259,285) |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | 2,358,732 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. | 10,608,783 |
| Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. | 1,215,616 |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | |
| Capital Lease Repayment | 72,061 |
| Bond and Note Principal Repayments | 2,100,105 |
| Amortization of Deferred Charge on Refunding | (37,992) |
| Amortization of Bond Premium/Discount | 369,164 |
| Some expenses reported in the statement of activities, such as compensated absences payable and other accounts payable, do not require the use of current financial resources and therefore are not reported as expenditures in the funds. | |
| Compensated Absences | (51,568) |
| Accrued Interest | 944 |
| Change in Net Position of Governmental Activities | <u>\$ 18,326,499</u> |

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

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, 2018

| | Original Budget | Final Budget | Actual | Variance Over/(Under) |
|---|---------------------|---------------------|---------------------|--------------------------|
| Revenues: | | | | |
| Property Taxes | \$ 18,452,144 | \$ 18,779,710 | \$19,477,652 | \$ 697,942 |
| Payment in Lieu of Taxes | 60,000 | 60,000 | 60,000 | - |
| Intergovernmental | 8,811,964 | 8,520,510 | 8,788,946 | 268,436 |
| Earnings on Investments | 111,093 | 106,323 | 110,716 | 4,393 |
| Tuition & Fees | 533,298 | 510,403 | 531,491 | 21,088 |
| Extracurricular | 49,010 | 46,906 | 48,844 | 1,938 |
| Miscellaneous | 147,783 | 141,440 | 147,283 | 5,843 |
| Total Revenues | <u>28,165,292</u> | <u>28,165,292</u> | <u>29,164,932</u> | <u>999,640</u> |
| Expenditures: | | | | |
| Instruction: | | | | |
| Regular | 14,795,912 | 14,795,912 | 14,010,577 | 785,335 |
| Special | 3,724,837 | 3,724,837 | 3,949,781 | (224,944) |
| Vocational | 143,085 | 143,085 | 134,787 | 8,298 |
| Other | - | - | 3,834 | (3,834) |
| Support Services: | | | | |
| Pupils | 2,126,678 | 2,126,678 | 2,024,691 | 101,987 |
| Instructional Staff | 1,403,294 | 1,403,294 | 1,356,841 | 46,453 |
| Board of Education | 15,570 | 15,570 | 15,730 | (160) |
| Administration | 2,043,466 | 2,043,466 | 2,068,482 | (25,016) |
| Fiscal | 914,990 | 914,990 | 934,211 | (19,221) |
| Business | 188,819 | 188,819 | 187,055 | 1,764 |
| Operation and Maintenance of Plant | 2,187,303 | 2,187,303 | 2,157,598 | 29,705 |
| Pupil Transportation | 1,391,841 | 1,391,841 | 1,920,712 | (528,871) |
| Central | 434,528 | 434,528 | 428,300 | 6,228 |
| Extracurricular Activities | 892,378 | 892,378 | 962,940 | (70,562) |
| Debt service: | | | | |
| Principal Retirement | 133,333 | 133,333 | 133,333 | - |
| Interest and Fiscal Charges | 12,715 | 12,715 | 12,715 | - |
| Total Expenditures | <u>30,408,749</u> | <u>30,408,749</u> | <u>30,301,587</u> | <u>107,162</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(2,243,457)</u> | <u>(2,243,457)</u> | <u>(1,136,655)</u> | <u>1,106,802</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (25,000) | (25,000) | - | 25,000 |
| Advances In | 53,167 | 53,167 | 53,167 | - |
| Total Other Financing Sources (Uses) | <u>28,167</u> | <u>28,167</u> | <u>53,167</u> | <u>25,000</u> |
| Net Change in Fund Balances | (2,215,290) | (2,215,290) | (1,083,488) | 1,131,802 |
| Fund Balances at Beginning of Year | 3,837,022 | 3,837,022 | 3,837,022 | - |
| Prior Year Encumbrances Appropriated | 533,749 | 533,749 | 533,749 | - |
| Fund Balances at End of Year | <u>\$ 2,155,481</u> | <u>\$ 2,155,481</u> | <u>\$ 3,287,283</u> | <u>\$ 1,131,802</u> |

See accompanying notes to the basic financial statements.

**GRANVILLE EXPEMTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
AS OF JUNE 30, 2018

| | <u>Agency Funds</u> |
|---|--------------------------|
| Assets | |
| Pooled Cash and Cash Equivalents | \$ 306,140 |
| Property Tax Receivable | <u>405,616</u> |
| Total Assets | <u><u>\$ 711,756</u></u> |
| Liabilities | |
| Held for Student Liabilities | \$ 145,498 |
| Held for Others | <u>160,642</u> |
| Total Liabilities | <u>306,140</u> |
| Deferred Inflows of Resources: | |
| Property Taxes | <u>405,616</u> |
| Total Deferred Inflows of Resources | <u>405,616</u> |
| Total Liabilities and Deferred Inflows of Resources | <u><u>\$ 711,756</u></u> |

See accompanying notes to the basic financial statements.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 – DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

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

The District was established in the late 1800’s. The District serves an area of approximately 48 square miles. It is located in Licking County, and includes all of the Village of Granville and Granville Township as well as portions of the Cities of Newark and Heath and portions of Newark, Newton, McKean, St. Albans and Union Townships. It is staffed by 245 employees who provide services to 2,510 full time equivalent students. The District currently operates four instructional buildings, one administrative building, and one transportation building.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the Granville Exempted Village School District, this includes general operations 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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or 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 provides the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The following activities are included within the reporting entity;

Private Schools- Welsh Hills and Granville Christian Academy, private schools, operate within the District boundaries. Current State legislation provides funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the District, as directed by the private schools in accordance with State rules and regulations. This activity is reflected in a special revenue fund for financial reporting purposes.

The District is associated with seven organizations, four of which are defined as jointly governed organizations, two as insurance purchasing pools, and one as a related organization. These organizations are the Licking Area Computer Association, Career and Technology Education Centers of Licking County, Metropolitan Educational Technology Association, the Newark-Granville Community Authority, the Ohio School Boards Association Workers’ Compensation Group Rating Plan, the Metropolitan Educational Technology Association Group Insurance Pool, and the Granville Schools Education Foundation, Incorporated. These organizations are presented in Notes 15, 16, and 17 to the basic financial statements.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (the District has none), which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds (the District has none), and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The District reports the following major governmental funds:

General Fund — The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Debt Service Fund — The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Other Governmental Funds of the District account for food services, co-curricular activities, federal and state grants, and other resources.

Proprietary Funds – Proprietary funds consist of enterprise funds, which are used to report any activity for which a fee is charged to external users for goods or services, and internal service funds, which are used to allocate costs of centralized services. The District reports no proprietary funds.

Fiduciary Funds — Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. Fiduciary funds include pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The District has two fiduciary funds both being agency funds. One accounts for the Newark-Granville Authority and the other accounts for student activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided and used are not eliminated.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, except agency funds which do not report results of operations and therefore have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refundings and for pensions and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental funds balance sheet. Unavailable revenue includes delinquent property taxes, tuition and fees, and charges for services. These amounts are only reported on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 11 and 12).

Expenditures/Expenses

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

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

(c) Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, each of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increases tax rates and the filing requirement is waived by the Licking County Auditor. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level for all funds. Any budgetary modifications at this level may only be made by the Board of Education. Budgetary allocations at the function and object level within all funds are made by the Treasurer. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

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

(d) Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Pooled Cash and Cash Equivalents" on the financial statements. Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

The District has segregated investments for non-negotiable certificates of deposit held separate from the District's investments. These non-negotiable certificates of deposit are to be used to provide scholarships to graduating seniors. These investments are presented on the financial statements as "Investments in Segregated Accounts" since they are not deposited into the District treasury.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as expenses, and sales of investments are not recorded as revenues. During the fiscal year, the District's investments were limited to State Treasury Asset Reserve of Ohio (STAR Ohio), money market funds, and negotiable certificates of deposit.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted 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 a NAV per share that approximates fair value.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue was credited to the general fund and program donations fund during fiscal year 2018, totaling \$118,327 and \$344, respectively. The amount credited to the general fund includes \$60,361 assigned from other District funds.

(e) Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had no restricted cash and cash equivalents at year-end.

(f) Inventory and Prepaid Items

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Payments made to vendors for services that will benefit periods beyond fiscal year-end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

At fiscal year-end, because inventory and prepaid items are not available to finance future governmental fund expenditures, the fund balance is reserved in the fund financial statements by an amount equal to the carrying value of the asset.

(g) Capital Assets and Depreciation

Capital assets are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at their acquisition value as of the date received. The District does not possess any infrastructure.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets, with the exception of 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:

| | |
|-----------------------------------|---------|
| Land Improvements | 15 – 20 |
| Buildings and Improvements | 20 – 50 |
| Furniture, Fixtures and Equipment | 5 – 20 |
| Vehicles | 10 – 15 |

(h) Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditure/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. These transfers are eliminated from the statement of activities.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable”, receivables and payables resulting from long-term interfund loans are classified as “loans to/from other funds”, and receivables and payables resulting from payments on-behalf of other funds are classified as “due from/to other funds”. These amounts are eliminated in the statement of net position.

(i) Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

In the government-wide financial statements, all long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Long-term notes paid from the governmental funds are recognized as a liability in the fund financial statements since current resources are used to finance the debt.

(j) Compensated Absences

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

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at the fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for all employees having 10 or more years of current service with the District.

(k) Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, 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.

(l) Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for auxiliary services and state and federal grants restricted for specified purposes. None of the District's reported net position at June 30, 2018 was restricted by enabling legislation.

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

(m) Fund Balance

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The District may use the following categories:

Nonspendable - resources that are not in a spendable form (inventory) or have legal or contractual requirements to maintain the balance intact (unclaimed funds).

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Committed - resources that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's highest level of decision-making authority (Board).

Assigned - resources that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This includes the residual balance of all governmental funds other than the General Fund that were not classified elsewhere above. 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 - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position is available. The District considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(n) Bond Premium and Discount/Accounting Gain or Loss

On government-wide statements, bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, 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. The 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 an addition to or reduction of the face amount of the new debt.

(o) 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 the fiscal year.

(p) Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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/expenses during the reported period. Actual results could differ from those estimates.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received (budget basis) as opposed to when earned (GAAP basis).
2. Expenditures are recorded when paid (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).

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

| <u>Net Change in Fund Balance</u> | |
|--|-----------------------|
| GAAP Basis | \$ 1,913,453 |
| Revenues | (1,958,709) |
| Expenditures | (246,798) |
| Interfund | 53,167 |
| Public School Support Fund | (7,444) |
| Encumbrances | (837,157) |
| Budgetary Basis | <u>\$ (1,083,488)</u> |

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District’s Public School Support Fund, no longer meets the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, this fund is presented as part of the District’s General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the general fund, without modification for the funds no longer meeting the special revenue criteria.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active 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 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.

Protection of the District's 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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper and bankers acceptances if training requirements have been met.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

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

Deposits

Custodial Credit Risk - In the case of deposits, this is the risk that, in the event of a bank failure, the District’s deposits may not be returned.

At fiscal year-end, the carrying amount of the District’s deposits was \$1,979,842 and the bank balance was \$2,154,718. Of the District’s bank balance, \$2,033,606 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining balance was uninsured and collateralized. The District’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

At fiscal year-end, the District reported the following investments at fair value:

| Investment Type | Value | Percent of Total | Investment Maturities | |
|------------------------------------|---------------------|------------------|-----------------------|-------------------|
| | | | Within 1 Year | 1 to 2 Years |
| Money Market Funds | \$ 16,886 | 0.28% | \$ 16,886 | \$ - |
| STAR Ohio | 96,806 | 1.58% | 96,806 | - |
| Negotiable Certificates of Deposit | 5,995,473 | 98.14% | 5,496,583 | 498,890 |
| Total | \$ 6,109,165 | 100% | \$ 5,610,275 | \$ 498,890 |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

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. All of the District's investments reported at fair value are valued using quoted market prices (Level 1 inputs).

In accordance with GASB Statement No. 79, the District's investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Interest Rate Risk - The District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which he/she does not reasonably believe can be held until the maturity date. State statute requires that an investment matures within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk - STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's money market funds and negotiable certificates of deposit were not rated. The District has no investment policy that addresses credit risk.

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer. The District's investment percentages are noted in the table above.

NOTE 5 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District's 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 and public utility located in the school district. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 revenue received in calendar 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 – PROPERTY TAXES (Continued)

The District receives its property taxes from Licking County. The County Auditor periodically advances to the District its portion of taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable includes real property and public utility property which are measurable as of June 30, 2018 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 of resources.

On the government-wide financial statements, collectible delinquent property taxes have been recorded as a receivable and revenue, while on fund financial statements the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2018 taxes were collected are:

| | <u>2017 Second Half Collections</u> | | <u>2018 First Half Collections</u> | |
|--|-------------------------------------|----------------|------------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Real Estate | \$ 439,677,303 | 96.97% | \$ 498,388,965 | 97.13% |
| Public Utility Personal | 13,746,330 | 3.03% | 14,713,400 | 2.87% |
| Total | \$ 453,423,633 | 100.00% | \$ 513,102,365 | 100.00% |
| Tax rate per \$1,000 of assessed valuation | \$ 92.95 | | \$ 92.20 | |

NOTE 6 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Newark, the District’s property tax revenues were reduced by \$4,366 during the fiscal year. Compensation payments received from the City during the fiscal year totaled \$121,259.

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GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year follows:

| | Beginning Balance | Additions | Deductions | Transfers | Ending Balance |
|--|----------------------|--------------------|-----------------|--------------------|----------------------|
| Nondepreciable Capital Assets | | | | | |
| Land | \$ 1,465,969 | \$ - | \$ - | \$ - | \$ 1,465,969 |
| Construction in Progress | 1,316,609 | 1,040,628 | - | (2,357,237) | - |
| Total Nondepreciable Assets | <u>2,782,578</u> | <u>1,040,628</u> | <u>-</u> | <u>(2,357,237)</u> | <u>1,465,969</u> |
| Depreciable Capital Assets | | | | | |
| Land Improvements | 2,718,781 | 266,991 | - | - | 2,985,772 |
| Buildings and Improvements | 46,787,975 | 179,627 | - | 2,357,237 | 49,324,839 |
| Furniture and Equipment | 2,906,354 | 704,180 | - | - | 3,610,534 |
| Vehicles | 2,358,437 | 259,285 | (85,668) | - | 2,532,054 |
| Total Depreciable Assets | <u>54,771,547</u> | <u>1,410,083</u> | <u>(85,668)</u> | <u>2,357,237</u> | <u>58,453,199</u> |
| Less Accumulated Depreciation | | | | | |
| Land Improvements | (1,399,838) | (105,323) | - | - | (1,505,161) |
| Buildings | (21,857,532) | (1,254,001) | - | - | (23,111,533) |
| Furniture and Equipment | (1,947,505) | (227,456) | - | - | (2,174,961) |
| Vehicles | (1,662,984) | (146,898) | 85,668 | - | (1,724,214) |
| Total Accumulated Depreciation | <u>(26,867,859)</u> | <u>(1,733,678)</u> | <u>85,668</u> | <u>-</u> | <u>(28,515,869)</u> |
| Depreciable Capital Assets, Net of Accumulated Depreciation | <u>27,903,688</u> | <u>(323,595)</u> | <u>-</u> | <u>2,357,237</u> | <u>29,937,330</u> |
| Total Capital Assets, Net | <u>\$ 30,686,266</u> | <u>\$ 717,033</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,403,299</u> |

Depreciation expense was charged to the governmental functions as follows:

| | |
|----------------------------------|---------------------|
| Regular Instruction | \$ 542,016 |
| Special Instruction | 107,184 |
| Vocational Instruction | 3,678 |
| Pupils | 57,528 |
| Instructional Staff | 33,149 |
| Board of Education | 483 |
| Administration | 72,274 |
| Fiscal | 27,932 |
| Business Operations | 4,776 |
| Operation & Maintenance of Plant | 276,602 |
| Transportation | 191,437 |
| Central | 17,524 |
| Non-instructional | 35,427 |
| Extracurricular Activities | 363,668 |
| Total depreciation expense | <u>\$ 1,733,678</u> |

During fiscal year 2018, the District was donated a field/hitting facility from an anonymous donor.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 8 – LONG TERM OBLIGATIONS

A summary of changes in long-term obligations for the fiscal year ended June 30, 2018 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|-------------------|------------------------|----------------------|------------------------|
| <u>2007 Advance Refunding Bonds</u> | | | | | |
| Capital Appreciation Bonds 4.22%-4.26% | 165,415 | - | (165,415) | - | - |
| Capital Appreciation Bonds Accretion | 1,569,585 | - | (1,569,585) | - | - |
| Premium on Capital Appreciation Bonds | 124,977 | - | (124,977) | - | - |
| <u>2014 Current Refunding Bonds</u> | | | | | |
| Serial Bonds 1.75%-2.0% | 1,120,000 | - | - | 1,120,000 | 555,000 |
| Serial Premium | 8,044 | - | (3,218) | 4,826 | - |
| <u>2015 Advance Refunding Bonds</u> | | | | | |
| Serial Bonds 1.75%-2.0% | 23,615,000 | - | - | 23,615,000 | 1,000,000 |
| Serial Premium | 3,494,046 | - | (240,969) | 3,253,077 | - |
| Total General Obligation Bonds | <u>30,097,067</u> | <u>-</u> | <u>(2,104,164)</u> | <u>27,992,903</u> | <u>1,555,000</u> |
| <u>2008- House Bill 264 Energy Conservation</u> | | | | | |
| Notes 3.43% | 231,772 | - | (231,772) | - | - |
| <u>2016- Lease-Purchase Agreement</u> | | | | | |
| Notes 2.510% | 2,000,000 | - | (133,333) | 1,866,667 | 133,333 |
| Total Bonds and Notes | <u>32,328,839</u> | <u>-</u> | <u>(2,469,269)</u> | <u>29,859,570</u> | <u>1,688,333</u> |
| Net Pension Liability | | | | | |
| STRS | 38,740,612 | - | (10,996,142) | 27,744,470 | - |
| SERS | 7,470,128 | - | (1,275,686) | 6,194,442 | - |
| Total Net Pension Liability | <u>46,210,740</u> | <u>-</u> | <u>(12,271,828)</u> | <u>33,938,912</u> | <u>-</u> |
| Net OPEB Liability | | | | | |
| STRS | 6,189,637 | - | (1,632,798) | 4,556,839 | - |
| SERS | 2,948,955 | - | (139,350) | 2,809,605 | - |
| Total Net Pension Liability | <u>9,138,592</u> | <u>-</u> | <u>(1,772,148)</u> | <u>7,366,444</u> | <u>-</u> |
| Capital Leases | 94,220 | 259,285 | (72,061) | 281,444 | 106,256 |
| Compensated Absences | 1,285,343 | 295,595 | (264,913) | 1,316,025 | 112,327 |
| Total | <u>\$ 89,057,734</u> | <u>\$ 554,880</u> | <u>\$ (16,850,219)</u> | <u>\$ 72,762,395</u> | <u>\$ 1,906,916</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

2007 Advance Refunding Bonds

On January 30, 2007, the District issued \$29,464,972 of Advance Refunding General Obligation Bonds that were issued to partially refund the 2002 School Improvement Bonds, the 2004 School Improvement Bonds, and the 2005 Library Improvement Bonds. The \$29,464,972 bond issue consists of serial, term, and capital appreciation bonds in the amount of \$12,730,000, \$16,460,000, and \$274,972. The bonds were issued for a twenty-four-year period with a final maturity at December 1, 2031.

At the date of refunding, \$30,608,490 was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2002 School improvement Bonds, the 2004 School Improvement Bonds, and the 2005 Library Improvement Bonds. The balance of the outstanding bonds refunded was removed from the District's financial statements, and as of June 30, 2012, the refunded bonds have been paid in full. The advance refunding serial and capital appreciation bonds were issued with a premium in the amount of \$371,698 and \$1,437,243 respectively, which will be reported as an increase to bonds payable. The advance refunding term bonds were issued with a discount of \$306,814 which will be reported as a decrease to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for fiscal year 2018 was \$124,977. Issuance costs associated with the bond issue were \$358,608. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$925,082. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$1,971,224. The issuance resulted in an economic gain of \$1,097,604.

On September 3, 2015, the District advance refunded \$10,520,000 of the serial bonds, and \$16,460,000 of the term bonds, leaving only the capital appreciation bonds outstanding. All of the advanced refunded bonds as well as the unamortized premium, issuance costs, and unamortized deferred amount of refunding were removed from the financial statements of the District.

The capital appreciation bonds matured December 1, 2016 and December 1, 2017. These bonds were purchased at a premium at the time of issuance and, at maturity all compound interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semi-annually, the value of the bond increases. Therefore, as the value increases, the accretion is booked as principal. The maturity amount of the bonds is \$2,660,000. The fiscal year 2018 accretion amount is \$0.

2014 Current Refunding Bonds

On April 16, 2014, the District issued \$1,300,000 of Current Refunding General Obligation Bonds that were issued to refund the 2004 School Improvement Bonds. The \$1,300,000 bond issue consists of serial bonds. The bonds were issued for a five-year period with a final maturity at December 1, 2019. The balance of the outstanding bonds refunded was removed from the District's financial statements, and as of June 30, 2014, the refunded bonds have been paid in full. The refunding serial bonds were issued with a premium in the amount of \$19,304, which will be reported as an increase to bonds payable. Issuance costs associated with the bond issue were \$19,304. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$137,068. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$152,411. The issuance resulted in an economic gain of \$128,974.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The total principal and interest requirements to retire the 2014 Current Refunding General Obligation Bonds are as follows:

| Fiscal Year Ending June 30, | Principal | Interest |
|--------------------------------|---------------------|------------------|
| 2019 | \$ 555,000 | \$ 16,156 |
| 2020 | 565,000 | 5,650 |
| Total | <u>\$ 1,120,000</u> | <u>\$ 21,806</u> |

Series 2015 Refunding Bonds

On September 3, 2015, the District issued \$23,615,000 of Advance Refunding General Obligation Bonds to partially refund the Series 2007 Advance Refunding Bonds. The entire bond issue consists of serial bonds carrying an interest rate of five percent. The bonds were issued for a seventeen-year period with a final maturity at December 1, 2031. At the date of refunding, \$27,583,822 was deposited in an irrevocable trust to provide for all future debt service payments on the refunded Series 2007 Advance Refunding Bonds. The balance of the outstanding bonds refunded was removed from the District's financial statements, and as of June 30, 2016, the refunded bonds have been paid in full. The advance refunding serial bonds were issued with a premium in the amount of \$3,855,499, which will be reported as an increase to bonds payable, and bond issuance costs totaling \$184,821. The premium will be amortized to interest expense over the life of the bonds using the straight-line method and the bond issuance costs were expensed in fiscal year 2016. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$607,874. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$3,532,887 representing an economic gain of \$2,636,741.

The total principal and interest requirements to retire the Series 2015 Refunding Bonds are as follows:

| Fiscal Year Ending June 30, | Principal | Interest |
|--------------------------------|----------------------|---------------------|
| 2019 | \$ 1,000,000 | \$ 1,155,750 |
| 2020 | 1,005,000 | 1,105,625 |
| 2021 | 1,655,000 | 1,039,125 |
| 2022 | 1,740,000 | 954,250 |
| 2023 | 1,825,000 | 865,125 |
| 2024-2028 | 10,590,000 | 2,825,500 |
| 2029-2032 | 5,800,000 | 490,500 |
| Total | <u>\$ 23,615,000</u> | <u>\$ 8,435,875</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

2008 Energy Conservation Notes

On June 12, 2008, the District issued \$2,000,000 in unvoted Energy Conservation Notes, under the authority of Ohio Revised Code sections 133.06(G) and 3313.46(B). The Energy Conservation Notes were issued for the purpose of purchasing and installing energy conservation measures. These energy conservation measures include roofing and HVAC improvements. The energy conservation notes matured June 12, 2018. The debt was retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements.

2016 Lease-Purchase Agreement

On November 15, 2016, the District entered into an agreement with Ameresco, Inc. to perform a project consisting of certain energy conservation services and installations, including replacing failed heating units in the high school building. Ameresco has agreed to perform the scope of services at a contract cost of \$1,775,986.

On December 15, 2016, the District entered into a series of one-year renewable lease-purchase agreements with Park National Bank (the Bank), whereas the District leases the project site to the Bank, and subsequently constructs the energy conservation services and installations, and the Bank, in turn, subleases the land, and leases the constructed school facilities to the District. The Bank agreed to pre-pay the \$2,000,000 in rental payments in order to fund the construction project. In turn, the District agreed to pay \$2,000,000 under the sublease at an interest rate of 2.510%. The final payment is due December 1, 2031.

The total principal and interest requirements to retire the 2016 Lease-Purchase Agreement are as follows:

| Fiscal Year Ending June 30, | Principal | Interest |
|--------------------------------|---------------------|-------------------|
| 2019 | \$ 133,333 | \$ 45,185 |
| 2020 | 133,333 | 41,948 |
| 2021 | 133,333 | 38,491 |
| 2022 | 133,333 | 35,144 |
| 2023 | 133,333 | 31,798 |
| 2024-2028 | 666,666 | 108,899 |
| 2029-2032 | 533,336 | 26,793 |
| Total | <u>\$ 1,866,667</u> | <u>\$ 328,258</u> |

The District's overall legal debt margin at June 30, 2018, was \$21,801,079, with an unvoted debt margin of \$513,102. The District was approved as a special needs district by the Ohio Department of Education. This approval was granted based on projected tax valuation growth figures submitted by the District to the Ohio Department of Education, which is used to calculate the legal debt margin.

Bonds and Notes are paid from the debt service fund and capital leases are paid from the Permanent Improvement Fund. Compensated absences are paid from the General Fund. Lease purchase agreements are paid out of the General Fund.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

NOTE 9 – CAPITAL LEASE OBLIGATIONS

During fiscal year 2015, the District entered into capital lease agreements for three new school buses. Principal payments in fiscal year 2018 totaled \$72,061 in the governmental funds.

The equipment was originally capitalized in the amount of \$284,312. This amount represents the present value of the minimum lease payments at the time of acquisition. At fiscal year-end, book value of the equipment was \$189,024, which includes accumulated depreciation of \$95,288.

During fiscal year 2018, the District entered into a capital lease agreement for three new school buses. Principal payments in fiscal year 2018 totaled \$0 in the governmental funds.

The equipment was originally capitalized in the amount of \$259,285. This amount represents the present value of the minimum lease payments at the time of acquisition. At fiscal year-end, book value of the equipment was \$235,516, which includes accumulated depreciation of \$23,769.

The agreements provide for minimum annual rental payments as follows:

| Fiscal Year Ending June 30, | 2015 Capital Lease | | 2018 Capital Lease | | Total | |
|--------------------------------|--------------------|------------------|--------------------|-----------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019 | \$ 84,098 | \$ 7,130 | \$ 22,158 | \$ 1,122 | \$ 106,256 | \$ 8,252 |
| 2020 | 86,410 | 4,818 | - | - | 86,410 | 4,818 |
| 2021 | 88,778 | 2,451 | - | - | 88,778 | 2,451 |
| Total | <u>\$ 259,286</u> | <u>\$ 14,399</u> | <u>\$ 22,158</u> | <u>\$ 1,122</u> | <u>\$ 281,444</u> | <u>\$ 15,521</u> |

NOTE 10 – RECEIVABLES

Receivables at year-end consisted of property taxes, revenue in lieu of property taxes, intergovernmental, interest, and accounts. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of property taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$352,345 for fiscal year 2018. Of this amount, \$52,292 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, 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.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent 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 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,936,680 for fiscal year 2018. Of this amount, \$212,746 is reported as an intergovernmental payable.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

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, 2017, 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. Following is information related to the proportionate share and pension expense:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|-------------------|--------------------|--------------------|
| Proportionate Share of the Net Pension Liability | \$6,194,442 | \$27,744,470 | \$33,938,912 |
| Proportion of the Net Pension Liability - Current Measurement Date | 0.1036765% | 0.11679318% | |
| Proportion of the Net Pension Liability - Prior Measurement Date | <u>0.1020638%</u> | <u>0.11573685%</u> | |
| Change in Proportionate Share | 0.0016127% | 0.0010563% | |
| Pension Expense | (\$55,971) | (\$10,552,812) | (\$10,608,783) |

At June 30, 2018, 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> |
|--|--------------------|--------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$266,587 | \$1,071,359 | \$1,337,946 |
| Change of assumptions | 320,320 | 6,068,021 | 6,388,341 |
| Change in proportionate share | 265,659 | 909,747 | 1,175,406 |
| District contributions subsequent to the measurement date | <u>352,345</u> | <u>1,936,680</u> | <u>2,289,025</u> |
| Total Deferred Outflows of Resources | <u>\$1,204,911</u> | <u>\$9,985,807</u> | <u>\$11,190,718</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$0 | \$223,610 | \$223,610 |
| Net difference between projected and actual earnings on pension plan investments | 29,407 | 915,597 | 945,004 |
| Change in proportionate share | <u>0</u> | <u>34,838</u> | <u>34,838</u> |
| Total Deferred Inflows of Resources | <u>\$29,407</u> | <u>\$1,174,045</u> | <u>\$1,203,452</u> |

\$2,289,025 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 year ending June 30, 2019.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (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:

| Fiscal Year Ending June 30: | SERS | STRS | Total |
|-----------------------------|-----------|-------------|-------------|
| 2019 | \$417,994 | \$1,513,862 | \$1,931,856 |
| 2020 | 436,439 | 3,103,267 | 3,539,706 |
| 2021 | 137,641 | 1,711,286 | 1,848,927 |
| 2022 | (168,915) | 546,667 | 377,752 |
| Total | \$823,159 | \$6,875,082 | \$7,698,241 |

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

| | |
|--|--|
| Wage Inflation | 3 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent |
| COLA or Ad Hoc COLA | 2.50 percent |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The most recent experience study was completed for the five-year period ended June 30, 2015.

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 an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|---------------------|--|
| Cash | 1.00 % | 0.50 % |
| US Stocks | 22.50 | 4.75 |
| Non-US Stocks | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Assets | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | <u>100.00 %</u> | |

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 7.50 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$8,596,276 | \$6,194,442 | \$4,182,416 |

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|---|
| Inflation | 2.50 percent |
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Investment Rate of Return | 7.45 percent, net of investment expenses, including inflation |
| Payroll Increases | 3.00 percent |
| Cost-of-Living Adjustments (COLA) | 0.00 percent effective July 1, 2017 |

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|----------------------|----------------------|--|
| Domestic Equity | 28.00 % | 7.35 % |
| International Equity | 23.00 | 7.55 |
| Alternatives | 17.00 | 1.09 |
| Fixed Income | 21.00 | 3.00 |
| Real Estate | 10.00 | 6.00 |
| Liquidity Reserves | 1.00 | 2.25 |
| Total | <u>100.00 %</u> | |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

*The 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS 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 7.45 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability | \$39,770,754 | \$27,744,470 | \$17,614,129 |

Changes Between Measurement Date and Report Date The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and 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. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Benefit Term Changes Since the Prior Measurement Date Effective July 1, 2017, the Cost of Living Adjustment was reduced to zero.

(c) Social Security System

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. As of June 30, 2018, no members of the Board of Education have elected Social Security. The District’s liability is 6.2 percent of wages paid.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. 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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.50 percent of covered payroll was made to 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 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$56,657.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$69,707 for fiscal year 2018. Of this amount \$57,319 is reported as an intergovernmental 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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|-------------------|--------------------|-------------------|
| Proportionate Share of the Net OPEB Liability | \$2,809,605 | \$4,556,839 | \$7,366,444 |
| Proportion of the Net OPEB Liability - Current Measurement Date | 0.1046900% | 0.11679318% | |
| Proportion of the Net OPEB Liability - Prior Measurement Date | <u>0.1034587%</u> | <u>0.11573685%</u> | |
| Change in Proportionate Share | 0.0012313% | 0.0010563% | |
| OPEB Expense | \$163,587 | (\$1,379,203) | (\$1,215,616) |

At June 30, 2018, 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> |
|---|------------------|------------------|------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$0 | \$263,049 | \$263,049 |
| Change in proportionate share | 25,763 | 45,194 | 70,957 |
| District contributions subsequent to the measurement date | <u>69,707</u> | <u>0</u> | <u>69,707</u> |
| Total Deferred Outflows of Resources | <u>\$95,470</u> | <u>\$308,243</u> | <u>\$403,713</u> |
| Deferred Inflows of Resources | | | |
| Changes of assumptions | \$266,617 | \$367,068 | \$633,685 |
| Net difference between projected and actual earnings on OPEB plan investments | <u>7,419</u> | <u>194,770</u> | <u>202,189</u> |
| Total Deferred Inflows of Resources | <u>\$274,036</u> | <u>\$561,838</u> | <u>\$835,874</u> |

\$69,707 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 in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

| | SERS | STRS | Total |
|-----------------------------|-------------|-------------|-------------|
| Fiscal Year Ending June 30: | | | |
| 2019 | (\$89,121) | (\$63,400) | (\$152,521) |
| 2020 | (89,121) | (63,400) | (152,521) |
| 2021 | (89,121) | (63,400) | (152,521) |
| 2022 | 19,090 | (63,395) | (44,305) |
| Total | (\$248,273) | (\$253,595) | (\$501,868) |

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.

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GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 12 – 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, 2017, are presented below:

| | |
|--|---|
| Wage Inflation | 3.00 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation |
| Municipal Bond Index Rate: | |
| Measurement Date | 3.56 percent |
| Prior Measurement Date | 2.92 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation: | 3.63 percent |
| Measurement Date | 2.98 percent |
| Prior Measurement Date | |
| Medical Trend Assumption | |
| Medicare | 5.50 to 5.00 percent |
| Pre-Medicare | 7.50 to 5.00 percent |

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|----------------------|---|
| Cash | 1.00 % | 0.50 % |
| US Stocks | 22.50 | 4.75 |
| Non-US Stocks | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Assets | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | 100.00 % | |

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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 of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63 percent) and higher (4.63 percent) than the current discount rate (3.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.50 percent decreasing to 4.00 percent) and higher (8.50 percent decreasing to 6.00 percent) than the current rate.

| | 1% Decrease (2.63%) | Current Discount Rate (3.63%) | 1% Increase (4.63%) |
|---|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$3,392,955 | \$2,809,605 | \$2,347,442 |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

| | 1% Decrease (6.50% decreasing to 4.00%) | Discount Rate (7.50% decreasing to 5.00%) | 1% Increase (8.50% decreasing to 6.00%) |
|---|---|---|---|
| District's proportionate share of the net OPEB liability | \$2,279,784 | \$2,809,605 | \$3,510,832 |

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

| | |
|-----------------------------------|--|
| Inflation | 2.50 percent |
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Investment Rate of Return | 7.45 percent, net of investment expenses, including inflation |
| Payroll Increases | 3.00 percent |
| Cost-of-Living Adjustments (COLA) | 0.00 percent, effective July 1, 2017 |
| Blended Discount Rate of Return | 4.13 percent |
| Health Care Cost Trends | 6.00 to 11.00 percent initial, 4.50 percent ultimate |

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)” and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Also, since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10 percent to 1.90 percent 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. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 – DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption.

Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

| | 1% Decrease <u>(3.13%)</u> | Current Discount Rate <u>(4.13%)</u> | 1% Increase <u>(5.13%)</u> |
|---|-------------------------------|--|-------------------------------|
| District's proportionate share of the net OPEB liability | \$6,117,483 | \$4,556,839 | \$3,323,420 |

| | 1% Decrease <u></u> | Current Trend Rate <u></u> | 1% Increase <u></u> |
|---|------------------------|----------------------------------|------------------------|
| District's proportionate share of the net OPEB liability | \$3,165,896 | \$4,556,839 | \$6,387,482 |

NOTE 13 – EMPLOYEE BENEFITS

(a) Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated vacation time may be carried forward for the Treasurer and upon approval of the Superintendent, for all other classified employees. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees can earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 210 days for all personnel. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit to a maximum of 50 days for classified and certified employees.

(b) Health Care Benefits

The District provides health and drug insurance through Medical Mutual of Ohio and dental insurance through Delta Dental for all eligible employees. The District pays medical and drug monthly premiums for staff (family and single coverage). The District pays the total monthly premium for dental insurance coverage for family and single employees. The District also provides vision insurance to its employees through VSP. The District pays the total premium for vision coverage for family and single.

The District provides life insurance and accidental death and dismemberment insurance to most employees through the Mutual of Omaha. Premiums are paid from the same funds that pay the employees’ salaries.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the District contracted with Southwestern Ohio Educational Purchasing Counsel for boiler and machinery, inland marine, crime insurance, general liability insurance, and fleet insurance. Coverage provided by is as follows:

| | |
|---|--------------|
| Building and Contents-Replacement Cost (\$5,000 deductible) | \$83,470,152 |
| Inland Marine (\$5,000 deductible) | |
| Property | 1,000,000 |
| Crime Insurance (\$5,000 deductible) | |
| Money & Securities | 1,000,000 |
| Employee Dishonesty | 1,000,000 |
| Forgery or Alteration | 1,000,000 |
| General Liability | |
| Per Occurrence | 1,000,000 |
| Aggregate Per Year | 3,000,000 |
| Education Umbrella Liability Policy for General Liability | |
| Per Occurrence | 1,000,000 |
| Aggregate Per Year | 3,000,000 |
| Fleet Insurance (\$1,000 deductible) | 1,000,000 |
| Per Occurrence | 1,000,000 |

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

In fiscal year 2018, the District participated in the Metropolitan Educational Technology Association (META) group insurance purchasing pool (Note 16). META helps member school districts receive discounted rates on various items such as their life, property, boiler and machinery, inland marine, crime, and freight insurance, services, supplies, and other items. The META has over 200 members which include school districts, joint vocational schools, educational service centers and libraries covering 37 counties in Central Ohio. The governing board of META is composed of either the superintendent, a designated representative, or a member of the board of education for each participating school district in Franklin County, and one representative from each county outside Franklin County.

For fiscal year 2018, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State board on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

(a) Licking Area Computer Association - The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association which services sixteen entities within the boundaries of Licking, Knox, Muskingum, Fairfield, Medina, and Perry Counties. These entities consist of public school districts, private schools, and educational service centers. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the District's continued participation and the District has no equity interest in the Association. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The District's total payments to LACA for computer services during fiscal year 2018 were \$138,028. Financial statements for LACA can be obtained from their fiscal agent the Career and Technology Education Centers of Licking County, 150 Price Road, Newark, OH 43055.

(b) Career and Technology Education Centers of Licking County - The Career and Technology Education Centers of Licking County is a jointly governed organization providing vocational education to its member school districts. The Career and Technology Education Centers of Licking County is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of three representatives from the Licking County Educational Service Center, two from the Newark City School District, one from the Heath City School District, and one from the Granville Exempted Village School District, which possesses its own budgeting and taxing authority. The District's total payments to the Career and Technology Educational Centers of Licking County during fiscal year 2018 were \$1,555. To obtain financial information write to the Career and Technology Education Centers of Licking County, Ben Streby, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

(c) Metropolitan Educational Technology Association - The District participates in the Metropolitan Educational Technology Association (META), a jointly governed organization. The organization is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. The District's membership payment to META for fiscal year 2018 was \$0. Financial information may be obtained from the Metropolitan Educational Technology Association, Dave Varda, who serves as Chief Financial Officer, at 2100 Citygate Dr., Columbus, OH 43219.

(d) Newark-Granville Community Authority - The Newark-Granville Community Authority (Authority) is a jointly governed organization created under Section 349.03, Ohio Revised Code. The Authority was created for the purposes of encouraging the orderly development of a well-planned, diversified and economically sound new community in central Licking County. The Authority is operated by a Board of Trustees (Board) that is comprised of seven residents of the community who are elected to two-year terms. The revenue source of this organization consists of special assessments imposed by Licking County on Park Trails Community. The special assessment is based on a \$250,000 average home value within the community, which results in a minimum annual community development charge of \$455 per home for 20 consecutive years.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 16 – INSURANCE PURCHASING POOLS

(a) Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State, based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley, Inc. provides administrative, cost control and actuarial services to the GRP. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

(b) Metropolitan Educational Technology Association Group Insurance Pool

The District participates in the Metropolitan Educational Technology Association (META) insurance purchasing pool. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The organization is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program.

NOTE 17 – RELATED ORGANIZATION

Granville Schools Education Foundation, Incorporated

The Granville Schools Education Foundation, authorized under Ohio Revised Code Chapter 1702, is a independent nonprofit corporation created in 1994. The Foundation's purpose is to improve education for the students of Granville Schools. The Foundation is governed by a Board of Trustees appointed by the Granville Exempted Village School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. The District has no ability to impose its will on the organization nor does a burden/benefit relationship exist. Financial information can be obtained from the Granville Schools Education Foundation, Wendy Bittel, who serves as Executive Director, at P.O. Box 84, Granville, Ohio 43023.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 18 – COMMITMENTS AND 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 is 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.
- (b) **Litigation** - The District is currently not a party to any material legal proceedings.
- (c) **Encumbrances** - At fiscal year-end, outstanding encumbrances in the General Fund, Debt Service Fund, and Other Governmental Funds were \$837,157, \$0, and \$393,432, respectively.
- (d) **Foundation Funding** - District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 19 – FUND DEFICIT

The following funds had a deficit fund balance at June 30, 2018:

| Fund | Deficit Balance |
|--------------------------------|-----------------|
| Miscellaneous State Grants | (\$203) |
| Title I Disadvantaged Children | (6,137) |
| | (\$6,340) |

This deficit fund balance is the result of the recognition of payables in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 20 - INTERFUND TRANSACTIONS

On an as-needed basis, the District’s General Fund advances cash to other funds of the District to eliminate cash deficits. During the year, advances from the District’s General Fund were made. As of June 30, 2018, receivables and payables that resulted from those advance transactions were as follows:

| Fund | Due to the General Fund |
|----------------------------|----------------------------|
| Miscellaneous State Grants | \$203 |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 21 – SET-ASIDE CALCULATIONS

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase an equal amount for the acquisition and construction of capital improvements.

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

| | | |
|--|----|-----------|
| Set-aside cash balance as of June 30, 2017 | \$ | - |
| Current fiscal year set-aside requirement | | 436,804 |
| Current Year Offsets | | (436,804) |
| Qualifying Disbursements | | - |
| Total | \$ | - |
| | | ----- |
| | | ----- |
| Balance Carried Forward to FY 2019 | \$ | - |
| | | ----- |
| | | ----- |

Capital acquisition offsets presented in the table were limited to those necessary to reduce the fiscal year-end balance to zero. Although the District had offsets during the fiscal year that would have reduced the set-aside amount for capital acquisitions to below zero, this extra amount may not be used to reduce the set-aside requirement of future years, therefore the District has chosen not to present them.

NOTE 22 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year ending June 30, 2018, the District has implemented the following:

GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans. The implementation of this statement had the following effect on net position as reported June 30, 2017:

| | |
|--|--------------|
| | Governmental |
| | Activities |
| | ----- |
| Net Position June 30, 2017 | (31,475,171) |
| Adjustments: | |
| Net OPEB Liability | (9,138,592) |
| Deferred Outflows - Payments Subsequent to Measurement | |
| Date | 54,664 |
| Restated Net Position June 30, 2017 | ----- |
| | ----- |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 22 – CHANGE IN ACCOUNTING PRINCIPLES (Continued)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Other GASB Statements implemented in fiscal year 2018 are as follows:

GASB Statement No. 81 “Irrevocable Split-Interest Agreements” improves financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have an effect on the financial statements of the District.

GASB Statement No. 85 “Omnibus 2017” addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 86 “Certain Debt Extinguishment Issues” improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the District.

NOTE 23 – SUBSEQUENT EVENT

In November 2018, the District passed an operating levy of 0.75 percent income tax. The new levy will address both the District’s long-term operating and capital needs.

REQUIRED SUPPLEMENTARY INFORMATION

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST FIVE FISCAL YEARS (1)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| District's Proportion of the Net Pension Liability | 0.1036765% | 0.1020638% | 0.1006560% | 0.091268% | 0.091268% |
| District's Proportionate Share of the Net Pension Liability | \$ 6,194,442 | \$ 7,470,128 | \$ 5,743,529 | \$ 4,619,022 | \$ 5,427,415 |
| District's Covered Payroll | \$ 3,445,853 | \$ 3,187,186 | \$ 3,684,772 | \$ 2,632,104 | \$ 2,569,884 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 179.77% | 234.38% | 155.87% | 175.49% | 211.19% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.50% | 62.98% | 69.16% | 71.70% | 65.52% |

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST FIVE FISCAL YEARS (1)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| District's Proportion of the Net Pension Liability | 0.11679318% | 0.11573685% | 0.11180787% | 0.112166% | 0.112166% |
| District's Proportionate Share of the Net Pension Liability | \$ 27,744,470 | \$ 38,740,612 | \$ 30,900,425 | \$ 27,282,641 | \$ 32,498,903 |
| District's Covered Payroll | \$ 12,188,984 | \$ 11,738,800 | \$ 12,187,000 | \$ 11,809,645 | \$ 11,719,095 |
| District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 227.62% | 330.02% | 253.55% | 231.02% | 277.32% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 75.30% | 66.80% | 72.10% | 74.70% | 69.30% |

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------|--------------|--------------|
| Contractually Required Contribution | \$ 352,345 | \$ 482,419 | \$ 446,206 | \$ 485,653 |
| Contributions in Relation to the Contractually Required Contribution | \$ 352,345 | \$ 482,419 | \$ 446,206 | \$ 485,653 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 2,609,963 | \$ 3,445,853 | \$ 3,187,186 | \$ 3,684,772 |
| Contributions as a Percentage of Covered Payroll | 13.50% | 14.00% | 14.00% | 13.18% |

See accompanying notes to the required supplementary information.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 364,810 | \$ 355,672 | \$ 434,374 | \$ 389,770 | \$ 372,416 | \$ 240,976 |
| \$ 364,810 | \$ 355,672 | \$ 434,374 | \$ 389,770 | \$ 372,416 | \$ 240,976 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 2,632,104 | \$ 2,569,884 | \$ 3,229,543 | \$ 3,100,800 | \$ 2,750,486 | \$ 2,448,943 |
| 13.86% | 13.84% | 13.45% | 12.57% | 13.54% | 9.84% |

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 1,936,680 | \$ 1,706,458 | \$ 1,643,432 | \$ 1,706,180 |
| Contributions in Relation to the Contractually Required Contribution | \$ 1,936,680 | \$ 1,706,458 | \$ 1,643,432 | \$ 1,706,180 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 13,833,429 | \$ 12,188,984 | \$ 11,738,800 | \$ 12,187,000 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% |

See accompanying notes to the required supplementary information.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 1,535,254 | \$ 1,523,482 | \$ 1,648,162 | \$ 1,612,806 | \$ 1,543,107 | \$ 1,472,005 |
| \$ 1,535,254 | \$ 1,523,482 | \$ 1,648,162 | \$ 1,612,806 | \$ 1,543,107 | \$ 1,472,005 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 11,809,645 | \$ 11,719,095 | \$ 12,678,171 | \$ 12,406,200 | \$ 11,870,057 | \$ 11,323,114 |
| 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TWO FISCAL YEARS (1)

| | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|
| District's Proportion of the Net OPEB Liability | 0.1046900% | 0.1034587% |
| District's Proportionate Share of the Net OPEB Liability | \$ 2,809,605 | \$ 2,948,955 |
| District's Covered Payroll | \$ 3,445,853 | \$ 3,187,186 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 81.54% | 92.53% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 12.46% | 11.49% |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TWO FISCAL YEARS (1)

| | <u>2018</u> | <u>2017</u> |
|--|---------------|---------------|
| District's Proportion of the Net OPEB Liability | 0.11679318% | 0.11573685% |
| District's Proportionate Share of the Net OPEB Liability | \$ 4,556,839 | \$ 6,189,637 |
| District's Covered Payroll | \$ 12,188,984 | \$ 11,738,800 |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 37.38% | 52.73% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.10% | 37.30% |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------|--------------|--------------|
| Contractually Required Contribution (1) | \$ 69,707 | \$ 54,664 | \$ 50,330 | \$ 75,079 |
| Contributions in Relation to the Contractually Required Contribution | \$ 69,707 | \$ 54,664 | \$ 50,330 | \$ 75,079 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 2,609,963 | \$ 3,445,853 | \$ 3,187,186 | \$ 3,684,772 |
| Contributions as a Percentage of Covered Payroll (1) | 2.67% | 1.59% | 1.58% | 2.04% |

(1) Includes Surcharge.

See accompanying notes to the required supplementary information.

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 47,810 | \$ 87,981 | \$ 56,536 | \$ 71,804 | \$ 191,181 | \$ 148,201 |
| \$ 47,810 | \$ 87,981 | \$ 56,536 | \$ 71,804 | \$ 191,181 | \$ 148,201 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 2,632,104 | \$ 2,569,884 | \$ 3,229,543 | \$ 3,100,800 | \$ 2,750,486 | \$ 2,448,943 |
| 1.82% | 3.42% | 1.75% | 2.32% | 6.95% | 6.05% |

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ - | \$ - | \$ - | \$ - |
| Contributions in Relation to the Contractually Required Contribution | \$ - | \$ - | \$ - | \$ - |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 13,833,429 | \$ 12,188,984 | \$ 11,738,800 | \$ 12,187,000 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% |

See accompanying notes to the required supplementary information.

| 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 112,753 | \$ 116,098 | \$ 126,782 | \$ 124,062 | \$ 118,700 | \$ 113,231 |
| \$ 112,753 | \$ 116,098 | \$ 126,782 | \$ 124,062 | \$ 118,700 | \$ 113,231 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$ 11,809,645 | \$ 11,719,095 | \$ 12,678,171 | \$ 12,406,200 | \$ 11,870,057 | \$ 11,323,114 |
| 0.95% | 0.99% | 1.00% | 1.00% | 1.00% | 1.00% |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net Pension Liability

School Employees Retirement System

Changes in benefit terms:

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarially determined contributions for fiscal year 2018.

State Teachers Retirement System

Changes in benefit terms:

For fiscal year 2018, the COLA was reduced to zero.

Changes in assumptions:

For fiscal year 2018, the STRS Board adopted several assumption changes, including changes to:

- Inflation assumption lowered from 2.75% to 2.50%;
- Investment return assumption lowered from 7.75% to 7.45%;
- Total salary increases rates lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation;
- Payroll growth assumption lowered to 3.00%;
- Updated the healthy and disabled mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016; and
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net OPEB Liability

School Employees Retirement System

Changes in Assumptions:

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018 3.56 percent

Fiscal year 2017 2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2018 3.63 percent

Fiscal year 2017 2.98 percent

State Teachers Retirement System

Changes in Assumptions:

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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.

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COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

DESCRIPTION OF FUNDS NON-MAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Non-major Governmental Funds

Non-major Governmental Funds account for revenues from specific sources, which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Non-major Governmental Funds follows:

Permanent Improvement Fund - A fund provided to account for all transactions related to acquiring, constructing, or improving school facilities.

Building Fund - A fund used to account for the revenues and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities, including real property.

Food Service Fund - A fund used to account for the financial activity related to the District's food service operation.

Program Donations Fund - A fund used to account for the receipt and expenditure of program donations that can be expended for school district programs.

Public School Support Fund – A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.). In accordance with Governmental Accounting Standards Board Statement No. 54, this fund is combined with the General Fund for financial reporting purposes.

Classroom Facilities Maintenance Fund - A fund used to account for the proceeds of a levy for the maintenance of facilities.

District Managed Student Activity Fund - A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Fund - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Data Communications Fund - A fund used to account for monies received in order for the District to obtain access to the Ohio Educational Computer Network.

Vocational Education Enhancement Fund – A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes, and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

DESCRIPTION OF FUNDS NON-MAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Miscellaneous State Grants Fund - A fund used to account for other state grants, not required to be accounted for in another fund.

Title VI-B IDEA Fund - A fund used to account for federal funds used to assist states in providing an appropriate public education to all children with disabilities.

Title I Disadvantaged Children Fund - A fund used to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

Title II-A Improving Teacher Quality Fund - A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund - A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

| | Capital Project Funds | | Special Revenue Funds | | |
|---|--------------------------|------------------|-----------------------|----------------------|--|
| | Permanent Improvement | Building | Food Service | Program Donations | Classroom Facilities Maintenance |
| Assets: | | | | | |
| Pooled Cash and Cash Equivalents | \$ 654,243 | \$ 77,121 | \$ 2,686 | \$ 58,150 | \$ 274,839 |
| Investments in Segregated Accounts | - | - | - | 23,132 | - |
| Receivables: | | | | | |
| Property Taxes | 680,159 | - | - | - | 155,368 |
| Accounts | - | - | 11,750 | - | - |
| Intergovernmental | - | - | - | - | - |
| Total Assets | \$ 1,334,402 | \$ 77,121 | \$ 14,436 | \$ 81,282 | \$ 430,207 |
| Liabilities: | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 4,686 |
| Accrued Wages and Benefits | - | - | - | - | - |
| Retainage Payable | - | 74,191 | - | - | - |
| Intergovernmental Payable | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - |
| Total Liabilities | - | 74,191 | - | - | 4,686 |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | 559,335 | - | - | - | 128,192 |
| Unavailable Revenue | 6,024 | - | 11,750 | - | 1,396 |
| Total Deferred Inflows of Resources | 565,359 | - | 11,750 | - | 129,588 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Classroom Facilities Maintenance | - | - | - | - | 295,933 |
| District Managed Student Activities | - | - | - | - | - |
| Other Purposes | - | - | - | 81,282 | - |
| Food Service Program | - | - | 2,686 | - | - |
| Permanent Improvements | 769,043 | 2,930 | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 769,043 | 2,930 | 2,686 | 81,282 | 295,933 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,334,402 | \$ 77,121 | \$ 14,436 | \$ 81,282 | \$ 430,207 |

Special Revenue Funds

| District Managed Student Activities | Auxiliary Services | Data Communications | Vocational Education Enhancement | Miscellaneous State Grants | TITLE VI-B IDEA | Title I Disadvantaged Children | Improving Teacher Quality |
|--|-----------------------|------------------------|--|----------------------------------|--------------------|--------------------------------------|---------------------------------|
| \$ 278,214 | \$ 46,105 | \$ 10,775 | \$ - | \$ - | \$ - | \$ 1 | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 58,408 | 17,564 | 3,399 |
| <u>\$ 278,214</u> | <u>\$ 46,105</u> | <u>\$ 10,775</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 58,408</u> | <u>\$ 17,565</u> | <u>\$ 3,399</u> |
| \$ - | \$ 1,851 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,399 |
| - | 29,723 | - | - | - | 45,964 | 20,530 | - |
| - | - | - | - | - | - | - | - |
| - | 8,493 | - | - | - | 7,101 | 3,172 | - |
| - | - | - | - | 203 | - | - | - |
| - | <u>40,067</u> | - | - | <u>203</u> | <u>53,065</u> | <u>23,702</u> | <u>3,399</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 278,214 | - | - | - | - | - | - | - |
| - | 6,038 | 10,775 | - | - | 5,343 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | (203) | - | (6,137) | - |
| 278,214 | 6,038 | 10,775 | - | (203) | 5,343 | (6,137) | - |
| <u>\$ 278,214</u> | <u>\$ 46,105</u> | <u>\$ 10,775</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 58,408</u> | <u>\$ 17,565</u> | <u>\$ 3,399</u> |

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(CONTINUED)

| | Special Revenue Funds | |
|---|------------------------------------|---|
| | Miscellaneous Federal Grants | Total Other Governmental Funds |
| Assets: | | |
| Pooled Cash and Cash Equivalents | \$ 397 | \$ 1,402,531 |
| Investments in Segregated Accounts | - | 23,132 |
| Receivables: | | |
| Property Taxes | - | 835,527 |
| Accounts | - | 11,750 |
| Intergovernmental | - | 79,371 |
| Total Assets | <u>\$ 397</u> | <u>\$ 2,352,311</u> |
| Liabilities: | | |
| Accounts Payable | \$ - | \$ 9,936 |
| Accrued Wages and Benefits | - | 96,217 |
| Retainage Payable | - | 74,191 |
| Intergovernmental Payable | - | 18,766 |
| Due to Other Funds | - | 203 |
| Total Liabilities | <u>-</u> | <u>199,313</u> |
| Deferred Inflows of Resources: | | |
| Property Taxes | - | 687,527 |
| Unavailable Revenue | - | 19,170 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>706,697</u> |
| Fund Balances: | | |
| Restricted for: | | |
| Classroom Facilities Maintenance | - | 295,933 |
| District Managed Student Activities | - | 278,214 |
| Other Purposes | 397 | 103,835 |
| Food Service Program | - | 2,686 |
| Permanent Improvements | - | 771,973 |
| Unassigned | - | (6,340) |
| Total Fund Balances | <u>397</u> | <u>1,446,301</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 397</u> | <u>\$ 2,352,311</u> |

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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

| | Capital Project Funds | | Special Revenue Funds | | |
|------------------------------------|-----------------------|-----------------|-----------------------|-------------------|----------------------------------|
| | Permanent Improvement | Building | Food Service | Program Donations | Classroom Facilities Maintenance |
| Revenues: | | | | | |
| Property Taxes | \$ 770,326 | \$ - | \$ - | \$ - | \$ 175,733 |
| Revenue in Lieu of Property Taxes | 61,259 | - | - | - | - |
| Intergovernmental | 87,692 | - | 50,989 | - | 19,639 |
| Charges for Services | - | - | 678,234 | - | - |
| Interest | - | - | - | 344 | - |
| Extracurricular Activities | - | - | - | - | - |
| Donations | - | - | - | 42,651 | - |
| Other | 48,814 | - | 11,678 | - | - |
| Total Revenues | <u>968,091</u> | <u>-</u> | <u>740,901</u> | <u>42,995</u> | <u>195,372</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular | 296,857 | - | - | 26,395 | 4,712 |
| Special | - | - | - | - | - |
| Support services: | | | | | |
| Pupils | - | - | - | 9,056 | - |
| Instructional Staff | 152 | - | - | 2,000 | - |
| Fiscal Services | 13,525 | - | 13,510 | - | 2,344 |
| Operation and Maintenance of Plant | 658,492 | 680,461 | - | - | 199,714 |
| Pupil Transportation | 259,285 | - | - | - | - |
| Central | - | - | - | - | - |
| Non-instructional Services | - | - | 734,696 | - | - |
| Extracurricular Activities | 25,737 | - | - | 4,745 | - |
| Debt service: | | | | | |
| Principal Retirement | 72,061 | - | - | - | - |
| Interest and Fiscal Charges | 37,584 | - | - | - | - |
| Total Expenditures | <u>1,363,693</u> | <u>680,461</u> | <u>748,206</u> | <u>42,196</u> | <u>206,770</u> |
| Net Change in Fund Balances | (395,602) | (680,461) | (7,305) | 799 | (11,398) |
| Other Financing Sources: | | | | | |
| Inception of Capital Lease | 259,285 | - | - | - | - |
| Total Other Financing Sources | <u>259,285</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (136,317) | (680,461) | (7,305) | 799 | (11,398) |
| Fund Balance Beginning of Year | 905,360 | 683,391 | 9,991 | 80,483 | 307,331 |
| Fund Balance End of Year | <u>\$ 769,043</u> | <u>\$ 2,930</u> | <u>\$ 2,686</u> | <u>\$ 81,282</u> | <u>\$ 295,933</u> |

Special Revenue Funds

| District Managed Student Activities | Auxiliary Services | Data Communications | Vocational Education Enhancement | Miscellaneous State Grants | TITLE VI-B IDEA | Title I Disadvantaged Children | Improving Teacher Quality |
|--|-----------------------|------------------------|--|----------------------------------|--------------------|--------------------------------------|---------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | 243,820 | 7,200 | 8,000 | - | 425,876 | 117,240 | 32,949 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 228,058 | - | - | - | - | - | - | - |
| 6,119 | - | - | - | - | - | - | - |
| 2,889 | - | - | - | - | - | - | - |
| <u>237,066</u> | <u>243,820</u> | <u>7,200</u> | <u>8,000</u> | <u>-</u> | <u>425,876</u> | <u>117,240</u> | <u>32,949</u> |
| 10,888 | - | - | 16,000 | - | - | - | 38,378 |
| - | - | - | - | 203 | 406,976 | 96,572 | - |
| - | - | - | - | - | - | - | - |
| 480 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 11,990 | - | - | - | - | - |
| - | 264,920 | - | - | - | - | 3,842 | 1,492 |
| 187,898 | - | - | - | - | 9,304 | 23,702 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>199,266</u> | <u>264,920</u> | <u>11,990</u> | <u>16,000</u> | <u>203</u> | <u>416,280</u> | <u>124,116</u> | <u>39,870</u> |
| 37,800 | (21,100) | (4,790) | (8,000) | (203) | 9,596 | (6,876) | (6,921) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 37,800 | (21,100) | (4,790) | (8,000) | (203) | 9,596 | (6,876) | (6,921) |
| 240,414 | 27,138 | 15,565 | 8,000 | - | (4,253) | 739 | 6,921 |
| <u>\$ 278,214</u> | <u>\$ 6,038</u> | <u>\$ 10,775</u> | <u>\$ -</u> | <u>\$ (203)</u> | <u>\$ 5,343</u> | <u>\$ (6,137)</u> | <u>\$ -</u> |

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

(CONTINUED)

| | Special Revenue | |
|------------------------------------|------------------------------------|---|
| | Funds | |
| | Miscellaneous Federal Grants | Total Other Governmental Funds |
| Revenues: | | |
| Property Taxes | \$ - | \$ 946,059 |
| Revenue in Lieu of Property Taxes | - | 61,259 |
| Intergovernmental | 23,289 | 1,016,694 |
| Charges for Services | - | 678,234 |
| Interest | - | 344 |
| Extracurricular Activities | - | 228,058 |
| Donations | - | 48,770 |
| Other | - | 63,381 |
| Total Revenues | <u>23,289</u> | <u>3,042,799</u> |
| Expenditures: | | |
| Instruction: | | |
| Regular | 23,401 | 416,631 |
| Special | - | 503,751 |
| Support services: | | |
| Pupils | - | 9,056 |
| Instructional Staff | - | 2,632 |
| Fiscal Services | - | 29,379 |
| Operation and Maintenance of Plant | - | 1,538,667 |
| Pupil Transportation | - | 259,285 |
| Central | - | 11,990 |
| Non-instructional Services | - | 1,004,950 |
| Extracurricular Activities | - | 251,386 |
| Debt service: | | |
| Principal Retirement | - | 72,061 |
| Interest and Fiscal Charges | - | 37,584 |
| Total Expenditures | <u>23,401</u> | <u>4,137,372</u> |
| Net Change in Fund Balances | (112) | (1,094,573) |
| Other Financing Sources: | | |
| Inception of Capital Lease | - | 259,285 |
| Total Other Financing Sources | <u>-</u> | <u>259,285</u> |
| Net Change in Fund Balances | (112) | (835,288) |
| Fund Balance Beginning of Year | 509 | 2,281,589 |
| Fund Balance End of Year | <u>\$ 397</u> | <u>\$ 1,446,301</u> |

**Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Non-GAAP) Budgetary Basis – Governmental Funds**

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 - GOVERNMENTAL FUNDS

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/(Under)</u> |
|--------------------------------------|-------------------------|---------------------|----------------------------------|
| Debt Service Fund | | | |
| Total Revenues and Other Sources | \$ 3,056,496 | \$ 3,174,733 | \$ 118,237 |
| Total Expenditures and Other Uses | <u>3,200,180</u> | <u>3,214,722</u> | <u>(14,542)</u> |
| Net Change in Fund Balance | (143,684) | (39,989) | 103,695 |
| Fund Balances - July 1 | 2,186,401 | 2,186,401 | - |
| Fund Balances - June 30 | <u>\$ 2,042,717</u> | <u>\$ 2,146,412</u> | <u>\$ 103,695</u> |
| Permanent Improvement Fund | | | |
| Total Revenues and Other Sources | \$ 775,000 | \$ 893,171 | \$ 118,171 |
| Total Expenditures and Other Uses | <u>1,436,366</u> | <u>1,324,247</u> | <u>112,119</u> |
| Net Change in Fund Balance | (661,366) | (431,076) | 230,290 |
| Fund Balances - July 1 | 560,867 | 560,867 | - |
| Prior Year Encumbrances Appropriated | 306,355 | 306,355 | - |
| Fund Balances - June 30 | <u>\$ 205,856</u> | <u>\$ 436,146</u> | <u>\$ 230,290</u> |
| Building Fund | | | |
| Total Expenditures and Other Uses | \$ 892,759 | \$ 878,113 | \$ 14,646 |
| Net Change in Fund Balance | (892,759) | (878,113) | 14,646 |
| Fund Balances - July 1 | 14,646 | 14,646 | - |
| Prior Year Encumbrances Appropriated | 878,113 | 878,113 | - |
| Fund Balances - June 30 | <u>\$ -</u> | <u>\$ 14,646</u> | <u>\$ 14,646</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
- GOVERNMENTAL FUNDS

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/(Under)</u> |
|--------------------------------------|-------------------------|------------------|----------------------------------|
| Food Service Fund | | | |
| Total Revenues and Other Sources | \$ 825,000 | \$ 740,901 | \$ (84,099) |
| Total Expenditures and Other Uses | <u>821,086</u> | <u>757,352</u> | <u>63,734</u> |
| Net Change in Fund Balance | 3,914 | (16,451) | (20,365) |
| Fund Balances - July 1 | 323 | 323 | - |
| Prior Year Encumbrances Appropriated | <u>17,086</u> | <u>17,086</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ 21,323</u> | <u>\$ 958</u> | <u>\$ (20,365)</u> |
| Program Donations Fund | | | |
| Total Revenues and Other Sources | \$ 102,000 | \$ 42,995 | \$ (59,005) |
| Total Expenditures and Other Uses | <u>147,052</u> | <u>47,000</u> | <u>100,052</u> |
| Net Change in Fund Balance | (45,052) | (4,005) | 41,047 |
| Fund Balances - July 1 | 71,432 | 71,432 | - |
| Prior Year Encumbrances Appropriated | <u>9,051</u> | <u>9,051</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ 35,431</u> | <u>\$ 76,478</u> | <u>\$ 41,047</u> |
| Public School Support Fund | | | |
| Total Revenues and Other Sources | \$ 240,000 | \$ 209,929 | \$ (30,071) |
| Total Expenditures and Other Uses | <u>303,759</u> | <u>211,228</u> | <u>92,531</u> |
| Net Change in Fund Balance | (63,759) | (1,299) | 62,460 |
| Fund Balances - July 1 | 82,609 | 82,609 | - |
| Prior Year Encumbrances Appropriated | <u>3,759</u> | <u>3,759</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ 22,609</u> | <u>\$ 85,069</u> | <u>\$ 62,460</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
- GOVERNMENTAL FUNDS

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/(Under)</u> |
|--|-------------------------|-------------------|----------------------------------|
| Classroom Facilities Maintenance Fund | | | |
| Total Revenues and Other Sources | \$ 175,000 | \$ 178,562 | \$ 3,562 |
| Total Expenditures and Other Uses | <u>259,554</u> | <u>240,046</u> | <u>19,508</u> |
| Net Change in Fund Balance | (84,554) | (61,484) | 23,070 |
| Fund Balances - July 1 | 250,975 | 250,975 | - |
| Prior Year Encumbrances Appropriated | 58,954 | 58,954 | - |
| Fund Balances - June 30 | <u>\$ 225,375</u> | <u>\$ 248,445</u> | <u>\$ 23,070</u> |
| District Managed Activities | | | |
| Total Revenues and Other Sources | \$ 300,000 | \$ 237,066 | \$ (62,934) |
| Total Expenditures and Other Uses | <u>371,273</u> | <u>223,571</u> | <u>147,702</u> |
| Net Change in Fund Balance | (71,273) | 13,495 | 84,768 |
| Fund Balances - July 1 | 222,212 | 222,212 | - |
| Prior Year Encumbrances Appropriated | 21,273 | 21,273 | - |
| Fund Balances - June 30 | <u>\$ 172,212</u> | <u>\$ 256,980</u> | <u>\$ 84,768</u> |
| Auxiliary Services | | | |
| Total Revenues and Other Sources | \$ 261,265 | \$ 243,820 | \$ (17,445) |
| Total Expenditures and Other Uses | <u>281,520</u> | <u>258,486</u> | <u>23,034</u> |
| Net Change in Fund Balance | (20,255) | (14,666) | 5,589 |
| Fund Balances - July 1 | 23,834 | 23,834 | - |
| Prior Year Encumbrances Appropriated | 20,255 | 20,255 | - |
| Fund Balances - June 30 | <u>\$ 23,834</u> | <u>\$ 29,423</u> | <u>\$ 5,589</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
- GOVERNMENTAL FUNDS

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/(Under)</u> |
|--|-------------------------|-------------------|----------------------------------|
| Data Communication Fund | | | |
| Total Revenues and Other Sources | \$ 7,200 | \$ 7,200 | \$ - |
| Total Expenditures and Other Uses | <u>22,765</u> | <u>19,190</u> | <u>3,575</u> |
| Net Change in Fund Balance | (15,565) | (11,990) | 3,575 |
| Fund Balances - July 1 | <u>15,565</u> | <u>15,565</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ -</u> | <u>\$ 3,575</u> | <u>\$ 3,575</u> |
| Vocational Education Enhancement Fund | | | |
| Total Revenues and Other Sources | \$ 8,000 | \$ 8,604 | \$ 604 |
| Total Expenditures and Other Uses | <u>16,000</u> | <u>16,000</u> | <u>-</u> |
| Net Change in Fund Balance | (8,000) | (7,396) | 604 |
| Fund Balances - July 1 | <u>7,396</u> | <u>7,396</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ (604)</u> | <u>\$ -</u> | <u>\$ 604</u> |
| Miscellaneous State Grants Fund | | | |
| Total Revenues and Other Sources | \$ 1,215 | \$ - | \$ (1,215) |
| Total Expenditures and Other Uses | <u>1,216</u> | <u>1,376</u> | <u>(160)</u> |
| Net Change in Fund Balance | (1) | (1,376) | (1,375) |
| Fund Balances - July 1 | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ (1)</u> | <u>\$ (1,376)</u> | <u>\$ (1,375)</u> |
| Title VI-B IDEA Fund | | | |
| Total Revenues and Other Sources | \$ 538,700 | \$ 465,278 | \$ (73,422) |
| Total Expenditures and Other Uses | <u>538,700</u> | <u>466,346</u> | <u>72,354</u> |
| Net Change in Fund Balance | - | (1,068) | (1,068) |
| Fund Balances - July 1 | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>1,068</u> | <u>1,068</u> | <u>-</u> |
| Fund Balances - June 30 | <u>\$ 1,068</u> | <u>\$ -</u> | <u>\$ (1,068)</u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
- GOVERNMENTAL FUNDS

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Over/(Under)</u> |
|--|--------------------------|---------------------------|----------------------------------|
| Title I Disadvantaged Children Fund | | | |
| Total Revenues and Other Sources | \$ 140,631 | \$ 109,997 | \$ (30,634) |
| Total Expenditures and Other Uses | <u>140,631</u> | <u>109,810</u> | <u>30,821</u> |
| Net Change in Fund Balance | - | 187 | 187 |
| Fund Balances - July 1 | (186) | (186) | - |
| Fund Balances - June 30 | <u><u>\$ (186)</u></u> | <u><u>\$ 1</u></u> | <u><u>\$ 187</u></u> |
| Improving Teacher Quality Fund | | | |
| Total Revenues and Other Sources | \$ 59,147 | \$ 38,546 | \$ (20,601) |
| Total Expenditures and Other Uses | <u>59,147</u> | <u>54,279</u> | <u>4,868</u> |
| Net Change in Fund Balance | - | (15,733) | (15,733) |
| Fund Balances - July 1 | (9,400) | (9,400) | - |
| Prior Year Encumbrances Appropriated | 7,325 | 7,325 | - |
| Fund Balances - June 30 | <u><u>\$ (2,075)</u></u> | <u><u>\$ (17,808)</u></u> | <u><u>\$ (15,733)</u></u> |
| Miscellaneous Federal Grants Fund | | | |
| Total Revenues and Other Sources | \$ 30,000 | \$ 23,289 | \$ (6,711) |
| Total Expenditures and Other Uses | <u>30,500</u> | <u>23,401</u> | <u>7,099</u> |
| Net Change in Fund Balance | (500) | (112) | 388 |
| Fund Balances - July 1 | 509 | 509 | - |
| Fund Balances - June 30 | <u><u>\$ 9</u></u> | <u><u>\$ 397</u></u> | <u><u>\$ 388</u></u> |

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------------|-----------------------|-------------------|
| Assets | | | | |
| Pooled Cash and Cash Equivalents | \$ 177,251 | \$ 128,889 | \$ - | \$ 306,140 |
| Property Taxes Receivable | 402,318 | 405,616 | (402,318) | 405,616 |
| Total Assets | <u>\$ 579,569</u> | <u>\$ 534,505</u> | <u>\$ (402,318)</u> | <u>\$ 711,756</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 2,982 | \$ - | \$ (2,982) | \$ - |
| Held for Student Liabilities | 113,826 | 205,658 | (173,986) | 145,498 |
| Held for Others | 60,443 | 1,631,280 | (1,531,081) | 160,642 |
| Total Liabilities | <u>\$ 177,251</u> | <u>\$ 1,836,938</u> | <u>\$ (1,708,049)</u> | <u>\$ 306,140</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | \$ 402,318 | \$ 405,616 | \$ (402,318) | \$ 405,616 |
| Total Deferred Inflows of Resources | <u>\$ 402,318</u> | <u>\$ 405,616</u> | <u>\$ (402,318)</u> | <u>\$ 405,616</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>\$ 579,569</u> | <u>\$ 2,242,554</u> | <u>\$ (2,110,367)</u> | <u>\$ 711,756</u> |

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Statistical Section



**Granville
Schools**
Learning for Life



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Statistical Section

This part of Granville Exempted Village School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.

TABLE 1

Granville Exempted Village School District*Net Position by Component**Last Ten Fiscal Years**(accrual basis of accounting)*

| | 2009 | 2010 | 2011 | 2012 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Net Investment in Capital Assets | \$ 7,687,855 | \$ 9,596,927 | \$ 10,307,937 | \$ 9,694,614 |
| Restricted for: | | | | |
| Capital Projects | 225,636 | - | - | - |
| Debt Service | 3,204,877 | 2,594,857 | 2,743,069 | 2,741,579 |
| Permanent Improvements | - | - | - | 86,531 |
| Classroom Facilities Maintenance | 195,268 | 141,981 | 111,627 | 129,400 |
| Food Services | - | - | 84,209 | - |
| District Managed Activities | 119,620 | 90,467 | 61,702 | 74,729 |
| Other Purposes | 40,957 | 72,421 | 55,954 | 101,167 |
| Unrestricted (Deficit) | (1,530,997) | (3,256,300) | (6,134,210) | (9,278,564) |
| Total Net Positions | \$ 9,943,216 | \$ 9,240,353 | \$ 7,230,288 | \$ 3,549,456 |

Note: GASB 68 was implemented in fiscal year 2015. Effects of the implementation can not fully be shown for prior years

Note: GASB 75 was implemented in fiscal year 2018. Effects of the implementation can not fully be shown for prior years

TABLE 1 (Continued)

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----|--------------------|---------------------|------------------------|------------------------|-----------------------|-----------------------|
| \$ | 8,620,362 | \$ 7,821,681 | \$ 6,839,124 | \$ 5,800,999 | \$ 4,815,089 | \$ 5,397,934 |
| | - | - | - | - | - | - |
| | 2,230,590 | 2,204,284 | 2,215,679 | 2,294,844 | 2,267,610 | 2,496,772 |
| | 180,533 | 580,973 | 648,246 | 1,057,083 | 914,619 | 775,067 |
| | 88,662 | 135,937 | 226,622 | 290,240 | 309,483 | 297,329 |
| | 66,223 | 3,355 | 17,270 | 17,655 | 9,991 | 2,686 |
| | 57,206 | 141,851 | 149,822 | 205,101 | 240,414 | 278,214 |
| | 81,395 | 116,264 | 154,994 | 96,870 | 139,355 | 103,835 |
| | <u>(8,556,073)</u> | <u>(7,124,668)</u> | <u>(40,749,737)</u> | <u>(39,477,424)</u> | <u>(49,255,660)</u> | <u>(31,584,437)</u> |
| \$ | <u>2,768,898</u> | <u>\$ 3,879,677</u> | <u>\$ (30,497,980)</u> | <u>\$ (29,714,632)</u> | <u>\$(40,559,099)</u> | <u>\$(22,232,600)</u> |

TABLE 2

Granville Exempted Village School District
Changes in Net Position of Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | |
| Regular Instruction | \$ 11,896,964 | \$ 11,899,120 | \$ 12,379,460 | \$ 12,544,810 |
| Special Instruction | 2,159,916 | 2,520,861 | 2,610,277 | 2,676,625 |
| Vocational Instruction | 128,681 | 158,132 | 161,237 | 164,309 |
| Other Instruction | - | - | 500 | - |
| Pupil Support Services | 1,935,428 | 1,874,209 | 1,963,082 | 1,705,021 |
| Instructional Staff Support Services | 1,466,119 | 1,455,718 | 1,235,636 | 1,386,516 |
| Board of Education Support Services | 62,223 | 58,596 | 53,853 | 90,042 |
| Administration Support Services | 1,411,719 | 1,582,101 | 1,644,746 | 1,592,557 |
| Fiscal Support Services | 738,661 | 756,267 | 797,735 | 852,777 |
| Business Support Services | 117,289 | 142,458 | 138,937 | 134,451 |
| Operation and Maintenance of | | | | |
| Plant Support Services | 2,294,474 | 2,352,343 | 2,131,024 | 2,157,006 |
| Pupil Transportation Support Services | 1,695,459 | 1,687,517 | 1,696,740 | 1,679,275 |
| Central Support Services | 357,493 | 378,264 | 383,978 | 576,711 |
| Noninstructional Services | 28,336 | 908,460 | 981,418 | 1,115,490 |
| Extracurricular Activities | 1,267,208 | 1,281,203 | 1,419,083 | 1,327,444 |
| Interest and Fiscal Charges | 2,200,443 | 2,247,407 | 2,328,437 | 2,177,803 |
| <i>Total Expenses</i> | <u>27,760,413</u> | <u>29,302,656</u> | <u>29,926,143</u> | <u>30,180,837</u> |
| Program Revenues | | | | |
| Charges for Services | | | | |
| Regular Instruction | 164,321 | 160,837 | 118,356 | 116,526 |
| Special Instruction | - | - | 15,320 | 22,329 |
| Vocational Instruction | - | - | 1,599 | 1,588 |
| Other Instruction | - | - | - | - |
| Pupil Support Services | 173,156 | 182,062 | 157,048 | 162,572 |
| Noninstructional Services | 7,971 | 656,175 | 645,551 | 675,462 |
| Extracurricular Activities | 265,246 | 210,105 | 266,775 | 235,194 |
| Operating Grants and Contributions | | | | |
| Regular Instruction | 183,962 | 213,710 | 218,643 | 91,696 |
| Special Instruction | 852,759 | 704,971 | 1,013,737 | 350,249 |
| Vocational Instruction | 10,650 | 11,207 | 11,291 | - |
| Other Instruction | - | - | - | - |
| Pupil Support Services | 201,283 | 205,057 | 397,074 | 170,585 |
| Instructional Staff Support Services | 17,219 | 6,013 | - | - |
| Administration Support Services | 19,320 | - | 41,643 | - |
| Fiscal Support Services | - | - | - | 1,330 |
| Business Support Services | - | - | 319 | 20 |

TABLE 2 (Continued)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|---------------|---------------|---------------|---------------|--------------|
| \$ 12,137,143 | \$ 12,378,916 | \$ 12,707,376 | \$ 13,043,957 | \$ 15,119,042 | \$ 5,279,177 |
| 2,427,252 | 3,043,306 | 3,230,088 | 3,515,055 | 4,216,349 | 2,843,156 |
| 127,574 | 127,368 | 134,717 | 135,738 | 152,324 | 38,705 |
| - | - | - | - | 879 | 3,408 |
| 1,565,592 | 1,779,567 | 1,862,621 | 2,117,622 | 2,362,650 | 1,151,730 |
| 1,343,952 | 984,892 | 1,114,456 | 1,231,031 | 1,309,697 | 690,182 |
| 3,870 | 28,650 | 17,797 | 15,992 | 18,830 | 14,285 |
| 1,524,711 | 1,585,419 | 1,746,334 | 1,955,774 | 2,120,714 | 688,375 |
| 829,495 | 896,065 | 880,653 | 957,796 | 1,122,979 | 972,013 |
| 41,163 | 87,457 | 153,136 | 165,172 | 184,782 | 83,181 |
| 2,160,331 | 2,289,021 | 2,269,013 | 2,139,061 | 2,581,037 | 2,492,700 |
| 1,567,902 | 1,538,908 | 1,612,759 | 1,918,766 | 2,112,849 | 2,032,330 |
| 514,654 | 432,876 | 488,865 | 566,832 | 652,140 | 363,031 |
| 936,205 | 990,670 | 908,067 | 1,106,203 | 1,114,705 | 1,048,714 |
| 1,350,595 | 1,220,139 | 1,469,016 | 1,354,966 | 1,451,911 | 1,040,907 |
| 2,714,886 | 2,501,513 | 2,550,491 | 2,358,646 | 1,026,026 | 927,871 |
| 29,245,325 | 29,884,767 | 31,145,389 | 32,582,611 | 35,546,914 | 19,669,765 |
| 133,913 | 233,284 | 254,004 | 279,546 | 315,375 | 379,182 |
| 23,669 | 53,699 | 60,272 | 67,633 | 82,974 | 109,198 |
| 1,456 | 2,517 | 2,845 | 3,001 | 3,259 | 3,761 |
| - | - | - | - | - | 110 |
| 172,351 | 176,242 | 159,711 | 178,701 | 164,293 | 166,009 |
| 642,063 | 627,635 | 650,138 | 668,695 | 667,115 | 689,984 |
| 281,163 | 274,793 | 336,701 | 270,119 | 313,879 | 276,902 |
| 120,180 | 146,436 | 125,553 | 152,588 | 181,811 | 130,017 |
| 339,013 | 348,663 | 334,461 | 436,162 | 473,967 | 507,580 |
| - | - | - | - | - | - |
| - | - | - | - | 6 | - |
| 135,741 | 125,066 | 92,515 | 120,953 | 56,016 | 43,920 |
| 3,711 | - | 4,211 | 54 | 160 | 12 |
| - | - | - | - | 2 | - |
| 2,549 | 1,767 | 1,952 | 3,784 | 2,679 | 2,031 |
| - | - | - | - | - | - |

TABLE 2 (Continued)

Granville Exempted Village School District
Changes in Net Position of Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|-----------------------|-----------------------|
| Operating Grants and Contributions (continued) | | | | |
| Operation and Maintenance of | | | | |
| Plant Support Services | 19,354 | - | 4,500 | 9,935 |
| Pupil Transportation Support Services | 463,830 | 585,127 | 485,404 | 61,635 |
| Central Support Services | - | 67,205 | 9,100 | 7,200 |
| Noninstructional Services | 5,226 | 218,785 | 252,522 | 271,096 |
| Extracurricular Activities | 62,087 | 29,135 | 20,977 | 16,051 |
| Capital Grants and Contributions | | | | |
| Regular Instruction | - | - | 358,507 | 317,838 |
| Business Support Services | - | 9,145 | - | - |
| Operation and Maintenance of | | | | |
| Plant Support Services | - | 5,000 | - | - |
| Pupil Transportation Support Services | 13,283 | - | - | - |
| Extracurricular Activities | - | 12,000 | - | - |
| Total Program Revenues | <u>2,459,667</u> | <u>3,276,534</u> | <u>4,018,366</u> | <u>2,511,306</u> |
| Net Expense | <u>(25,300,746)</u> | <u>(26,026,122)</u> | <u>(25,907,777)</u> | <u>(27,669,531)</u> |
| General Revenues | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | 12,838,871 | 13,690,792 | 12,897,027 | 13,282,827 |
| Debt Service | 2,909,428 | 3,587,543 | 2,401,124 | 2,276,729 |
| Capital Outlay | 438,185 | 628,736 | 568,851 | 575,471 |
| Classroom Facilities Maintenance | 141,071 | 156,354 | 128,041 | 128,875 |
| Grants and Entitlements not | | | | |
| Restricted to Specific Programs | 7,727,905 | 7,430,574 | 7,630,314 | 7,789,230 |
| Payment in Lieu of Taxes | 239,881 | 252,440 | 98,410 | 94,681 |
| Investment Earnings | 215,174 | 69,859 | 36,118 | 17,373 |
| Miscellaneous | 53,320 | 34,177 | 137,827 | 146,054 |
| Total General Revenues | <u>24,563,835</u> | <u>25,850,475</u> | <u>23,897,712</u> | <u>24,311,240</u> |
| Change in Net Position | <u>\$ (736,911)</u> | <u>\$ (175,647)</u> | <u>\$ (2,010,065)</u> | <u>\$ (3,358,291)</u> |

Note: GASB 68 was implemented in fiscal year 2015. Effects of the implementation can not fully be shown for prior years.

Note: GASB 75 was implemented in fiscal year 2018. Effects of the implementation can not fully be shown for prior years.

TABLE 2 (Continued)

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|
| - | 476 | - | 25,795 | 50,807 | 102,852 |
| - | - | - | - | - | 6,059 |
| 7,200 | 7,200 | 7,200 | 15,878 | 12,653 | 7,200 |
| 291,158 | 304,330 | 341,084 | 352,705 | 377,823 | 310,428 |
| 10,145 | 22,053 | 42,169 | 67,828 | 57,119 | 43,027 |
| - | 193,522 | - | - | 73,286 | - |
| - | - | - | - | - | - |
| - | 328,000 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 81,751 | 18,249 | 250,432 |
| <u>2,164,312</u> | <u>2,845,683</u> | <u>2,412,816</u> | <u>2,725,193</u> | <u>2,851,473</u> | <u>3,028,704</u> |
| <u>(27,081,013)</u> | <u>(27,039,084)</u> | <u>(28,732,573)</u> | <u>(29,857,418)</u> | <u>(32,695,441)</u> | <u>(16,641,061)</u> |
| 14,960,136 | 16,296,645 | 17,583,620 | 18,079,450 | 18,212,195 | 21,463,653 |
| 2,504,600 | 2,495,828 | 2,650,148 | 2,769,881 | 2,765,944 | 3,110,927 |
| 641,166 | 639,078 | 654,739 | 669,200 | 667,278 | 767,091 |
| 145,022 | 145,283 | 148,958 | 152,541 | 152,300 | 174,977 |
| 7,600,638 | 8,209,863 | 8,875,086 | 8,833,314 | 8,957,080 | 9,063,699 |
| 305,329 | 240,383 | 142,058 | - | 35,325 | 121,259 |
| 18,899 | 11,992 | 15,608 | 61,454 | 75,968 | 118,671 |
| 124,665 | 110,791 | 149,398 | 74,926 | 68,812 | 147,283 |
| <u>26,300,455</u> | <u>28,149,863</u> | <u>30,219,615</u> | <u>30,640,766</u> | <u>30,934,902</u> | <u>34,967,560</u> |
| <u>\$ (780,558)</u> | <u>\$ 1,110,779</u> | <u>\$ 1,487,042</u> | <u>\$ 783,348</u> | <u>\$ (1,760,539)</u> | <u>\$ 18,326,499</u> |

TABLE 3

Granville Exempted Village School District
Program Revenues by Function
Last Ten Fiscal Years
(accrual basis of accounting)

| <i>Function</i> | 2009 | 2010 | 2011 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|
| Regular Instruction | \$ 348,283 | \$ 374,547 | \$ 695,506 | \$ 526,060 |
| Special Instruction | 852,759 | 704,971 | 1,029,057 | 372,578 |
| Vocational Instruction | 10,650 | 11,207 | 12,890 | 1,588 |
| Other Instruction | - | - | - | - |
| Pupil Support Services | 374,439 | 387,119 | 554,122 | 333,157 |
| Instructional Staff Support Services | 17,219 | 6,013 | - | - |
| Administration Support Services | 19,320 | - | 41,643 | - |
| Fiscal Support Services | - | - | - | 1,330 |
| Business Support Services | - | 9,145 | 319 | 20 |
| Operation and Maintenance of Plant Support Services | 19,354 | 5,000 | 4,500 | 9,935 |
| Pupil Transportation Support Services | 477,113 | 585,127 | 485,404 | 61,635 |
| Central Support Services | - | 67,205 | 9,100 | 7,200 |
| Noninstructional Services | 13,197 | 874,960 | 898,073 | 946,558 |
| Extracurricular Activities | 327,333 | 251,240 | 287,752 | 251,245 |
| <i>Total Program Revenues</i> | <u>\$ 2,459,667</u> | <u>\$ 3,276,534</u> | <u>\$ 4,018,366</u> | <u>\$ 2,511,306</u> |

TABLE 3 (Continued)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | 254,093 | \$ 573,242 | \$ 379,557 | \$ 432,134 | \$ 570,472 | \$ 509,199 |
| | 362,682 | 402,362 | 394,733 | 503,795 | 556,941 | 616,778 |
| | 1,456 | 2,517 | 2,845 | 3,001 | 3,259 | 3,761 |
| | - | - | - | - | 6 | 110 |
| | 308,092 | 301,308 | 252,226 | 299,654 | 220,309 | 209,929 |
| | 3,711 | - | 4,211 | 54 | 160 | 12 |
| | - | - | - | - | 2 | - |
| | 2,549 | 1,767 | 1,952 | 3,784 | 2,679 | 2,031 |
| | - | - | - | - | - | - |
| | - | 328,476 | - | 25,795 | 50,807 | 102,852 |
| | - | - | - | - | - | 6,059 |
| | 7,200 | 7,200 | 7,200 | 15,878 | 12,653 | 7,200 |
| | 933,221 | 931,965 | 991,222 | 1,021,400 | 1,044,938 | 1,000,412 |
| | 291,308 | 296,846 | 378,870 | 419,698 | 389,247 | 570,361 |
| \$ | <u>2,164,312</u> | <u>\$ 2,845,683</u> | <u>\$ 2,412,816</u> | <u>\$ 2,725,193</u> | <u>\$ 2,851,473</u> | <u>\$ 3,028,704</u> |

TABLE 4

Granville Exempted Village School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2009 | 2010 | 2011 | 2012 |
|---|--------------|--------------|--------------|--------------|
| General Fund | | | | |
| Nonspendable | N/A | \$ 700,000 | \$ 700,000 | \$ 700,000 |
| Assigned | N/A | 2,187,178 | 205,554 | 73,709 |
| Unassigned | N/A | 1,602,172 | 1,821,366 | (928,706) |
| Reserved | \$ 1,619,422 | N/A | N/A | N/A |
| Unreserved | 3,603,983 | N/A | N/A | N/A |
| <i>Total General Fund</i> | 5,223,405 | 4,489,350 | 2,726,920 | (154,997) |
| All Other Governmental Funds | | | | |
| Nonspendable | N/A | 905,822 | 683,838 | 459,459 |
| Restricted | N/A | 2,893,121 | 2,901,869 | 2,426,480 |
| Unassigned | N/A | (978,304) | (913,584) | (748,781) |
| Reserved | 967,772 | N/A | N/A | N/A |
| Unreserved, Undesignated, Reported in: | | | | |
| Capital Projects Funds | (1,195,683) | N/A | N/A | N/A |
| Debt Service Funds | 2,924,501 | N/A | N/A | N/A |
| Special Revenue Funds | 305,614 | N/A | N/A | N/A |
| <i>Total All Other Governmental Funds</i> | 3,002,204 | - | 2,672,123 | 2,137,158 |
| <i>Total Governmental Funds</i> | \$ 8,225,609 | \$ 4,489,350 | \$ 5,399,043 | \$ 1,982,161 |

N/A- Fund Balance classifications are not applicable due to implementation of GASB 54 in fiscal year 2011 including restatement of fiscal year 2010.

TABLE 4 (Continued)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 700,000 | \$ - | \$ - | \$ - | \$ 27,912 | \$ 25,917 |
| - | 231,001 | 317,480 | 1,633,094 | 3,243,859 | 4,829,253 |
| (377,424) | 973,619 | 2,513,237 | 2,173,631 | (330,054) | - |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 322,576 | 1,204,620 | 2,830,717 | 3,806,725 | 2,941,717 | 4,855,170 |
| - | - | - | - | - | - |
| 3,031,809 | 3,502,583 | 3,769,231 | 4,005,745 | 4,623,453 | 4,031,593 |
| (701,966) | (2,419) | (13,658) | (10,708) | (4,253) | (6,340) |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 2,329,843 | 3,500,164 | 3,755,573 | 3,995,037 | 4,619,200 | 4,025,253 |
| \$ 2,652,419 | \$ 4,704,784 | \$ 6,586,290 | \$ 7,801,762 | \$ 7,560,917 | \$ 8,880,423 |

TABLE 5

Granville Exempted Village School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2009 | 2010 | 2011 | 2012 |
|---|-----------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Property Taxes | \$ 16,042,938 | \$ 17,926,273 | \$ 16,012,594 | \$ 16,268,510 |
| Payment in Lieu of Taxes | 238,334 | 252,440 | 98,410 | 94,681 |
| Intergovernmental | 9,475,414 | 9,406,457 | 9,974,078 | 8,655,657 |
| Charges for Services | 7,971 | 656,175 | 645,551 | 675,462 |
| Interest | 215,202 | 67,432 | 37,475 | 14,850 |
| Tuition and Fees | 171,471 | 160,837 | 148,049 | 151,905 |
| Extracurricular Activities | 438,402 | 392,167 | 411,049 | 386,304 |
| Gifts and Donations | - | - | - | 45,160 |
| Miscellaneous | 159,501 | 113,649 | 161,166 | 210,904 |
| <i>Total Revenues</i> | <u>26,749,233</u> | <u>28,975,430</u> | <u>27,488,372</u> | <u>26,503,433</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 11,184,331 | 11,449,591 | 12,074,408 | 12,067,253 |
| Special | 2,108,382 | 2,434,055 | 2,502,438 | 2,591,200 |
| Vocational | 156,148 | 152,227 | 155,174 | 158,234 |
| Other/Adult/Continuing | - | - | 500 | - |
| Support Services: | | | | |
| Pupils | 1,852,373 | 1,808,659 | 1,916,836 | 1,655,161 |
| Instructional Staff | 1,401,774 | 1,422,517 | 1,182,531 | 1,339,644 |
| Board of Education | 60,091 | 56,395 | 51,918 | 85,196 |
| Administration | 1,412,395 | 1,531,854 | 1,566,642 | 1,526,905 |
| Fiscal | 690,515 | 740,438 | 779,016 | 822,943 |
| Business | 116,480 | 138,192 | 134,196 | 126,060 |
| Operation and Maintenance of Plant | 2,516,637 | 2,526,897 | 2,132,916 | 2,134,878 |
| Pupil Transportation | 1,533,543 | 1,646,597 | 1,534,614 | 1,502,096 |
| Central | 345,242 | 365,621 | 368,839 | 564,179 |
| Other Operation of Non-Instructional Services | 23,631 | 935,276 | 961,891 | 1,075,955 |
| Extracurricular Activities | 857,678 | 881,991 | 1,023,552 | 956,971 |
| Capital Outlay | 1,712,558 | 199,348 | 90,246 | - |
| Debt Service: | | | | |
| Issuance Costs | - | - | - | - |
| Principal Retirement | 1,503,030 | 1,628,238 | 1,609,433 | 881,884 |
| Interest and Fiscal Charges | 1,997,435 | 1,974,732 | 1,402,275 | 2,433,256 |
| <i>Total Expenditures</i> | <u>29,472,243</u> | <u>29,892,628</u> | <u>29,487,425</u> | <u>29,921,815</u> |
| <i>Excess of Revenues Over</i> | | | | |
| <i>(Under) Expenditures</i> | <u>(2,723,010)</u> | <u>(917,198)</u> | <u>(1,999,053)</u> | <u>(3,418,382)</u> |
| Other Financing Sources (Uses) | | | | |
| Inception of Capital Lease | 57,000 | - | - | - |
| Proceeds from Sale of Capital Assets | 2,973 | 1,578 | 5,116 | 1,500 |
| Donations | - | - | 82,991 | - |
| Refunding Bonds Issued | - | - | - | - |
| Premium on Refunding Bonds Issued | - | - | - | - |
| Discount on Refunding Bonds Issued | - | - | - | - |
| Payment to Refunded Bond Escrow Agent | - | - | - | - |
| Proceeds from Sale of Bonds | - | - | - | - |
| Premium on Bonds Sold | - | - | - | - |
| Proceeds from Lease Purchase Agreement | - | - | - | - |
| Transfers In | - | 16,000 | - | - |
| Transfers Out | - | (16,000) | - | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>59,973</u> | <u>1,578</u> | <u>88,107</u> | <u>1,500</u> |
| <i>Net Change in Fund Balances</i> | <u>\$ (2,663,037)</u> | <u>\$ (915,620)</u> | <u>\$ (1,910,946)</u> | <u>\$ (3,416,882)</u> |
| Debt Service as a Percentage of | | | | |
| Noncapital Expenditures | 12.9% | 12.4% | 10.5% | 11.2% |

TABLE 5 (Continued)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 18,453,072 | \$ 19,774,347 | \$ 21,079,137 | \$ 21,695,497 | \$ 21,898,719 | \$ 25,632,561 |
| 305,329 | 240,383 | 142,058 | - | 35,325 | 121,259 |
| 8,417,303 | 9,056,183 | 9,682,500 | 9,838,567 | 9,977,182 | 10,060,754 |
| 642,063 | 627,635 | 650,138 | 668,695 | 667,115 | 678,234 |
| 22,492 | 11,992 | 15,608 | 61,454 | 75,968 | 118,671 |
| 159,038 | 289,500 | 317,121 | 350,180 | 452,372 | 525,139 |
| 453,514 | 451,035 | 496,412 | 448,820 | 427,408 | 392,460 |
| 82,721 | 75,304 | 90,601 | 131,576 | 123,535 | 61,112 |
| 130,990 | 136,508 | 198,498 | 113,844 | 135,007 | 242,242 |
| <u>28,666,522</u> | <u>30,662,887</u> | <u>32,672,073</u> | <u>33,308,633</u> | <u>33,792,631</u> | <u>37,832,432</u> |
| 11,761,924 | 11,745,977 | 12,444,448 | 12,734,006 | 13,711,605 | 13,675,354 |
| 2,324,898 | 2,952,507 | 3,141,795 | 3,421,773 | 3,919,646 | 4,317,215 |
| 122,242 | 122,762 | 132,177 | 132,503 | 135,644 | 154,198 |
| - | - | - | - | 879 | 3,834 |
| 1,509,492 | 1,739,589 | 1,848,981 | 2,047,399 | 2,121,838 | 2,243,844 |
| 1,316,563 | 935,198 | 1,118,145 | 1,169,419 | 1,186,307 | 1,353,151 |
| 999 | 28,615 | 16,807 | 15,459 | 17,823 | 14,267 |
| 1,448,550 | 1,500,568 | 1,692,256 | 1,863,532 | 1,964,110 | 2,023,936 |
| 815,838 | 867,060 | 862,551 | 933,730 | 972,073 | 977,623 |
| 39,222 | 85,217 | 158,547 | 160,476 | 176,158 | 183,438 |
| 2,127,302 | 2,176,024 | 2,233,874 | 2,147,571 | 3,837,305 | 3,524,164 |
| 1,410,024 | 1,381,855 | 1,854,886 | 1,661,692 | 1,786,178 | 2,165,460 |
| 486,283 | 425,277 | 493,222 | 550,310 | 604,697 | 377,791 |
| 901,487 | 960,310 | 1,004,424 | 1,082,405 | 1,042,879 | 1,021,250 |
| 1,001,680 | 869,886 | 1,124,648 | 1,135,010 | 1,381,108 | 1,304,533 |
| - | - | - | - | - | - |
| - | 19,304 | - | 184,821 | - | - |
| 840,769 | 2,250,852 | 1,124,367 | 1,266,721 | 1,933,874 | 2,172,166 |
| 1,894,837 | 1,877,475 | 1,825,781 | 2,076,833 | 1,244,563 | 1,259,987 |
| <u>28,002,110</u> | <u>29,938,476</u> | <u>31,076,909</u> | <u>32,583,660</u> | <u>36,036,687</u> | <u>36,772,211</u> |
| 664,412 | 724,411 | 1,595,164 | 724,973 | (2,244,056) | 1,060,221 |
| - | - | 284,312 | - | - | 259,285 |
| 5,846 | 8,650 | 2,030 | - | 3,211 | - |
| - | - | - | - | - | - |
| - | 1,300,000 | - | 23,615,000 | - | - |
| - | 19,304 | - | 3,855,499 | - | - |
| - | - | - | - | - | - |
| - | - | - | (26,980,000) | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 2,000,000 | - |
| - | 700,000 | 210,670 | 366,270 | 492,337 | - |
| - | (700,000) | (210,670) | (366,270) | (492,337) | - |
| <u>5,846</u> | <u>1,327,954</u> | <u>286,342</u> | <u>490,499</u> | <u>2,003,211</u> | <u>259,285</u> |
| \$ 670,258 | \$ 2,052,365 | \$ 1,881,506 | \$ 1,215,472 | \$ (240,845) | \$ 1,319,506 |
| 9.8% | 14.0% | 9.6% | 10.4% | 9.3% | 9.3% |

TABLE 6

Granville Exempted Village School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection Years

| Tax Year | Granville Exempted | | | | |
|-------------|------------------------------|------------------------------|------------------------------|----------------------------|------------------------------|
| | Real Property | | | Tangible Personal Property | |
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial/ Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2008 | 360,031,560 | 43,102,810 | 1,151,812,486 | 6,898,260 | 27,593,040 |
| 2009 | 369,712,930 | 43,559,490 | 1,180,778,343 | 7,283,930 | 29,135,720 |
| 2010 | 371,794,500 | 43,907,440 | 1,187,719,829 | 7,720,210 | 30,880,840 |
| 2011 | 374,931,900 | 43,993,740 | 1,196,930,400 | 8,207,920 | 32,831,680 |
| 2012 | 374,959,618 | 40,300,263 | 1,186,456,804 | 8,702,037 | 34,808,147 |
| 2013 | 377,932,240 | 40,431,252 | 1,195,324,264 | 9,721,460 | 38,885,840 |
| 2014 | 385,825,386 | 46,156,530 | 1,234,234,046 | 9,976,780 | 39,907,119 |
| 2015 | 387,729,900 | 42,917,190 | 1,230,420,257 | 13,168,900 | 52,675,599 |
| 2016 | 393,463,623 | 46,213,680 | 1,256,143,217 | 13,746,330 | 54,985,230 |
| 2017 | 449,128,760 | 49,260,205 | 1,423,968,471 | 14,712,400 | 58,853,600 |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Through 2008, personal property tax was assessed on all tangible personal property used in business in Ohio. The assessed value of public utility property ranges from 24 percent of true value to 88 percent, depending on the type of property. General business tangible personal property tax began being phased out in tax year 2006. The listing percentage was reduced to 18.75 percent for tax year 2006, 12.5 percent for tax year 2007, 6.25 percent for tax year 2008 and zero for tax year 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Values are shown net of exempt property.

Source: Ohio Department of Taxation

TABLE 6 (Continued)

| Granville Exempted | | | | | | |
|----------------------------|------------------------------|-------------------|------------------------------|-------|---|---|
| Tangible Personal Property | | Total | | | Effective Tax Rate (Per \$1,000 of Assessed Value) | Voted Tax Rate (Per \$1,000 of Assessed Value) |
| General Business | | | | | | |
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio | | |
| 3,090,760 | 49,452,160 | 413,123,390 | 1,228,857,686 | 34% | 41.87 | 82.25 |
| 609,635 | 9,754,160 | 421,165,985 | 1,219,668,223 | 35% | 42.30 | 82.30 |
| - | - | 423,422,150 | 1,218,600,669 | 35% | 46.09 | 86.10 |
| - | - | 427,133,560 | 1,229,762,080 | 35% | 46.13 | 86.10 |
| - | - | 423,961,918 | 1,221,264,951 | 35% | 46.30 | 86.10 |
| - | - | 428,084,952 | 1,234,210,104 | 35% | 51.80 | 92.60 |
| - | - | 441,958,696 | 1,274,141,165 | 35% | 52.45 | 91.95 |
| - | - | 443,815,990 | 1,283,095,856 | 35% | 52.56 | 91.95 |
| - | - | 453,423,633 | 1,311,128,537 | 35% | 52.52 | 92.95 |
| - | - | 513,102,365 | 1,482,822,071 | 35% | 47.06 | 92.20 |

TABLE 7

Granville Exempted Village School District
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

| Tax Year/ Collection Year | Direct Rates | | | | | |
|---------------------------------|--------------|------|-------------------|--------------------------|---------|-------|
| | Voted | | | | Unvoted | Total |
| | General | Bond | Perm. Improve. | Classroom Maintenance | | |
| 2017/2018 | 79.40 | 5.40 | 1.70 | 0.50 | 5.20 | 92.20 |
| 2016/2017 | 79.49 | 6.06 | 1.70 | 0.50 | 5.20 | 92.95 |
| 2015/2016 | 78.20 | 6.35 | 1.70 | 0.50 | 5.20 | 91.95 |
| 2014/2015 | 78.20 | 6.35 | 1.70 | 0.50 | 5.20 | 91.95 |
| 2013/2014 | 79.20 | 6.00 | 1.70 | 0.50 | 5.20 | 92.60 |
| 2012/2013 | 72.70 | 6.00 | 1.70 | 0.50 | 5.20 | 86.10 |
| 2011/2012 | 72.70 | 6.00 | 1.70 | 0.50 | 5.20 | 86.10 |
| 2010/2011 | 72.70 | 6.00 | 1.70 | 0.50 | 5.20 | 86.10 |
| 2009/2010 | 66.90 | 8.00 | 1.70 | 0.50 | 5.20 | 82.30 |
| 2008/2009 | 66.90 | 7.95 | 1.70 | 0.50 | 5.20 | 82.25 |

Source: Licking County Auditor's Office; Ohio Department of Taxation

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

TABLE 7 (Continued)

| Overlapping Rates | | | | | | | | | | |
|------------------------------|---------------------------|---------------------------------|-------------------------------|--|------------------------------------|---------------------------|----------------------------|--------------------------------|------------------------|-----------------------|
| <u>Library Operating</u> | <u>Licking County</u> | <u>Village of Granville</u> | <u>Granville Township</u> | <u>Granville Recreation District</u> | <u>Licking County JVSD</u> | <u>Union Township</u> | <u>McKean Township</u> | <u>St. Albans Township</u> | <u>Newark City</u> | <u>Heath City</u> |
| 1.00 | 9.50 | 2.50 | 6/11.45 | 1.00 | 2.55 | 7.40 | 9.40 | 14.30 | 2.60 | 6.10 |
| 1.00 | 8.00 | 2.50 | 6.4/11.45 | 1.00 | 2.57 | 7.40 | 9.40 | 14.50 | 2.60 | 5.30 |
| 1.00 | 8.00 | 2.50 | 6.4/12.45 | 1.00 | 2.58 | 7.40 | 9.40 | 14.50 | 2.60 | 5.30 |
| 1.00 | 8.00 | 2.50 | 6.4/11.45 | 1.00 | 2.54 | 7.40 | 9.40 | 13.50 | 2.53 | 5.40 |
| 1.00 | 7.70 | 2.50 | 8.9/13.95 | 1.00 | 2.56 | 7.40 | 7.40 | 12.34 | 3.70 | 5.40 |
| 1.00 | 7.70 | 2.50 | 8.9/13.95 | 1.00 | 2.48 | 5.90 | 7.40 | 13.23 | 3.70 | 5.40 |
| 1.00 | 7.70 | 2.50 | 8.9/13.95 | 1.00 | 2.54 | 5.84 | 7.40 | 9.87 | 3.70 | 5.40 |
| 1.00 | 7.70 | 2.50 | 8.9-13.95 | 1.00 | 2.52 | 5.90 | 7.40 | 13.48 | 2.60 | 5.10 |
| 0.00 | 7.40 | 2.50 | 9.9 - 14.95 | 1.00 | 3.00 | 5.90 | 7.40 | 13.54 | 2.60 | 5.10 |
| 0.00 | 7.40 | 2.50 | 9.80 | 0.00 | 3.00 | 5.90 | 7.40 | 13.54 | 2.60 | 5.10 |

TABLE 8

Granville Exempted Village School District
Property Tax Levies and Collections (1)
Last Ten Years

| Calendar Collection Year (2) | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (3) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|------------------------------------|------------------------|----------------------------|--|--------------------------------------|--------------------------|---|
| 2008 | 17,928,790 | 17,439,209 | 97.27% | 296,952 | 17,736,161 | 98.93% |
| 2009 | 18,352,172 | 17,463,849 | 95.16% | 298,643 | 17,762,492 | 96.79% |
| 2010 | 18,628,331 | 17,745,348 | 95.26% | 506,708 | 18,252,056 | 97.98% |
| 2011 | 20,887,927 | 20,073,298 | 96.10% | 482,006 | 20,555,304 | 98.41% |
| 2012 | 20,925,405 | 19,983,762 | 95.50% | 304,701 | 20,288,463 | 96.96% |
| 2013 | 21,138,427 | 20,314,028 | 96.10% | 550,018 | 20,864,046 | 98.70% |
| 2014 | 21,683,766 | 20,382,740 | 94.00% | 587,065 | 20,969,805 | 96.71% |
| 2015 | 23,660,283 | 22,715,342 | 96.01% | 614,272 | 23,329,614 | 98.60% |
| 2016 | 23,911,491 | 23,451,343 | 98.08% | 642,138 | 24,093,481 | 100.76% |
| 2017 | 24,332,583 | 23,943,262 | 98.40% | 342,114 | 24,285,376 | 99.81% |

Source: Licking County Auditor's Office

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The 2018 information cannot be presented because all collections have not been made by June 30, 2018.

(3) The County does not identify delinquent tax collections by tax year.

TABLE 9

Granville Exempted Village School District

Principal Taxpayers (1)

Real Estate Tax

2017 and 2008

| Name of Taxpayer | 2017 | |
|---|----------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Middleton House LTD | \$ 5,339,150 | 1.07% |
| Racoon Creek Senior Housing LLC | 3,412,510 | 0.68 |
| Prairie Enterprises LTD | 2,625,000 | 0.53 |
| Newark One LLC | 2,187,500 | 0.44 |
| Owens Corning Science & Technology LLC | 2,164,860 | 0.43 |
| Kendal at Granville | 1,909,680 | 0.38 |
| Newark Hotel Ownership LLC | 1,575,010 | 0.32 |
| Granville Apartments | 1,400,000 | 0.28 |
| Cherry Valley Professional Partners LLC | 875,000 | 0.18 |
| C-Z Company | 787,500 | 0.16 |
| TOTALS | \$ 22,276,210 | 4.47% |
| Total Assessed Valuation | \$ 498,388,965 | |
| Name of Taxpayer | 2008 | |
| | Assessed Value | Percent of Real Property Assessed Value |
| Owens Corning Fiberglas | \$ 922,860 | 29.86% |
| Windstream Ohio Inc. | 467,730 | 15.13 |
| Universal Sales Corp. | 135,640 | 4.39 |
| New Par | 117,160 | 3.79 |
| WPH Cherry Valley LLC | 104,720 | 3.39 |
| General Electric Capital Corp. | 93,310 | 3.02 |
| Granville Milling Co. | 87,580 | 2.83 |
| T Mobile Central LLC | 83,900 | 2.71 |
| Granville Corp. | 66,330 | 2.15 |
| Decimus Corp. GE Capital Info | 62,010 | 2.01 |
| Totals | \$ 2,141,240 | 69.28% |
| Total Assessed Valuation | \$ 3,090,760 | |

Source: Licking County Auditor's Office

(1) The amounts presented represent assessed values upon which 2017 and 2008 collections were based.

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TABLE 10

Granville Exempted Village School District

Principal Taxpayers (1)

Public Utilities Tax

2017 and 2008

| Name of Taxpayer | 2017 | |
|--|----------------------|--|
| | Assessed Value | Percent of Public Utility Assessed Value |
| Ohio Power Company | \$ 9,260,110 | 62.95% |
| Columbia Gas Trans Corp | 2,724,490 | 18.52 |
| Columbia Gas of Ohio | 925,940 | 6.29 |
| Licking Rural Electric | 748,310 | 5.09 |
| AEP Ohio Transmission Co Inc. | 636,720 | 4.33 |
| National Gas & Oil Corp | 412,540 | 2.80 |
| Consumers Gas Coop | 2,190 | 0.01 |
| Buckeye Power | 2,100 | 0.01 |
| Total | <u>\$ 14,712,400</u> | <u>100.00%</u> |
| Total Assessed Valuation | <u>\$ 14,712,400</u> | |
| Name of Taxpayer | 2008 | |
| | Assessed Value | Percent of Public Utility Assessed Value |
| Ohio Power Co | \$ 3,835,990 | 55.61% |
| Columbia Gas of Ohio/Columbia Gas Transmission | 1,970,620 | 28.57 |
| Licking Rural Electric | 530,650 | 7.69 |
| National Gas & Oil Corp | 322,110 | 4.67 |
| Columbus Southern Power | 209,780 | 3.04 |
| Panhandle Rail Line LTD | 22,160 | 0.32 |
| Columbus & Ohio River Railroad Co. | 5,070 | 0.07 |
| Buckeye Power | 1,880 | 0.03 |
| Total | <u>\$ 6,898,260</u> | <u>100.00%</u> |
| Total Assessed Valuation | <u>\$ 6,898,260</u> | |

Source: Licking County Auditor's Office

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

TABLE 11

Granville Exempted Village School District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Estimated Population (1)</u> | <u>Median Income (2)</u> | <u>Personal Income (2)</u> | <u>Energy Conservation Notes (3)</u> | <u>School Improvement Bonds (3)</u> |
|--------------------|---------------------------------|--------------------------|----------------------------|--------------------------------------|-------------------------------------|
| 2009 | 14,410 | 63,842 | 464,603,046 | 1,829,000 | 34,158,066 |
| 2010 | 12,923 | 65,931 | 490,509,360 | 1,652,123 | 33,012,982 |
| 2011 | 12,923 | 67,261 | 541,220,899 | 1,469,166 | 31,973,466 |
| 2012 | 12,923 | 68,584 | 588,024,354 | 1,280,060 | 31,786,927 |
| 2013 | 12,923 | 79,492 | 616,759,364 | 1,084,316 | 32,416,372 |
| 2014 | 12,923 | 74,401 | 655,531,748 | 881,842 | 32,262,310 |
| 2015 | 12,923 | 77,436 | 685,425,738 | 672,409 | 32,092,480 |
| 2016 | 12,923 | NA | NA | 455,844 | 31,997,151 |
| 2017 | 12,923 | NA | NA | 231,772 | 30,097,067 |
| 2018 | N/A | NA | NA | - | 27,992,903 |

Sources:

- (1) 2010-2017 from 2010 US Census; 2009 estimates - Ohio Municipal Advisory Council
- (2) Ohio Department of Taxation
- (3) OMAC; District Financial Records

NA - Information Not Available

TABLE 11 (Continued)

| <u>Lease Purchase Agreement</u> | <u>Capital Leases</u> | <u>Total Debt Outstanding</u> | <u>Ratio of Total Debt to Personal Income</u> | <u>Total Debt Per Capita</u> |
|---|---------------------------|---------------------------------------|---|--------------------------------------|
| - | 92,744 | 36,079,810 | 7.77 | 2,504 |
| - | 35,726 | 34,700,831 | 7.07 | 2,685 |
| - | 14,250 | 33,456,882 | 6.18 | 2,589 |
| - | - | 33,066,987 | 5.62 | 2,559 |
| - | - | 33,500,688 | 5.43 | 2,592 |
| - | - | 33,144,152 | 5.06 | 2,565 |
| - | 234,157 | 32,999,046 | NA | 2,554 |
| - | 164,022 | 32,617,017 | NA | NA |
| 2,000,000 | 94,220 | 32,423,059 | NA | NA |
| 1,866,667 | 281,444 | 30,141,014 | NA | NA |

TABLE 12

Granville Exempted Village School District, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | Net General Bonded Debt (1) | Ratio of General Bonded Debt to Estimated Actual Value (2) | General Bonded Debt per Capita | General Bonded Debt per Enrollment |
|----------------|--------------------------------------|---|---|---|
| 2009 | 30,953,189 | 2.54 | 2,148 | 12,332 |
| 2010 | 30,418,125 | 2.50 | 2,354 | 11,817 |
| 2011 | 29,230,397 | 2.38 | 2,262 | 11,499 |
| 2012 | 29,045,348 | 2.38 | 2,248 | 11,693 |
| 2013 | 30,185,782 | 2.45 | 2,336 | 12,162 |
| 2014 | 30,058,026 | 2.36 | 2,326 | 12,219 |
| 2015 | 29,876,801 | 2.33 | 2,312 | 12,438 |
| 2016 | 29,702,307 | NA | NA | 12,203 |
| 2017 | 27,735,257 | NA | NA | 11,297 |
| 2018 | 25,905,667 | NA | NA | 10,321 |

Source: Ohio Municipal Advisory Council

(1) Represents Total Debt Outstanding from Table 11 less Capital Leases from Table 11 and Restricted Net Position from Table 1.

(2) Represents Net General Bonded Debt outstanding at fiscal year-end divided by the estimated actual value in effect as of fiscal year-end.

NA - Information Not Available

TABLE 13

Granville Exempted Village School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
June 30, 2018

| | Debt Attributable to Governmental Activities | Percentage Applicable to School District (1) | Amount of Direct and Overlapping Debt |
|---|---|---|--|
| Direct Debt | | | |
| Granville Exempted School District as of June 30, 2018 | \$ 29,859,570 | 100.00% | \$ 29,859,570 |
| Overlapping Debt (as of 12/31/17, unless otherwise noted): | | | |
| Payable from Property Taxes: | | | |
| Licking County | 31,391,830 | 11.65% | 3,657,148 |
| City of Heath | 1,689,725 | 41.00% | 692,787 |
| City of Newark | 12,733,000 | 5.08% | 646,836 |
| Village of Granville | 2,900,000 | 100.00% | 2,900,000 |
| Career & Technical Education Centers of Licking County | 3,171,667 | 11.28% | 357,764 |
| Total Overlapping Debt | 51,886,222 | | 8,254,536 |
| Total Direct and Overlapping Debt | \$81,745,792 | | \$38,114,106 |

Source: Licking County Auditor

(1) Percentages were determined by dividing the assessed or actual valuation of the overlapping government located within the boundaries of the District by the total assessed or actual valuation of the overlapping government. The valuations used were for tax year 2017.

TABLE 14

Granville Exempted Village School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

| | 2009 | 2010 | 2011 | 2012 |
|---|----------------|----------------|----------------|----------------|
| Assessed Valuation (1) | \$ 413,123,390 | \$ 421,165,985 | \$ 423,422,150 | \$ 427,133,560 |
| Debt Limit - 9% of Assessed Value (2) | 37,181,105 | 37,904,939 | 38,107,994 | 38,442,020 |
| Amount of Debt Applicable to Debt Limit | 35,987,066 | 34,665,105 | 33,442,632 | 33,066,987 |
| Less Amount Available in Debt Service | 3,097,101 | 3,461,113 | 3,278,411 | 2,521,647 |
| Net Indebtedness Subject to Limitation | 32,889,965 | 31,203,992 | 30,164,221 | 30,545,340 |
| Exemptions: | | | | |
| Energy Conservation Notes | 1,829,000 | 1,652,123 | 1,469,166 | 1,280,060 |
| Amount of Debt Subject to Limit | 31,060,965 | 29,551,869 | 28,695,055 | 29,265,280 |
| Legal Debt Margin | 6,120,140 | 8,353,070 | 9,412,939 | 9,176,740 |
| Legal Debt Margin as a Percentage of the Debt Limit | 16.46% | 22.04% | 24.70% | 23.87% |
| Unvoted Debt Limit - .10% of Assessed Value (1) | 413,123 | 421,166 | 423,422 | 427,134 |
| Applicable District Debt Outstanding | - | - | - | - |
| Unvoted Legal Debt Margin | \$ 413,123 | \$ 421,166 | \$ 423,422 | \$ 427,134 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 100.00% | 100.00% | 100.00% | 100.00% |

(1) In 2006, HB 530 changed the assessed valuation utilized in the legal debt margin calculation to exclude general business tangible personal property tax as well as railroad and telephone tangible property. For fiscal year 2013, the tax year 2013 assessed valuation is not available, therefore, the tax year 2012 assessed valuation was used.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Note: The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts.

TABLE 14 (Continued)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| <u>\$ 423,961,918</u> | <u>\$ 428,084,952</u> | <u>\$ 441,958,696</u> | <u>\$ 443,815,990</u> | <u>\$453,423,633</u> | <u>\$513,102,365</u> |
| <u>38,156,573</u> | <u>38,527,646</u> | <u>39,776,283</u> | <u>39,943,439</u> | <u>40,808,127</u> | <u>46,179,213</u> |
| <u>33,500,688</u> | <u>33,144,152</u> | <u>32,764,889</u> | <u>32,452,995</u> | <u>28,701,772</u> | <u>26,601,667</u> |
| <u>2,585,596</u> | <u>2,552,009</u> | <u>2,436,375</u> | <u>2,177,654</u> | <u>3,079,160</u> | <u>2,223,533</u> |
| <u>30,915,092</u> | <u>30,592,143</u> | <u>30,328,514</u> | <u>30,275,341</u> | <u>25,622,612</u> | <u>24,378,134</u> |
| <u>1,084,316</u> | <u>881,842</u> | <u>672,409</u> | <u>455,844</u> | <u>231,772</u> | <u>-</u> |
| <u>29,830,776</u> | <u>29,710,301</u> | <u>29,656,105</u> | <u>29,819,497</u> | <u>25,390,840</u> | <u>24,378,134</u> |
| <u>8,325,797</u> | <u>8,817,345</u> | <u>10,120,178</u> | <u>10,123,942</u> | <u>15,417,287</u> | <u>21,801,079</u> |
| 21.82% | 22.89% | 25.44% | 25.35% | 37.78% | 47.21% |
| <u>423,962</u> | <u>428,085</u> | <u>441,959</u> | <u>443,816</u> | <u>453,424</u> | <u>513,102</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 423,962</u> | <u>\$ 428,085</u> | <u>\$ 441,959</u> | <u>\$ 443,816</u> | <u>\$ 453,424</u> | <u>\$ 513,102</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Granville Exempted Village School District
Demographic and Economic Statistics
 Last Ten Years

| Fiscal Year | District Population (1) | ***Licking County Per Capita Personal Income (2) | Median Income (3) | District Enrollment (4) | Unemployment Rate (5) |
|----------------|----------------------------|--|----------------------|----------------------------|--------------------------|
| 2009 | 14,410 | 34,390 | 63,842 | 2,510 | 10.0 |
| 2010 | 12,923 | 36,447 | 65,931 | 2,574 | 9.4 |
| 2011 | 12,923 | 37,679 | 67,261 | 2,542 | 8.7 |
| 2012 | 12,923 | 38,489 | 68,584 | 2,484 | 6.7 |
| 2013 | 12,923 | 39,835 | 79,492 | 2,482 | 7.5 |
| 2014 | 12,923 | 39,957 | 74,401 | 2,460 | 5.4 |
| 2015 | 12,923 | 41,727 | 77,436 | 2,402 | 4.5 |
| 2016 | 12,923 | 42,217 | NA | 2,463 | 4.4 |
| 2017 | 12,923 | NA | NA | 2,455 | 4.5 |
| 2018 | NA | NA | NA | 2,510 | 4.6 |

Sources:

- (1) 2010-2017 from 2010 US Census; 2009 estimates - Ohio Municipal Advisory Council
- (2) Federal Reserve Bank of St. Louis
- (3) Ohio Department of Taxation median Adjusted Gross Income
- (4) District data
- (5) Bureau of Labor Statistics Website. All information as of June 30 of each fiscal year.

***Note: School District encompasses the Village of Granville, part of the City of Newark and Heath, and several different townships.

Per Capita income is not reported by the District. Information is only available by Licking County.

TABLE 16

Granville Exempted Village School District

Licking County Principal Employers

Current Year and Ten Years Ago

| Employer | Nature of Business | 2018 | |
|---|---------------------------------|---------------------|--------------------------------|
| | | Number of Employees | Percentage of Total Employment |
| Amazon Fulfillment Center | Retail Distribution | 4,785 | 5.56% |
| Licking Memorial Hospital | Health Care | 2,000 | 2.33 |
| Ascena Retail Group | Retail Management | 1,475 | 1.72 |
| The Kroger Co. | Grocery | 1,177 | 1.37 |
| Owens Corning Corporation | Glass Fiber Building Materials | 1,000 | 1.16 |
| AEP Ohio | Electric Utility | 835 | 0.97 |
| L Brands | Retail | 800 | 0.93 |
| Anomatic Corporation | Anodizing Aluminum Process Mfg. | 800 | 0.93 |
| Denison University | Private University | 796 | 0.93 |
| State Farm Insurance | Insurance/Underwriting | 750 | 0.87 |
| Total | | <u>14,418</u> | |
| Total Employment within the County (September 2017) | | <u>86,000</u> | |

| Employer | Nature of Activity | 2006 (1) | |
|------------------------------------|-----------------------------------|---------------------|--------------------------------|
| | | Number of Employees | Percentage of Total Employment |
| Licking Memorial Hospital | Health Care | 1,436 | 1.83% |
| Licking County Government | Government Services | 1,252 | 1.59 |
| Owens Corning Corporation | Glass Fiber Building Materials | 1,037 | 1.32 |
| Newark City School District | Education | 1,035 | 1.32 |
| OSU Newark/C.O.T.C. | Education | 1,015 | 1.29 |
| State Farm Insurance | Insurance/Underwriting | 994 | 1.27 |
| Wal*Mart | Department/Grocery Store | 697 | 0.89 |
| Anomatic | Anodizing Aluminum Process Mfg. | 655 | 0.83 |
| Boeing Company | Aerospace Industries | 582 | 0.74 |
| Longaberger | Specialty Basket and Pottery Mfg. | <u>508</u> | 0.65 |
| Total | | <u>9,211</u> | |
| Total Employment within the County | | <u>78,500</u> | |

Source: Licking County Auditor, Licking County Chamber of Commerce and Bureau of Labor Statistics

(1) Fiscal year 2008 information not available.

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TABLE 17

Granville Exempted Village School District
Per Pupil Cost
Last Ten Fiscal Years

| Fiscal Year | General Fund Expenditures | Average Enrollment | Cost Per Pupil | Percentage Change | Teaching Staff | Pupil/Teacher Ratio | State Average Pupil/Teacher Ratio |
|-------------|---------------------------|--------------------|----------------|-------------------|----------------|---------------------|-----------------------------------|
| 2009 | 22,431,100 | 2,510 | 8,937 | 4.87% | 165 | 15.2 | 18.5 |
| 2010 | 22,670,914 | 2,574 | 8,808 | -1.44% | 167 | 15.4 | 18.5 |
| 2011 | 23,605,540 | 2,542 | 9,286 | 5.43% | 169 | 15.0 | 18.5 |
| 2012 | 24,369,586 | 2,484 | 9,811 | 5.65% | 171 | 14.5 | 18.5 |
| 2013 | 22,702,222 | 2,482 | 9,147 | -6.77% | 161 | 15.4 | 18.5 |
| 2014 | 23,556,695 | 2,460 | 9,576 | 4.69% | 158 | 15.6 | 18.5 |
| 2015 | 25,077,784 | 2,402 | 10,440 | 9.03% | 168 | 14.3 | 18.5 |
| 2016 | 26,574,613 | 2,463 | 10,824 | 3.68% | 165 | 14.8 | NA |
| 2017 | 28,107,499 | 2,455 | 11,449 | 5.77% | 168 | 14.6 | NA |
| 2018 | 29,420,117 | 2,510 | 11,721 | -2.32% | 168 | 14.9 | NA |

Source: School District Records; Ohio Department of Education iLRC - cash basis reporting

NA - Information not available

TABLE 18

Granville Exempted Village School District
Building Statistics
Last Ten Fiscal Years

| | 2009 | 2010 | 2011 | 2012 |
|--|---------|---------|---------|---------|
| Granville Elementary School | | | | |
| Constructed in 1950, additions in 1952, 1957, 1970, 1997 and 2000, renovated in 2002 | | | | |
| Total Building Square Footage | 105,000 | 105,000 | 105,000 | 105,000 |
| Enrollment Grades K-3 | 707 | 704 | 672 | 637 |
| Student Functional Capacity | 714 | 714 | 714 | 714 |
| Granville Intermediate School | | | | |
| Constructed in 2002 | | | | |
| Total Building Square Footage | 84,549 | 84,549 | 84,549 | 84,549 |
| Enrollment Grades 4-6 | 606 | 615 | 615 | 620 |
| Student Functional Capacity | 600 | 600 | 600 | 600 |
| Granville Middle School | | | | |
| Constructed in 1969, additions in 1993, 2003 | | | | |
| Total Building Square Footage | 71,655 | 71,655 | 71,655 | 71,655 |
| Enrollment Grades 6-8 until 2002; 7-8 present | 425 | 427 | 414 | 424 |
| Student Functional Capacity | 475 | 475 | 475 | 475 |
| Granville High School | | | | |
| Constructed in 1992, addition in 2003 | | | | |
| Total Building Square Footage | 175,231 | 175,231 | 175,231 | 175,231 |
| Enrollment Grades 9-12 | 772 | 806 | 841 | 803 |
| Student Functional Capacity | 892 | 892 | 892 | 892 |
| District Administration Building | | | | |
| Constructed in 1963, renovated in 1997 and 2002 | | | | |
| Total Building Square Footage | 15,000 | 15,000 | 15,000 | 15,000 |
| District Transportation/Maintenance Building | | | | |
| Constructed in 2003 | | | | |
| Total Building Square Footage | 2,500 | 2,500 | 2,500 | 2,500 |

Source: School District Records

Student enrollment is based on the October count for each year.

Student Capacity is based on State standards of needed square footage per child

TABLE 18 (Continued)

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| 615 | 586 | 592 | 640 | 661 | 699 |
| 714 | 714 | 714 | 714 | 714 | 714 |
| 84,549 | 84,549 | 84,549 | 84,549 | 84,549 | 84,549 |
| 597 | 594 | 561 | 547 | 536 | 561 |
| 600 | 600 | 600 | 600 | 600 | 600 |
| 71,655 | 71,655 | 71,655 | 71,655 | 71,655 | 71,655 |
| 444 | 435 | 421 | 417 | 404 | 397 |
| 475 | 475 | 475 | 475 | 475 | 475 |
| 175,231 | 175,231 | 175,231 | 175,231 | 175,231 | 175,231 |
| 826 | 845 | 828 | 830 | 854 | 853 |
| 892 | 892 | 892 | 892 | 892 | 892 |
| 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |

TABLE 19

Granville Exempted Village School District
Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years

| Degree | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| Bachelor's Degree | 18 | 13 | 9 | 9 | 11 | 16 | 15 | 12 | 12 | 10 |
| Bachelor + (150 hours) | 22 | 26 | 22 | 18 | 18 | 17 | 15 | 15 | 15 | 12 |
| Master's Degree | 63 | 68 | 77 | 79 | 76 | 72 | 83 | 72 | 72 | 73 |
| Master's + 25 | 36 | 32 | 27 | 29 | 23 | 21 | 22 | 35 | 35 | 36 |
| Master's + 40 | 26 | 28 | 34 | 36 | 33 | 32 | 25 | 34 | 34 | 37 |
| Total | 165 | 167 | 169 | 171 | 161 | 158 | 160 | 168 | 168 | 168 |

Source: School District Personnel Records

TABLE 20

Granville Exempted Village School District
Teachers' Salaries
Last Ten Fiscal Years

| Fiscal Year | Minimum Salary (1) | Maximum Salary (2) | Average Salary Granville Exempted | Average Salary Comparable Districts (3) | Average Salary Statewide (3) |
|----------------|-----------------------|-----------------------|--|--|------------------------------------|
| 2009 | 32,466 | 76,512 | 56,545 | 61,078 | 54,656 |
| 2010 | 32,466 | 76,512 | 58,070 | 62,278 | 55,958 |
| 2011 | 33,115 | 77,950 | 59,809 | 63,003 | 56,715 |
| 2012 | 33,777 | 79,603 | 62,416 | 64,438 | 58,120 |
| 2013 | 33,777 | 79,603 | 60,225 | 64,162 | 57,966 |
| 2014 | 34,115 | 80,399 | 59,792 | 63,308 | 57,636 |
| 2015 | 34,797 | 82,007 | 62,784 | NA | NA |
| 2016 | 35,493 | 83,647 | 64,030 | 652,420 | 58,690 |
| 2017 | 36,203 | 85,712 | 66,763 | N/A | N/A |
| 2018 | 36,927 | 87,829 | 69,447 | N/A | N/A |

Sources: School District Financial Records and the Ohio Department of Education.

- (1) Starting teacher with no experience - per negotiated agreement.
- (2) Teacher with a Masters degree and more than 30 year's experience - per negotiated agreement.
- (3) Provided by the Ohio Department of Education.

NA - Information not available.

Note: Amounts do not include additional salary steps based on experience or academic credentials, nor fringe benefits such as pension, health insurance, disability, and so on.

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TABLE 21

Granville Exempted Village School District
Enrollment Statistics
Last Ten Fiscal Years

| Fiscal Year | Elementary School | Intermediate School | Middle School | High School | Total |
|----------------|----------------------|------------------------|------------------|----------------|-------|
| 2009 | 707 | 606 | 425 | 772 | 2,510 |
| 2010 | 699 | 628 | 441 | 806 | 2,574 |
| 2011 | 672 | 615 | 414 | 841 | 2,542 |
| 2012 | 637 | 620 | 424 | 803 | 2,484 |
| 2013 | 615 | 597 | 444 | 826 | 2,482 |
| 2014 | 586 | 594 | 435 | 845 | 2,460 |
| 2015 | 592 | 561 | 421 | 828 | 2,402 |
| 2016 | 640 | 547 | 417 | 830 | 2,434 |
| 2017 | 661 | 536 | 404 | 854 | 2,455 |
| 2018 | 699 | 561 | 397 | 853 | 2,510 |

Source: School District Records

TABLE 22

Granville Exempted Village School District
Capital Asset Statistics
Last Ten Fiscal Years

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$1,465,969 | \$1,465,969 | \$1,465,969 | \$1,465,969 |
| Construction in Progress | - | 5,834 | 7,300 | - |
| Total Nondepreciable Capital Assets | <u>1,465,969</u> | <u>1,471,803</u> | <u>1,473,269</u> | <u>1,465,969</u> |
| Depreciable Capital Assets | | | | |
| Land Improvements | 1,015,172 | 1,159,119 | 1,171,289 | 1,279,862 |
| Buildings and Buildings Improvements | 33,677,910 | 32,768,073 | 31,696,542 | 30,592,142 |
| Furniture, Fixtures & Equipment | 465,432 | 497,340 | 798,544 | 700,980 |
| Vehicles | 915,517 | 940,496 | 978,040 | 942,800 |
| Total Depreciable Capital Assets | <u>36,074,031</u> | <u>35,365,028</u> | <u>34,644,415</u> | <u>33,515,784</u> |
| Total Capital Assets, Net | <u><u>\$37,540,000</u></u> | <u><u>\$36,836,831</u></u> | <u><u>\$36,117,684</u></u> | <u><u>\$34,981,753</u></u> |

Source: School District Financial Records

Depreciable capital assets are presented net of accumulated depreciation.

TABLE 22 (Continued)

| <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$1,465,969 | \$1,465,969 | \$1,465,969 | \$1,465,969 | \$1,465,969 | \$1,465,969 |
| - | - | - | 210,904 | 1,316,609 | - |
| <u>1,465,969</u> | <u>1,465,969</u> | <u>1,465,969</u> | <u>1,676,873</u> | <u>2,782,578</u> | <u>1,465,969</u> |
| 1,189,812 | 1,099,762 | 1,009,712 | 919,661 | 1,318,943 | 1,480,611 |
| 29,413,336 | 28,235,463 | 27,096,460 | 26,096,345 | 24,930,443 | 26,213,306 |
| 735,152 | 1,033,508 | 1,034,407 | 952,663 | 958,849 | 1,435,573 |
| 825,689 | 713,564 | 892,223 | 807,023 | 695,453 | 807,840 |
| <u>32,163,989</u> | <u>31,082,297</u> | <u>30,032,802</u> | <u>28,775,692</u> | <u>27,903,688</u> | <u>29,937,330</u> |
| <u>\$33,629,958</u> | <u>\$32,548,266</u> | <u>\$31,498,771</u> | <u>\$30,452,565</u> | <u>\$30,686,266</u> | <u>\$31,403,299</u> |

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