

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011



Dave Yost • Auditor of State

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster National School Lunch Program	10.555	\$ 57,486	\$ 57,486
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	68,564	68,564
ARRA - Title I Grants to Local Educational Agencies	84.389	20,289	20,290
Total Title I Grants Cluster		<u>88,853</u>	<u>88,854</u>
Special Education Grants to States	84.027	346,393	342,875
ARRA - Special Education Grants to States	84.391	254,692	251,475
Total Special Education Grants to States Cluster		<u>601,085</u>	<u>594,350</u>
Safe and Drug-Free Schools and Communities State Grants for Innovative Programs	84.186	892	892
Education Technology State Grant	84.318	334	1,221
Improving Teacher Quality	84.367	44,048	44,860
ARRA - State Fiscal Stabilization Fund	84.394	438,523	445,000
ARRA - Race to the Top	84.395	25,000	24,725
Education Jobs Fund	84.410	<u>273,173</u>	<u>271,132</u>
Total U.S. Department of Education		<u>1,471,908</u>	<u>1,471,034</u>
Total		<u>\$ 1,529,394</u>	<u>\$ 1,528,520</u>

The accompanying notes are an integral part of this schedule.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



Dave Yost • Auditor of State

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

Granville Exempted Village School District
Licking County
P.O. Box 417
Granville, Ohio 43023

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Granville Exempted Village School District, Licking County, Ohio, (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2011, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 12, 2011.

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

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

Dave Yost
Auditor of State

December 12, 2011



Dave Yost • Auditor of State

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

Granville Exempted Village School District
Licking County
P.O. Box 417
Granville, Ohio 43023

To the Board of Education:

Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 12, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Dave Yost
Auditor of State

December 12, 2011

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Granville Exempted Village School District
Licking County
P.O. Box 417
Granville, Ohio 43023

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on March 21, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 12, 2011

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2011

2010-2011

Ohio

Local Report Card

12 years

EXCELLENT

with
Distinction

District Rating

Awarded by the **Ohio** State Board
of Education



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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

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December 12, 2011

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 an unqualified opinion 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 Auditors' 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 estimated enrollment of 2,543 students for the fiscal year end June 30, 2011 compared to 2,533 students for the fiscal year ended June 30, 2010. 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, 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 2,473, 2,489, and 2,446 for the fiscal years ending June 30, 2012, 2013, and 2014 respectively. The District's enrollment is based on average daily attendance figures and does not include students living within the District's attendance area who attend charter or private schools.

Economic Condition and Outlook

Although the District has been impacted by the national recession, the local economy has been stable, with the housing market holding its value. The community has had minimal new home construction. Kendal of Granville, a senior community, is currently expanding their senior condominiums and apartments.

The Granville community is crafting a Comprehensive Development Plan. This Comprehensive Plan Update 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 has 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 four largest employers in the District in terms of numbers of employees are: Denison University, Granville Exempted Village Schools, Owens Corning Technical Center, and Mid-Ohio Mechanical, Inc.

Ohio's new biennium budget bill, approved for fiscal year 2012 and 2013 includes some significant operational changes and a new way of funding Ohio schools. Due to shortfalls in the state economy and the loss of federal stimulus funds, the budget bill reduced funding for Ohio schools by approximately eight percent. Additionally, the state reduced the tangible property tax reimbursement, eliminating it totally in 2013 for many schools, including Granville School District. This is a loss of over \$700,000.

The passage of a 5.8 mill operating levy in November of 2010 has assisted the Granville School District in addressing some of these reductions. Granville School District continues to be a good steward of the community's tax dollars with good fiscal management practices, carefully reviewing all expenditures and making reductions to operate within our financial resources.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Long-term Financial Planning – The financial forecast of General Fund operations for the next five years assumes that the District’s fiscal year 2012 ending General Fund cash balance will be approximately \$2.5 million with declining balances thereafter. It is anticipated that a new operating levy will be needed in 2014 due to negative ending cash balances projected beginning in fiscal year 2015.

The projected declining General Fund cash balance is a reflection of the challenge of Ohio school district financing and the impact of the economic downturn. The District has had reductions in state funding for the last three years. Approximately 37% of the total operating revenue is from state funding sources.

To address the loss of revenue growth and the declining student enrollment, the District is planning \$1.2 million in budget reductions for fiscal year 2013.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for Fiscal Year 2011

Financial

Certificate of Achievement for Excellence in Financial Reporting

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, 2010. This was the second 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.

Operations

Ohio Education Matters honored Granville School District as among the most efficient in non-instructional services. The District led the way by being the most efficient of its peer districts in two categories, in maintenance costs, the District was the most efficient suburban district with very high median incomes and very low poverty, spending \$1,684 per student. That compared to similar school districts that spent as much as \$4,472 per student. Also, in providing school-level administration, Granville was the most efficient of its peers, spending \$331 per student.

Health Care Benefits

Medical health care benefits were moved to a new carrier at the beginning of fiscal year 2010. Benefit plan changes in fiscal year 2011, including higher deductibles and a wellness program, has provided additional savings in health care premiums in fiscal year 2012. Rates increased three percent for fiscal year 2012, far below industry standards.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Food Service Program

The District's food service program is in its second year of operation. This program provides nutritionally sound food choices at reasonable prices. The program has been a resounding success gaining local and national recognition for use of organic and locally grown ingredients. The program is on target to operate within its revenues for fiscal year 2012.

Instruction & Academic Achievement

The District earned the Ohio Department of Education's (ODE) designation "Excellent with Distinction" for the 2010-2011 school year. This is the 12th year in a row the District has earned the top honor by the ODE.

- Exceeded state goals for all 24 academic indicators.
- Exceeded state goals for attendance and graduation rates.
- Granville is one of only four districts to meet all indicators every year since 1998.
- Achieved a Performance Index score of 108.1, an all-time high.
- Performance index ranking places the District in the top 3.4% of the entire state.
- Met Adequate Yearly Progress (AYP) targets in Reading and Math for all subgroups.
- Advanced and accelerated percentages are higher than the similar district average in 12 of 19 tested subject areas.
- The District had Above Expected Growth as a district.
- Over 58% of graduates scored at or above the college readiness benchmarks in all four areas on the ACT (state average is 28%).
- Over 80% of graduates took the ACT college entrance exam and averaged a composite score of 25 (state average is 21.8).

Each of the District's four schools achieved the highest state designations of either "Excellent" or "Excellent with Distinction" in fiscal year 2011.

Granville High School:

- Exceeded state goals for all ten academic indicators.
- Exceeded state goals for attendance and graduation rate.
- Earned the highest state designation of "Excellent".
- Earned the Battelle for Kids, "SOAR" award for high student growth (top 2 percent of state).
- Over 80% of graduates took the ACT college entrance exam and averaged a composite score of 25 (state average is 21.8).
- Met Adequate Yearly Progress (AYP) targets in Reading and Math for all subgroups.
- Over 58% of graduates took at least one Advanced Placement (AP) course during their high school career.
- Achieved a Performance Index score of 110.1, an all-time high.
- Performance Index ranking places GHS in the top 5.0% of all high schools.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Granville Middle School:

- Exceeded state goals for all five academic indicators.
- Exceeded state goals for attendance rate.
- Earned the highest state designation of “Excellent with Distinction”.
- Met Adequate Yearly Progress (AYP) targets in Reading and Math for all subgroups.
- Facilitated “Above” expected growth for students.
- Achieved a Performance Index score of 107.0, an all-time high.
- Performance Index ranking places GMS in the top 7.4% of all middle schools.

Granville Intermediate School:

- Exceeded state goals for all seven academic indicators.
- Exceeded state goals for attendance rate.
- Earned the highest state designation of “Excellent with Distinction”.
- Met Adequate Yearly Progress (AYP) targets in Reading and Math for all subgroups.
- Facilitated “Above” expected growth for students.
- Achieved a Performance Index score of 106.9, an all-time high.
- Performance Index ranking places GIS in the top three of all intermediate schools.

Granville Elementary School:

- Exceeded state goals for all academic indicators.
- Exceeded state goals for attendance rate.
- Earned the highest state designation of “Excellent”.
- Met Adequate Yearly Progress (AYP) targets in Reading and Math for all subgroups.
- Achieved a Performance Index score of 109.9.
- Performance Index ranking places GES in the top ten of all elementary schools.

Initiatives for Fiscal Year 2012

Financial

The District will apply to receive the Certificate of Excellence in Financial Reporting for its fiscal year 2011 CAFR.

The District has aggressively identified areas to reduce expenses without sacrificing direct services to students. Our goal has been to keep reductions away from the classroom. The purpose is to maintain the outstanding quality of the District’s educational program.

The District’s transportation department has been awarded an EPA Grant in the amount of \$62,655.

Instruction

Ohio is a recipient of the Federal program Race to the Top and the District is participating. The District staff is developing a four-year master plan. This federal grant program will provide additional resources needed to implement strategies for improving student learning and for making the transition to adopting Core Curriculum Standards.

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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, agency funds, commercial paper and State Treasury Asset Reserve of Ohio (STAR Ohio).

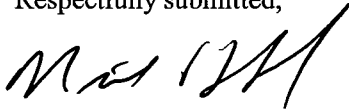
Independent Audit

Office of Management and Budget Circular A-133 requires an annual audit by independent accountants. The Auditor of State of Ohio conducted the District's fiscal year 2011 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. 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. 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,



Michael P. Sobul, Treasurer

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
ELECTED OFFICIALS AND ADMINISTRATIVE STAFF
AS OF JUNE 30, 2011**

BOARD OF EDUCATION MEMBERS

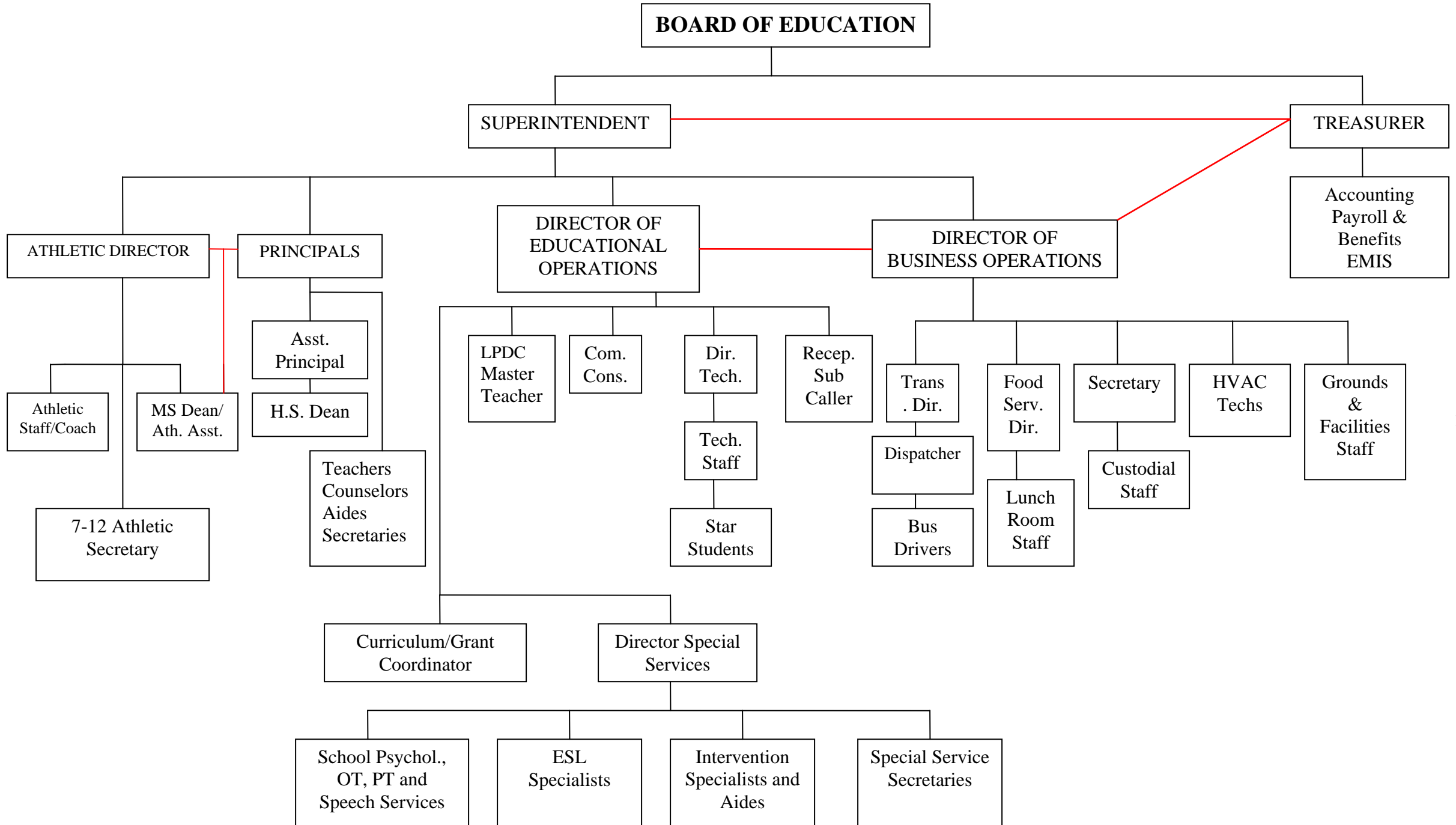
President	Mrs. Nicole Jardell
Vice-President	Ms. Amy Deeds
Member	Dr. Jennifer Cornman
Member	Mr. O. John Kralovec
Member	Mr. Russell Ginise

APPOINTED OFFICIALS

Superintendent	Jeffrey R. Brown
Treasurer	Margaret (Peg) Betts

ADMINISTRATIVE STAFF

Director of Educational Operations	Tom Fry
Director of Business Operations	Chuck Dilbone
Director of Student Services	Kim Pareso
Director of Technology	Rob Sexton
High School Principal	Ryan Bernath
Middle School Principal	Lisa Ormond
Intermediate School Principal	Gayle Burris
Elementary School Principal	Todd Rogers
Athletic Director	Kevin Jarrett
Supervisor of Transportation	Kim Clary



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President



Executive Director



Financial Section

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Granville Exempted Village School District
Licking County
P.O. Box 417
Granville, Ohio 43023

To the Board of Education:

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

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

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 Granville Exempted Village School District, Licking County, Ohio, as of June 30, 2011, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 22, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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.



Dave Yost
Auditor of State

December 12, 2011

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 (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, 2011. 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 3-9 of this report.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by approximately \$7.2 million (net assets).
- Net assets decreased approximately \$2.0 million, or 22%, 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 \$5.4 million, a decrease of approximately \$1.9 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1.8 million.
- The District's total bonded debt decreased by \$1.2 million, or approximately 4%, during the fiscal 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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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 27-28 of this report.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 (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 government'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 29-34 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 35 of this report.

Other information. The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds can be found on pages 67-89 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by approximately \$7.2 million at the close of the current fiscal year.

By far the largest portion of the District's net assets (143%) 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 (UNAUDITED)

An analysis of fiscal year 2011 in comparison with fiscal year 2010 follows for the Statement of Net Assets:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
Current and Other Assets	\$ 25,818,226	\$ 25,634,998	0.7%
Capital Assets	36,117,684	36,836,831	-2.0%
Total Assets	<u>61,935,910</u>	<u>62,471,829</u>	-0.9%
Current Liabilities	20,028,044	17,387,187	15.2%
Long-term Liabilities	34,677,578	35,844,289	-3.3%
Total Liabilities	<u>54,705,622</u>	<u>53,231,476</u>	2.8%
Invested in Capital Assets net of related debt	10,307,937	9,596,927	7.4%
Restricted	313,492	318,575	-1.6%
Unrestricted	(3,391,141)	(675,149)	402.3%
Total Net Assets	<u>\$ 7,230,288</u>	<u>\$ 9,240,353</u>	-21.8%

A portion of net assets at June 30, 2010 related to long-term debt, totaling \$2,594,857, have been reclassified from Restricted for Debt Service to Unrestricted to correlate with the same classification at June 30, 2011. In addition, net assets at June 30, 2010 related to food service, totaling \$13,706, have been reclassified from Unrestricted to Restricted for Food Service for the same reason.

Total assets decreased \$.5 million. This decrease is primarily the result of a decrease in Pooled Cash and Cash Equivalents as a result of operations (\$1.1 million), and a decrease in Capital Assets resulting from depreciation exceeding additions (\$.7 million). These decreases were offset by an increase in Property Taxes Receivable (\$1.4 million) resulting from a levy passed in prior year to be collected in fiscal year 2012.

Total liabilities increased approximately \$1.4 million in comparison with the prior year. Unearned Revenue increased \$2.3 million due to a levy passed in prior year to be collected in fiscal year 2012. This increase was offset by a \$1.2 million decrease of general obligation bonds as a result of payments and amortization exceeding accretion.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

An analysis of fiscal year 2011 in comparison with fiscal year 2010 follows for the Statement of Activities:

	Governmental Activities		
	<u>2011</u>	<u>2010</u>	<u>Percent Change</u>
Program Revenues			
Charges for Services	\$ 1,204,649	\$ 1,209,179	-0.4%
Operating Grants	2,455,210	2,041,210	20.3%
Capital Contributions	358,507	26,145	1271.2%
General Revenues			
Property Taxes	15,995,043	18,063,425	-11.5%
Grants and Entitlements	7,630,314	7,430,574	2.7%
Payment in Lieu of Taxes	98,410	252,440	-61.0%
Investment Earnings	36,118	69,859	-48.3%
Miscellaneous	137,827	34,177	303.3%
Total Revenues	<u>27,916,078</u>	<u>29,127,009</u>	-4.2%
Program Expenses			
Instructional	15,151,474	14,578,113	3.9%
Support Services	10,045,731	10,287,473	-2.3%
Non-instructional Services	981,418	908,460	8.0%
Extracurricular Activities	1,419,083	1,281,203	10.8%
Interest and Fiscal Charges	2,328,437	2,247,407	3.6%
Total Expenses	<u>29,926,143</u>	<u>29,302,656</u>	2.1%
Change in Net Assets	(2,010,065)	(175,647)	
Net Assets at Beginning of Year, as restated	<u>9,240,353</u>	<u>9,416,000</u>	
Net Assets at End of Year	<u>\$ 7,230,288</u>	<u>\$ 9,240,353</u>	

The schedule clearly shows the dependence upon tax revenues and state subsidies for governmental activities. Only 14 percent of the governmental activities performed by the District are supported through program revenues such as charges for services and grants and contributions. The remaining 86 percent is provided through general revenues such as property taxes and unrestricted grants and entitlements.

Revenues

During the fiscal year, operating grants and contributions revenue increased \$414,000, or 20.3%. This increase is primarily the result of the District receiving additional federal monies for education jobs and race to the top.

Program Expenses

During the fiscal year, program expenses increased \$623,487 or 2.1%.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

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 2011 in comparison with fiscal year 2010 follows:

	<u>Total Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2011</u>	<u>Net Cost of Services 2010</u>
Program expenses				
Instructional	\$ 15,151,474	\$ 14,578,113	\$ 13,414,021	\$ 13,487,388
Support services	10,045,731	10,287,473	8,950,643	9,227,864
Non-instructional Services	981,418	908,460	83,345	33,500
Extra Curricular Activities	1,419,083	1,281,203	1,131,331	1,029,963
Interest	2,328,437	2,247,407	2,328,437	2,247,407
Total	<u>\$ 29,926,143</u>	<u>\$ 29,302,656</u>	<u>\$ 25,907,777</u>	<u>\$ 26,026,122</u>

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 2011 in comparison with fiscal year 2010 follows:

	<u>Fund Balance June 30, 2011</u>	<u>Restated Fund Balance June 30, 2010</u>	<u>Increase/ (Decrease)</u>
General Fund	\$ 2,726,920	\$ 4,489,350	\$ (1,762,430)
Debt Service Fund	3,278,411	3,461,113	(182,702)
Other Governmental Funds	(606,288)	(640,474)	34,186
Total	<u>\$ 5,399,043</u>	<u>\$ 7,309,989</u>	<u>\$ (1,910,946)</u>

General Fund

During the current fiscal year, the fund balance in the District's General Fund decreased approximately \$1.8 million, compared with a \$.8 million decrease in the previous fiscal year.

Revenues remained steady and decreased \$744,923 during the fiscal year. Expenditures increased \$281,945, or 1.2%. This increase is primarily the result of inflationary increases in expenditures.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2011 (UNAUDITED)

Debt Service Fund

Expenditures outgained revenues in the debt service fund by \$182,702 as a result of current debt service obligations outstripping property tax and intergovernmental revenues.

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.

Final Estimated Resources were increased \$590,052 in relation to the Original Estimated Resources. The District's Original and Final Appropriations were the same.

The District's final revenues estimate exceeded actual revenues by \$395,947 or less than 2%.

Actual expenditures were \$1,274,816, or 5%, less than final appropriations.

Capital Assets

At the end of the fiscal year, the District's had \$36,117,684 (net of accumulated depreciation) invested in capital assets compared to \$36,836,831 in the prior year. This decrease in capital assets is due to additions of \$762,734 being offset by \$1,481,881 in depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture, fixtures 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 \$33,442,632, a decrease of \$1,222,473 from fiscal year 2010. The District had no long-term debt issuances during the fiscal year. The decrease is a result of principal payments offset by current year accretion and amortization. Detailed information regarding long-term obligations is included in Notes 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, 2011, the District's general obligation debt was below the legal limit.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Economic Factors

The District's net assets decreased by \$2,010,065. Because of static revenue forecasts, the district faces potential shortfalls after FY 2013. The district administration is committed to minimizing the shortfalls and maintaining a positive cash flow through spending controls that cause the least disruption to academic programs.

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 ASSETS
AS OF JUNE 30, 2011

	<u>Governmental Activities</u>
Assets	
Pooled Cash and Cash Equivalents	\$ 6,468,833
Cash in Segregated Accounts	5,000
Investments in Segregated Accounts	17,016
Receivables:	
Property Taxes	18,732,949
Revenue in Lieu of Property Taxes	130,820
Intergovernmental	109,332
Interest	1,070
Supplies Inventory	8,838
Deferred Bond Issuance Costs	344,368
Nondepreciable Capital Assets	1,473,269
Depreciable Capital Assets, Net	34,644,415
Total Assets	<u>61,935,910</u>
Liabilities	
Accounts Payable	196,567
Accrued Wages and Benefits	2,031,167
Intergovernmental Payable	583,645
Accrued Interest Payable	973,982
Unearned Revenue	16,242,683
Long-Term Liabilities	
Due within One Year	1,021,185
Due in More Than One Year	33,656,393
Total Liabilities	<u>54,705,622</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,307,937
Restricted for:	
Classroom Facilities Maintenance	111,627
Food Service	84,209
District Managed Student Activities	61,702
Other Purposes	55,954
Unrestricted	(3,391,141)
Total Net Assets	<u>\$ 7,230,288</u>

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, 2011

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities					
Instruction					
Regular Instruction	\$ 12,379,460	\$ 118,356	\$ 218,643	\$ 358,507	\$ (11,683,954)
Special Instruction	2,610,277	15,320	1,013,737	-	(1,581,220)
Vocational Instruction	161,237	1,599	11,291	-	(148,347)
Other	500	-	-	-	(500)
Support Services					
Pupils	1,963,082	157,048	397,074	-	(1,408,960)
Instructional Staff	1,235,636	-	-	-	(1,235,636)
Board of Education	53,853	-	-	-	(53,853)
Administration	1,644,746	-	41,643	-	(1,603,103)
Fiscal Services	797,735	-	-	-	(797,735)
Business Operations	138,937	-	319	-	(138,618)
Operation and Maintenance of Plant	2,131,024	-	4,500	-	(2,126,524)
Pupil Transportation	1,696,740	-	485,404	-	(1,211,336)
Central	383,978	-	9,100	-	(374,878)
Non-instructional Services	981,418	645,551	252,522	-	(83,345)
Extracurricular Activities	1,419,083	266,775	20,977	-	(1,131,331)
Interest and Fiscal Charges	2,328,437	-	-	-	(2,328,437)
Total Governmental Activities	\$ 29,926,143	\$ 1,204,649	\$ 2,455,210	\$ 358,507	\$ (25,907,777)

General Revenues

Property Taxes Levied for:	
General Purposes	\$ 12,897,027
Debt Service	2,401,124
Capital Projects	568,851
Classroom Facilities Maintenance	128,041
Grants & Entitlements not Restricted to Specific Programs	7,630,314
Payment in Lieu of Taxes	98,410
Investment Earnings	36,118
Miscellaneous	137,827
Total General Revenues	23,897,712
Change in Net Assets	(2,010,065)
Net Assets Beginning of Year	9,240,353
Net Assets End of Year	\$ 7,230,288

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2011**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled Cash and Cash Equivalents	\$ 3,517,011	\$ 2,158,405	\$ 793,417	\$ 6,468,833
Cash in Segregated Accounts	-	-	5,000	5,000
Investments in Segregated Accounts	-	-	17,016	17,016
Receivables:				
Property Taxes	15,552,648	2,360,389	819,912	18,732,949
Revenue in Lieu of Property Taxes	130,820	-	-	130,820
Intergovernmental	-	-	109,332	109,332
Interest	1,070	-	-	1,070
Supplies Inventory	-	-	8,838	8,838
Interfund Loan Receivable	-	239,740	-	239,740
Due From Other Funds	-	675,000	-	675,000
Loans to Other Funds	700,000	-	-	700,000
Total Assets	\$19,901,549	\$ 5,433,534	\$ 1,753,515	\$ 27,088,598
Liabilities:				
Accounts Payable	\$ 94,436	\$ -	\$ 102,131	\$ 196,567
Accrued Wages and Benefits	1,917,566	-	113,601	2,031,167
Matured Compensated Absences	120,773	-	-	120,773
Intergovernmental Payable	563,547	-	20,098	583,645
Interfund Loan Payable	239,740	-	-	239,740
Due to Other Funds	-	-	675,000	675,000
Loans from Other Funds	-	-	700,000	700,000
Deferred Revenue	14,238,567	2,155,123	748,973	17,142,663
Total Liabilities	17,174,629	2,155,123	2,359,803	21,689,555
Fund Balances:				
Nonspendable:				
Supplies Inventory	-	-	8,838	8,838
Long-Term Loans	700,000	675,000	-	1,375,000
Restricted for:				
Classroom Facilities Maintenance	-	-	105,431	105,431
Debt Service	-	2,603,411	-	2,603,411
Food Service	-	-	75,371	75,371
District Managed Student Activities	-	-	61,702	61,702
Other Purposes	-	-	55,954	55,954
Assigned for:				
Public School Support	71,953	-	-	71,953
Encumbrances	133,601	-	-	133,601
Unassigned	1,821,366	-	(913,584)	907,782
Total Fund Balances	2,726,920	3,278,411	(606,288)	5,399,043
Total Liabilities and Fund Balances	\$19,901,549	\$ 5,433,534	\$ 1,753,515	\$ 27,088,598

See accompanying notes to the basic financial statements.

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

Total Governmental Fund Balances \$ 5,399,043

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 36,117,684

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

Property Tax Receivables	898,910
Interest Receivables	1,070

Unamortized issuance costs are reported as deferred charges on the Statement of Net Assets but as an expenditure on the fund financial statements which do not provide current financial resources and, therefore, are not reported in the funds 344,368

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)	(31,752,764)
Energy Conservation Notes Payable	(1,469,166)
Bond Premium	(1,230,856)
Bond Discount	251,586
Deferred Amount on Refunding	758,568
Accrued Interest Payable	(973,982)
Capital Leases Payable	(14,250)
Compensated Absences	<u>(1,099,923)</u>

Net Assets of Governmental Activities \$ 7,230,288

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, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 12,847,861	\$ 2,460,842	\$ 703,891	\$ 16,012,594
Payment in Lieu of Taxes	98,410	-	-	98,410
Intergovernmental	7,646,090	347,699	1,980,289	9,974,078
Charges for Services	-	-	645,551	645,551
Interest	14,046	21,696	1,733	37,475
Tuition and Fees	144,491	-	3,558	148,049
Extracurricular Activities	172,292	-	238,757	411,049
Other	148,032	-	13,134	161,166
Total Revenues	21,071,222	2,830,237	3,586,913	27,488,372
Expenditures:				
Instruction:				
Regular	11,492,063	-	582,345	12,074,408
Special	1,486,189	-	1,016,249	2,502,438
Vocational	155,174	-	-	155,174
Other	-	-	500	500
Support services:				
Pupils	1,585,990	-	330,846	1,916,836
Instructional Staff	1,175,537	-	6,994	1,182,531
Board of Education	51,918	-	-	51,918
Administration	1,527,345	-	39,297	1,566,642
Fiscal Services	725,631	41,305	12,080	779,016
Business Operations	128,857	-	5,339	134,196
Operation and Maintenance of Plant	1,851,075	-	281,841	2,132,916
Pupil Transportation	1,534,614	-	-	1,534,614
Central	359,739	-	9,100	368,839
Non-instructional Services	59,162	-	902,729	961,891
Extracurricular Activities	732,142	-	291,410	1,023,552
Capital Outlay	-	-	90,246	90,246
Debt service:				
Principal Retirement	21,476	1,587,957	-	1,609,433
Interest and Fiscal Charges	598	1,383,677	18,000	1,402,275
Total Expenditures	22,887,510	3,012,939	3,586,976	29,487,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,816,288)	(182,702)	(63)	(1,999,053)
Other financing sources (uses):				
Donations	48,742	-	34,249	82,991
Sale of Assets	5,116	-	-	5,116
Total other financing sources (uses)	53,858	-	34,249	88,107
Net Change in Fund Balances	(1,762,430)	(182,702)	34,186	(1,910,946)
Fund Balance Beginning of Year, Restated	4,489,350	3,461,113	(640,474)	7,309,989
Fund Balance End of Year	\$ 2,726,920	\$ 3,278,411	\$ (606,288)	\$ 5,399,043

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, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (1,910,946)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	(1,481,881)
Capital Outlay	404,227

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

Interest	(1,357)
Capital Asset Donations	358,507
Property Taxes	(17,551)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond and Note Principal Repayments	1,587,957
Capital Lease Principal Repayments	21,476

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	(44,335)
Accrued Interest	(538,851)
Amortization of Deferred Charge on Refunding	(37,003)
Amortization of Bond Issuance Costs	(21,827)
Amortization of Bond Premium	155,585
Amortization of Bond Discount	(12,273)
Accretion of Capital Appreciation Bonds	<u>(471,793)</u>

Change in Net Assets of Governmental Activities \$ (2,010,065)

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, 2011

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Property Taxes	\$ 12,378,650	\$14,099,672	\$13,463,110	\$ (636,562)
Payment in Lieu of Taxes:	80,881	94,190	98,410	4,220
Intergovernmental	8,541,037	7,425,677	7,646,090	220,413
Earnings on Investments	40,440	11,007	14,046	3,039
Tuition & Fees	153,656	129,387	135,275	5,888
Extracurricular	25,420	23,410	24,460	1,050
Miscellaneous	85,502	114,004	119,211	5,207
Total Revenues	<u>21,305,586</u>	<u>21,897,347</u>	<u>21,500,602</u>	<u>(396,745)</u>
Expenditures:				
Instruction:				
Regular	11,534,172	12,414,403	11,465,419	948,984
Special	1,923,982	1,652,887	1,602,544	50,343
Vocational	165,208	157,712	155,626	2,086
Other	3,500	-	-	-
Support Services:				
Pupils	1,603,003	1,458,025	1,412,476	45,549
Instructional Staff	1,532,399	1,264,903	1,240,155	24,748
Board of Education	104,778	98,674	81,165	17,509
Administration	1,600,430	1,672,784	1,586,509	86,275
Fiscal	804,748	761,170	747,365	13,805
Business	133,779	131,482	131,457	25
Operation and Maintenance of Plant	2,077,158	1,972,476	1,936,020	36,456
Pupil Transportation	1,696,582	1,566,767	1,559,688	7,079
Central	365,265	381,922	362,261	19,661
Non-instructional Services	41,680	38,449	29,849	8,600
Extracurricular Activities	711,127	726,157	712,461	13,696
Total Expenditures	<u>24,297,811</u>	<u>24,297,811</u>	<u>23,022,995</u>	<u>1,274,816</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,992,225)</u>	<u>(2,400,464)</u>	<u>(1,522,393)</u>	<u>878,071</u>
Other Financing Sources (Uses):				
Donations	16,176	12,921	13,500	579
Sale of Assets	3,351	4,897	5,116	219
Total Other Financing Sources (Uses)	<u>19,527</u>	<u>17,818</u>	<u>18,616</u>	<u>798</u>
Net Change in Fund Balances	(2,972,698)	(2,382,646)	(1,503,777)	878,869
Fund Balances at Beginning of Year	4,527,939	4,527,939	4,527,939	-
Prior Year Encumbrances Appropriated	286,472	286,472	286,472	-
Fund Balances at End of Year	<u>\$ 1,841,713</u>	<u>\$ 2,431,765</u>	<u>\$ 3,310,634</u>	<u>\$ 878,869</u>

See accompanying notes to the basic financial statements

**GRANVILLE EXPEMTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
AS OF JUNE 30, 2011

	<u>Agency Funds</u>
Assets	
Pooled Cash and Cash Equivalents	\$ 815,455
Total Assets	<u>\$ 815,455</u>
Liabilities	
Held for Student Liabilities	\$ 101,649
Held for Others	664,765
Accounts Payable	49,041
Total Liabilities	<u>\$ 815,455</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, 2011

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 60 non-certified employees, 171 certified full-time personnel and 11 administrative employees who provide services to 2,540 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 nine organizations, five 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 Council, the School Study Council of Ohio, the Newark-Granville Community Authority, the Ohio School Boards Association Workers’ Compensation Group Rating Plan, the Metropolitan Educational Council Group Insurance Pool, and the Granville Schools Education Foundation, Incorporated. These organizations are presented in Notes 14, 15, and 16 to the basic financial statements.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets 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.

(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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports unearned revenue on its statement of net assets and deferred revenue on the governmental funds balance sheet. Deferred revenue arises when assets are recognized before the revenue recognition criteria have been satisfied. For tax receipts, the “intended to finance” criteria must also be met. Grants and entitlements received before eligibility requirements were met have also been recorded as deferred revenue. On the governmental fund financial statements receivables not collected in the available period are recognized as deferred revenue. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of net assets and governmental funds balance sheet and revenue is recognized.

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.

(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 Building Fund is not budgeted as it consists solely of outstanding advances.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 a segregated bank account for the athletic account monies held separate from the District's central bank account. This checking account is presented on the financial statements as "Cash in segregated accounts" since it is not deposited into the District treasury.

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.

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 federal agency securities, commercial paper, State Treasury Asset Reserve of Ohio (STAR Ohio), and certificates of deposit.

Cash in segregated accounts represents the cash balance of the athletic fund checking account at June 30, 2011 of \$5,000. Investments in segregated accounts of \$17,016 represents certificates of deposit held for the Ken Marshall and Eikenberry Memorial Funds, and the Jeanne Kaufman Consolidated Math Award.

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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2011.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. These funds include the general fund, debt service fund, permanent improvement fund, food service, public school support, district managed student activities and auxiliary services.

(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. The District’s inventory balances consist of food commodities.

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. The District had no significant prepaid items at year-end.

(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 estimated fair market value as of the date received. The District does not possess any infrastructure.

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

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 assets.

(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 assets. Bond premiums and discounts, as well as bond issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for auxiliary services and state and federal grants restricted for specified purposes.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. On the government-wide statement of net assets, none of the restricted net assets were a result of enabling legislation.

(l) Fund Balance Reserves

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.

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.

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 assets are 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

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

On government-wide statements, issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Unamortized issuance costs are recorded as a separate line item on the Statement of Net Assets.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

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.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

(o) 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, 2011**

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 in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of 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	\$ (1,762,430)
Revenues	615,249
Expenditures	(204,291)
Public School Support Fund	(18,704)
Encumbrances	(133,601)
Budgetary Basis	<u>\$ (1,503,777)</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, 2011

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.

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, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided 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.

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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

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. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

At fiscal year-end, the carrying amount of the District’s deposits was \$4,800,884 and the bank balance was \$4,845,323. Of the District’s bank balance, \$981,832 was exposed to custodial risk because it was not covered by Federal Deposit Insurance. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

Investments

At fiscal year end, the District’s had the following investments:

Investment Type	Fair Value	Percent of Total	Investment Maturities	
			Within 1 Year	1 to 2 Years
Commercial Paper	\$ 999,750	39.90%	\$ 999,750	\$ -
STAR Ohio	502,787	20.07%	502,787	-
Federal Farm Credit Bank	1,002,883	40.03%	-	1,002,883
Total	\$ 2,505,420	100%	\$ 1,502,537	\$ 1,002,883

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 commercial paper were rated A1 by Moody’s. The Federal Farm Credit Bank Note carries a rating of Aaa by Moody’s. 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property has been eliminated and the tax on the telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Tangible personal property tax revenue received during calendar 2011 represents the collection of 2010 taxes. Tangible personal property taxes received in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the 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/unearned revenue.

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 deferred.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 5 – PROPERTY TAXES (Continued)

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

	<u>2010 Second Half Collections</u>		<u>2011 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$ 413,272,420	98.13%	\$ 415,701,940	98.18%
Public Utility Personal	7,283,930	1.73%	7,720,210	1.82%
General Business Personal	609,634	0.14%	-	0.00%
Total	<u>\$ 421,165,984</u>	<u>100.00%</u>	<u>\$ 423,422,150</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$ 82.33		\$ 87.10	

NOTE 6 – RECEIVABLES

Receivables at year-end consisted of property taxes, payments in lieu of taxes, intergovernmental and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of property taxes and payments in lieu of 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, 2011

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	5,834	7,300	-	(5,834)	7,300
Total Nondepreciable Assets	<u>1,471,803</u>	<u>7,300</u>	<u>-</u>	<u>(5,834)</u>	<u>1,473,269</u>
Depreciable Capital Assets					
Land Improvements	1,922,041	85,356	-	5,834	2,013,231
Buildings and Improvements	46,303,462	133,870	-	-	46,437,332
Furniture and Equipment	1,671,982	383,968	-	-	2,055,950
Vehicles	1,986,790	152,240	(146,674)	-	1,992,356
Total Depreciable Assets	<u>51,884,275</u>	<u>755,434</u>	<u>(146,674)</u>	<u>5,834</u>	<u>52,498,869</u>
Less Accumulated Depreciation					
Land Improvements	(762,922)	(79,020)	-	-	(841,942)
Buildings	(13,535,389)	(1,205,401)	-	-	(14,740,790)
Furniture and Equipment	(1,174,642)	(82,764)	-	-	(1,257,406)
Vehicles	(1,046,294)	(114,696)	146,674	-	(1,014,316)
Total Accumulated Depreciation	<u>(16,519,247)</u>	<u>(1,481,881)</u>	<u>146,674</u>	<u>-</u>	<u>(17,854,454)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>35,365,028</u>	<u>-</u>	<u>-</u>	<u>5,834</u>	<u>34,644,415</u>
Total Capital Assets, Net	<u>\$ 36,836,831</u>	<u>\$ 7,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,117,684</u>

Depreciation expense was charged to the governmental functions as follows:

Regular Instruction	\$ 429,886
Special Instruction	83,498
Vocational Instruction	5,222
Pupils	62,045
Instructional Staff	49,783
Board of Education	1,935
Administration	64,074
Fiscal	26,458
Business Operations	4,741
Operation & Maintenance of Plant	149,440
Transportation	164,253
Central	12,542
Non-instructional	38,411
Extracurricular Activities	389,593
Total depreciation expense	<u>\$ 1,481,881</u>

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 – LONG TERM OBLIGATIONS

A summary of changes in long-term obligations for the fiscal year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>1994 School Improvement</u>					
Refunding Bonds 2.6%-4.65%	\$ 566,731	\$ -	\$ -	\$ 566,731	\$ 228,528
<u>2002 School Improvement Bonds</u>					
Serial Bonds 2.5%-4.75%	220,000	-	(110,000)	110,000	110,000
Capital Appreciation Bonds 4.65%-5.11%	29,782	-	-	29,782	-
Capital Appreciation Bonds Accretion	443,243	178,247	-	621,490	-
<u>2004 School Improvement Bonds</u>					
Serial Bonds 2.0%-4.5%	1,450,000	-	(150,000)	1,300,000	-
Capital Appreciation Bonds 27.67%-31.13%	65,000	-	-	65,000	25,000
Capital Appreciation Bonds Accretion	280,317	108,961	-	389,278	149,839
Serial/Term Bonds Premium	84,860	-	(8,486)	76,374	-
<u>2005 Library Improvement Bonds</u>					
Serial Bonds 3.0%-4.0%	550,000	-	(130,000)	420,000	135,000
Term Bonds 4.0%-5.0%	305,000	-	-	305,000	-
Serial/Term Premium	4,403	-	(881)	3,522	-
<u>2007 Advance Refunding Bonds</u>					
Serial Bonds 4.0%-4.75%	11,675,000	-	(1,015,000)	10,660,000	5,000
Term Bonds 4.38%	16,460,000	-	-	16,460,000	-
Capital Appreciation Bonds 4.22%-4.26%	274,972	-	-	274,972	-
Capital Appreciation Bonds Accretion	365,926	184,585	-	550,511	-
Premium on Serial Bonds	297,358	-	(21,240)	276,118	-
Premium on Capital Appreciation Bonds	999,820	-	(124,978)	874,842	-
Discount on Term Bonds	(263,859)	-	12,273	(251,586)	-
Deferred Amount of Refunding	(795,571)	-	37,003	(758,568)	-
Total General Obligation Bonds	33,012,982	471,793	(1,511,309)	31,973,466	653,367
<u>2008- House Bill 264 Energy Conservation</u>					
Notes 3.43%	1,652,123	-	(182,957)	1,469,166	189,106
Total Bonds and Notes	34,665,105	471,793	(1,694,266)	33,442,632	842,473
Capital Leases	35,726	-	(21,476)	14,250	14,250
Compensated Absences	1,143,458	178,860	(101,622)	1,220,696	164,462
Total	\$ 35,844,289	\$ 650,653	\$ (1,817,364)	\$ 34,677,578	\$ 1,021,185

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds

School Improvement General Obligation Refunding Bonds - On October 15, 1993, the District issued \$7,536,838 in School Improvement General Obligation Refunding Bonds with interest rates varying from 2.6 percent to 4.65 percent to advance refund \$7,540,000 of outstanding 1990 school improvement bonds with an average interest rate of 10 percent. The proceeds of the refunding were deposited in an irrevocable trust with Park National Bank to provide for all future debt service payments. As a result, the 1990 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The 1990 School Improvement Bonds matured on December 2, 2002.

The total principal and interest requirements to retire the 1994 School Improvement General Obligation Refunding Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 228,528	\$ 1,082,816
2013	-	-
2014	188,402	1,117,761
2015	-	-
2016	<u>149,801</u>	<u>820,262</u>
Total	<u><u>\$566,731</u></u>	<u><u>\$3,020,839</u></u>

The District issued School Improvement Bond Anticipation Notes at 4.87 percent for \$21,220,000 on May 3, 2001, as a result of the District passing a 7.75 mill levy on November 7, 2000. The purpose of the notes was to build a new intermediate/elementary building for grades 4-6, an expansion of the high school, a new maintenance building, renovation of the elementary school and middle school, and to update building technology. The School Improvement Bond Anticipation Notes matured on December 6, 2001. On October 4, 2001 the District issued \$21,209,782 in General Obligation School Improvement bonds to pay off the bond anticipation notes. The District received \$22,053,938 in bond proceeds, which included a \$835,218 premium and \$8,938 in accrued interest. The \$21,209,782 bond issue included serial, term, and capital appreciation bonds in the amount of \$2,495,000, \$18,685,000, and \$29,782 respectively.

The capital appreciation bonds will mature December 1, 2012 through 2016. These bonds were purchased at a discount 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. The maturity amount of the bonds is \$2,175,000. The fiscal year 2011 accretion amount is \$178,247.

During fiscal year 2007, the District advance refunded \$18,685,000 of the term bonds. The advance refunded portion of the bonds was removed from the financial statements of the District. The remaining outstanding bonds are being retired from the Debt Service Fund. The original bonds were issued for a twenty seven year period with final maturity at December 1, 2028, and after the advance refunding has a final maturity at December 1, 2016.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The total principal and interest requirements to retire the 2002 School Improvement General Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 110,000	\$ 2,283
2013	132,303	82,697
2014	140,730	174,270
2015	134,676	280,324
2016	121,292	393,708
2017	122,271	592,729
Total	<u>\$ 761,272</u>	<u>\$ 1,526,011</u>

On April 15, 2004, the District issued \$9,870,000 in General Obligation School Improvement Bonds to pay off outstanding 2003 bond anticipation notes. The District received \$10,318,130 in bond proceeds, which included \$16,078 in accrued interest and \$432,052 in premiums. The \$9,870,000 bond issue consists of serial, term, and capital appreciation bonds in the amount of \$6,855,000, \$2,950,000, and \$65,000 respectively. Issuance costs associated with the bond issue were \$207,507 and are deferred.

The capital appreciation bonds will mature December 1, 2011 through 2014. These bonds were purchased at a discount 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 \$735,000. The fiscal year 2011 accretion amount is \$108,961.

During fiscal year 2007, the District advance refunded \$4,010,000 of the serial bonds, and \$2,950,000 of the term bonds. The advance refunded portion of the bonds, as well as the unamortized premium and issuance costs of these advance refunded bonds were removed from the financial statements of the District. The remaining outstanding bonds are being retired from the Debt Service Fund. The serial and term bonds were originally sold at a premium of \$432,052, of which \$110,318 remained outstanding after the refunding. The premium will be amortized over the life of the bonds. Issuance costs associated with the bond issue were \$207,507, of which \$52,984 remained outstanding after the refunding. Issuance costs associated with the bond issue will be amortized over the life of the bond issue. The original bonds were issued for a twenty-four year period with final maturity at December 1, 2028, and after the advance refunding has a final maturity at December 1, 2019.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The total principal and interest requirements to retire the 2004 School Improvement General Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 174,839	\$ 79,144
2013	116,945	117,038
2014	94,382	139,601
2015	68,112	160,871
2016	170,000	50,583
2017-2020	1,130,000	142,105
Total	<u>\$ 1,754,278</u>	<u>\$ 689,342</u>

On April 6, 2005, the District issued \$5,175,000 in General Obligation Library Improvement Bonds to pay off outstanding 2005 bond anticipation notes, on behalf of the Granville Public Library. The District received \$5,357,024 in bond proceeds, which included \$182,024 in premium. The \$5,175,000 bond issue consists of serial and term bonds in the amount of \$1,050,000 and \$4,125,000 respectively. Issuance costs associated with the bond issue were \$128,124 and are deferred.

During fiscal year 2007, the District advance refunded \$3,820,000 of the term bonds. The advance refunded portion of the bonds, as well as the unamortized premium and issuance costs of these advance refunded bonds were removed from the financial statements of the District. The remaining outstanding bonds are being retired from the Debt Service Fund. The serial and term bonds were originally sold at a premium of \$182,024, of which \$7,046 remained outstanding after the refunding. The premium will be amortized over the life of the bonds. Issuance costs associated with the bond issue were \$128,124, of which \$27,256 remained outstanding after the refunding. Issuance costs associated with the bond issue will be amortized over the life of the bond issue. The original bonds were issued for a twenty-six year period with final maturity at December 1, 2031, and after the advance refunding has a final maturity at December 1, 2015.

The term bonds maturing on December 1, 2015 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2014	\$150,000

The remaining principal amount of \$155,000 will be paid at stated maturity on December 1, 2015.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The total principal and interest requirements to retire the 2005 Library Improvement General Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 135,000	\$ 25,613
2013	140,000	20,625
2014	145,000	15,100
2015	150,000	9,200
2016	155,000	3,100
Total	<u>\$725,000</u>	<u>\$73,638</u>

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, 2011 \$27,120,000 of the refunded bonds are still outstanding, and the balance of the irrevocable trust account was \$29,568,442. 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 and discount for fiscal year 2011 was \$146,218 and \$12,273. Issuance costs associated with the bond issue in the amount of \$358,608 are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for fiscal year 2011 was \$14,344. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$925,082. This difference, reported in the accompanying financial statements as a decrease to bonds payable is being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2011 was \$37,003. 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.

The capital appreciation bonds will mature 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 2011 accretion amount is \$184,585.

The serial and term bonds maturing after December 1, 2015 are subject to redemption at the option of the District, either in whole or in part, in such order as the District shall determine, on any date on or after December 1, 2015, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The term bonds maturing on December 1, 2031 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2025	\$ 2,270,000
2026	2,365,000
2027	2,470,000
2028	2,580,000
2029	2,645,000
2030	1,320,000
2031	1,375,000
Total	<u>\$ 15,025,000</u>

The remaining principal of \$1,435,000 will be paid at stated maturity on December 1, 2031.

The total principal and interest requirements to retire the 2007 Advance Refunding General Obligation Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 5,000	\$ 1,213,144
2013	10,000	1,212,844
2014	20,000	1,212,244
2015	40,000	1,211,044
2016	65,000	1,208,944
2017-2021	5,135,483	7,604,350
2022-2026	10,845,000	3,844,645
2027-2031	10,390,000	1,299,376
2032	1,435,000	31,391
Total	<u>\$27,945,483</u>	<u>\$ 18,837,982</u>

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 mature June 12, 2018. The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. At June 30, 2011, the District had spent the note proceeds.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

The total principal and interest requirements to retire the 2008 Energy Conservation Notes are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2012	\$ 189,106	\$ 50,634
2013	195,744	43,996
2014	202,472	37,268
2015	209,431	30,309
2016	216,566	23,174
2017-2018	455,847	23,633
Total	<u>\$ 1,469,166</u>	<u>\$ 209,014</u>

Capital leases and compensated absences will be paid from the General Fund.

The District's overall legal debt margin at June 30, 2011, was \$38,107,993, with an unvoted debt margin of \$423,422. 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.

NOTE 9 – CAPITAL LEASE OBLIGATIONS

The District has entered into capitalized leases for copiers. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The agreements provide for minimum annual rental payments as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 14,250	\$ 285	\$ 14,535
Total	<u>\$ 14,250</u>	<u>\$ 285</u>	<u>\$ 14,535</u>

The equipment was originally capitalized in the amount of \$296,810. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2011 totaled \$21,476 in the governmental funds.

Property under Capital Lease	\$ 296,810
Less: Accumulated Depreciation	<u>(258,616)</u>
Total June 30, 2011	<u>\$ 38,194</u>

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 10 – DEFINED BENEFIT PENSION PLAN

(a) School Employees Retirement System

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

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, up to a statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among the four funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009, were \$366,204, \$250,019, and \$222,609, respectively. The amount contributed for fiscal year 2011 was 54 percent and 100 percent was contributed for fiscal years 2010 and 2009. The District's unpaid contribution for fiscal year 2011, including the surcharge, totaling \$203,183, has been recorded as a liability in the appropriate funds.

(b) State Teachers Retirement System

Plan Description - The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Description – New members have a choice of three retirement plan options, a Defined Benefit (DB) Plan, Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 lump sum withdrawal. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. 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 – For fiscal year 2011, plan members were required to contribute 10 percent of annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,612,806, \$1,543,107, and \$1,472,005 respectively; 83 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. The District's unpaid contribution for fiscal year 2011, totaling \$297,068, has been recorded as a liability in the appropriate funds.

(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, 2011, no members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 11 – POSTEMPLOYMENT BENEFITS

(a) School Employees Retirement System

Postemployment Benefits – In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two cost-sharing, multiple employer postemployment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their age.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 – POSTEMPLOYMENT BENEFITS (Continued)

SERS' reimbursement to retirees was \$45.50. The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation is .76%. The District's contributions for the years ended June 30, 2011, 2010 and 2009 were \$23,566, \$20,629, and \$18,367, respectively, 54 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 11, the health care allocation is 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$71,804, \$191,181, and \$148,201, respectively, 54 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

(b) State Teachers Retirement System

Plan Description - The District contributes to the cost-sharing, multiple employer postemployment benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing 275 E. Broad St., Columbus, OH 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 – POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$124,062, \$118,700, and \$113,231, respectively; 83 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 12 – 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, drug, and dental insurance for all eligible employees through Anthem Blue Cross and Blue Shield of Ohio. 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 Vision Plus America, Incorporated. 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 Metropolitan Educational; Council Group Life Insurance. 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, 2011

NOTE 13 – 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 Ohio Casualty for property, boiler and machinery, inland marine, crime insurance, general liability insurance, and fleet insurance. Coverage provided by is as follows:

Building and Contents-Replacement Cost (\$2,500 deductible)	\$54,097,639
Inland Marine (\$250 deductible)	
Equipment	375,000
Data/Media	65,000
Extra Expense	50,000
Crime Insurance (\$500 deductible)	
Money & Securities	50,000
Employee Dishonesty	50,000
Forgery or Alteration	50,000
General Liability	
Per Occurrence	1,000,000
Aggregate Per Year	2,000,000
Fire Damage Liability	300,000
Medical Expense	15,000
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
Uninsured Motorists	1,000,000
Medical Payments	5,000

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 2011, the District participated in the Metropolitan Educational Council (MEC), an insurance purchasing pool (Note 15). MEC 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 MEC has over 170 members which include school districts, joint vocational schools, educational service centers and libraries covering 37 counties in Central Ohio. The governing board of MEC 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 2011, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 15). 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, 2011

NOTE 14 – 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 fourteen entities within the boundaries of Licking, Knox, and Muskingum 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 2011 were \$136,324. 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. During 2011, the District made no contributions to the Career and Technology Education Centers of Licking County. 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 Council

The District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 170 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC 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 MEC to cover the costs of administering the program. The District's membership payment to MEC for fiscal year 2011 was \$1,029. Financial information may be obtained from the Metropolitan Educational Council, Sue Ward, who serves as fiscal officer, at 6100 Channingway Blvd., Suite 604, Columbus, OH 43232

(d) School Study Council of Ohio

The School Study Council of Ohio (Council) is a jointly governed organization operated by a Board of Trustees (Board). The Council is comprised of 70 member organizations. The purpose of the Council is to bring about the improvement of education in member school organizations. School districts maintain active membership by paying a yearly membership fee which entitles each school district to attend Council meetings and to vote.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

School districts that elect to be associate members are entitled to attend meetings and participate in Council discussions but are not entitled to vote. The Board is annually elected from within the Council's active membership. In fiscal year 2011, the Board consisted of twenty-one members. In fiscal year 2011, Granville Exempted Village School District obtained active membership privileges and paid for school study services in the amount of \$1,035. Financial information may be obtained by contacting the School Study Council of Ohio at 4807 Evanswood Drive, Suite 300, Columbus, Ohio 43229.

(e) 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 three Park Trails community members appointed by the Board of County Commissioners of Licking County, Ohio; one local government representative, appointed by the Board of County Commissioners of Licking County, Ohio; and three representatives of the Granville Exempted Village School District. 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.

NOTE 15 - 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.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 15 - INSURANCE PURCHASING POOLS (Continued)

(b) Metropolitan Educational Council Group Insurance Pool

The District participates in the Metropolitan Educational Council (MEC), an insurance purchasing pool. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The organization is composed of over 170 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The governing board of MEC 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 MEC to cover the costs of administering the program.

NOTE 16 - 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, Monica Graffeo, who serves as Executive Director, at P.O. Box 84, Granville, Ohio 43023.

NOTE 17 – 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2011.

(b) Litigation

The District is currently not a party to any material legal proceedings.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 18 – FUND DEFICIT

The following funds had a deficit fund balance at June 30, 2011.

Fund	Deficit Balance
Permanent Improvement Fund	\$ (191,669)
Building Fund	(700,000)
Management Information Systems	(20)
Vocational Educational Enhancement	(14)
Education Jobs	(21,372)
Education Stabilization	(223)
Title I Disadvantaged Children	(122)
Improving Teacher Quality	(164)

These deficit fund balances are 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 19 - 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 of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Textbooks	Capital Acquisition
Set-aside cash balance as of June 30, 2010	\$ (2,207,404)	\$ -
Current fiscal year set-aside requirement	389,574	389,574
Current Year Offsets	-	(868,454)
Qualifying Disbursements	(455,796)	-
Total	<u>\$ (2,273,626)</u>	<u>\$ (478,880)</u>
Balance Carried Forward to FY 2011	<u>\$ -</u>	<u>\$ -</u>

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 19 - SET-ASIDE CALCULATIONS (Continued)

The District had qualifying disbursements and offsets during the fiscal year that further reduced the textbooks and capital improvements set-aside amounts to below zero. Although the Capital Acquisition Reserve had qualifying disbursements and offsets which reduced the set-aside requirement below zero, these extra amounts may not be carried forward to future fiscal years. The textbooks set aside requirement expires on July 1, 2011.

NOTE 20– INTERFUND BALANCES

The General Fund made an advance to the Other Governmental Capital Projects Building Fund in the amount of \$700,000 for engineering fees for a future middle school building project. The District does not anticipate repaying the outstanding advance within the next fiscal year although does intend to repay the amount to the General Fund in future fiscal years. Therefore, this long-term loan has been recorded as Loans to/from Other Funds and a fund balance reserve has been established in the General Fund. These amounts are eliminated on the government-wide financial statements.

During fiscal year 2009 the Debt Service Fund entered into a loan with the Permanent Improvement Fund in the amount of \$900,000 with an interest rate of 1 percent. During fiscal year 2011, \$225,000 was repaid leaving a balance of \$675,000 as of fiscal year-end. Due to/from Other Funds between governmental funds are eliminated on the government-wide financial statements.

The District's Debt Service Fund made payments of debt in the amount of \$239,740 on behalf of the General Fund. This amount is expected to be repaid during fiscal year 2012. Interfund Loan Receivable/Payable between governmental funds are eliminated on the government-wide financial statements.

NOTE 21 – SUBSEQUENT EVENTS

The District had no material subsequent events occurring after June 30, 2011.

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Statements Omnibus".

GASB Statement No. 54 addresses accounting and financial reporting standards for new categories for reporting fund balance and revises the definitions for governmental fund types. The implementation of GASB Statement No. 54 did have a significant effect on the financial statements of the District.

GASB Statement No. 53 improves the quality of accounting financial reporting by providing updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the District.

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 23 – NEW PRONOUNCEMENTS

GASB Statement No. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans” addresses the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2011.

GASB Statement No. 61 “The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34” improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2012.

GASB Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements” incorporates certain accounting and financial reporting guidance issued on or before November 30, 1989, into the GASB’s authoritative literature that do not conflict with or contradict GASB pronouncements. The implementation of this statement is effective for financial statements for periods beginning after December 15, 2011.

GASB Statement No. 64 “Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53” clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2011.

NOTE 24 – FUND RECLASSIFICATION

Due to the implementation of GASB 54, the District’s Public School Support Fund was reclassified as part of the General Fund. The fund was classified as an Other Governmental Fund in the prior year.

The effect of this reclassification is presented below:

	General Fund	Other Governmental Funds
	<u> </u>	<u> </u>
Fund Balances, June 30, 2010	\$ 4,436,101	\$ (587,225)
Fund Reclassification	53,249	(53,249)
	<u> </u>	<u> </u>
Fund Balances, July 1, 2010	<u>\$ 4,489,350</u>	<u>\$ (640,474)</u>

Although included with the General Fund in the financial statement presentation, the District’s presents a separate budgetary statement for the Public School Support Fund in the Supplementary Section of this report.

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

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 receipts 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 of 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.

Other Grants Fund – A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified 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.

Management Information System Fund - A fund provided for hardware and software development, or other costs associated with the requirements of the management information system.

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.

Miscellaneous State Grants Fund - A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Education Jobs Fund - A fund used to account for federal funds used to assist states in providing compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

Race to the Top Fund - A fund used to account for federal funds used to assist states in providing either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to improve Instruction; Great Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

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.

Education Stabilization Fund - A fund used to account for federal funds used to assist states in providing an appropriate public education to all children.

Title II-D Technology Fund - A fund used to account for federal funds used to assist states in providing support for technology for primary and secondary schools.

Title III, Limited English Proficiency Fund - A fund used to account for federal funds used to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

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.

Drug Free Schools Fund - A fund used to offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources.

IDEA Preschool Grant for the Handicapped Fund – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

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, 2011

	Permanent Improvement	Building	Food Service	Program Donations	Other Grants
Assets:					
Pooled Cash and Cash Equivalents	\$ 502,630	\$ -	\$ 75,371	\$ 6,784	\$ 3,580
Cash in Segregated Accounts	-	-	-	-	-
Investments in Segregated Accounts	-	-	-	17,016	-
Receivables:					
Property Taxes	659,377	-	-	-	-
Intergovernmental	-	-	-	-	-
Supplies Inventory	-	-	8,838	-	-
Total Assets	<u>\$ 1,162,007</u>	<u>\$ -</u>	<u>\$ 84,209</u>	<u>\$ 23,800</u>	<u>\$ 3,580</u>
Liabilities:					
Accounts Payable	\$ 77,336	\$ -	\$ -	\$ 425	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	-
Due to Other Funds	675,000	-	-	-	-
Loans from Other Funds	-	700,000	-	-	-
Deferred Revenue	601,340	-	-	-	-
Total Liabilities	<u>1,353,676</u>	<u>700,000</u>	<u>-</u>	<u>425</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Supplies Inventory	-	-	8,838	-	-
Restricted for:					
Classroom Facilities Maintenance	-	-	-	-	-
Food Service	-	-	75,371	-	-
District Managed Student Activities	-	-	-	-	-
Other Purposes	-	-	-	23,375	3,580
Unassigned	(191,669)	(700,000)	-	-	-
Total Fund Balances	<u>(191,669)</u>	<u>(700,000)</u>	<u>84,209</u>	<u>23,375</u>	<u>3,580</u>
Total Liabilities and Fund Balance	<u>\$ 1,162,007</u>	<u>\$ -</u>	<u>\$ 84,209</u>	<u>\$ 23,800</u>	<u>\$ 3,580</u>

Classroom Facilities Maintenance	District Managed Student Activities	Auxiliary Services	Management Information System	Data Communications	Vocational Education Enhancement	Miscellaneous State Grants
\$ 96,260	\$ 56,749	\$ 40,992	\$ -	\$ -	\$ -	\$ 2,000
-	5,000	-	-	-	-	-
-	-	-	-	-	-	-
160,535	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 256,795</u>	<u>\$ 61,749</u>	<u>\$ 40,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>
\$ 3,731	\$ 47	\$ 19,629	\$ -	\$ -	\$ -	\$ 963
-	-	9,677	-	-	-	-
-	-	1,882	20	-	14	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
147,633	-	-	-	-	-	-
<u>151,364</u>	<u>47</u>	<u>31,188</u>	<u>20</u>	<u>-</u>	<u>14</u>	<u>963</u>
-	-	-	-	-	-	-
105,431	-	-	-	-	-	-
-	-	-	-	-	-	-
-	61,702	-	-	-	-	-
-	-	9,804	-	-	-	1,037
-	-	-	(20)	-	(14)	-
<u>105,431</u>	<u>61,702</u>	<u>9,804</u>	<u>(20)</u>	<u>-</u>	<u>(14)</u>	<u>1,037</u>
<u>\$ 256,795</u>	<u>\$ 61,749</u>	<u>\$ 40,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011
(CONTINUED)

	Education Jobs	Race to the Top	Title VI-B IDEA	Education Stabilization	Title II-D Technology
Assets:					
Pooled Cash and Cash Equivalents	\$ 2,041	\$ 275	\$ 6,735	\$ -	\$ -
Investments	-	-	-	-	-
Cash in a Segregated Account	-	-	-	-	-
Receivables:					
Property Taxes	-	-	-	-	-
Intergovernmental	21,859	-	87,473	-	-
Supplies Inventory	-	-	-	-	-
Total Assets	<u>\$ 23,900</u>	<u>\$ 275</u>	<u>\$ 94,208</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	38,272	-	65,652	-	-
Intergovernmental Payable	7,000	5	10,668	223	-
Due to Other Funds	-	-	-	-	-
Loans from Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>45,272</u>	<u>5</u>	<u>76,320</u>	<u>223</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Supplies Inventory	-	-	-	-	-
Restricted for:					
Classroom Facilities Maintenance	-	-	-	-	-
Food Service	-	-	-	-	-
District Managed Student Activities	-	-	-	-	-
Other Purposes	-	270	17,888	-	-
Unassigned	(21,372)	-	-	(223)	-
Total Fund Balances	<u>(21,372)</u>	<u>270</u>	<u>17,888</u>	<u>(223)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 23,900</u>	<u>\$ 275</u>	<u>\$ 94,208</u>	<u>\$ -</u>	<u>\$ -</u>

Title III Limited English Proficiency	Title I Disadvantaged Children	Drug Free Schools	IDEA Preschool Handicapped Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 793,417
-	-	-	-	-	-	5,000
-	-	-	-	-	-	17,016
-	-	-	-	-	-	819,912
-	-	-	-	-	-	109,332
-	-	-	-	-	-	8,838
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,753,515</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,131
-	-	-	-	-	-	113,601
-	122	-	-	164	-	20,098
-	-	-	-	-	-	675,000
-	-	-	-	-	-	700,000
-	-	-	-	-	-	748,973
<u>-</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>164</u>	<u>-</u>	<u>\$ 2,359,803</u>
-	-	-	-	-	-	8,838
-	-	-	-	-	-	105,431
-	-	-	-	-	-	75,371
-	-	-	-	-	-	61,702
-	-	-	-	-	-	55,954
-	(122)	-	-	(164)	-	(913,584)
-	(122)	-	-	(164)	-	(606,288)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,753,515</u>

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Permanent Improvement	Building	Food Service	Program Donations	Other Grants
Revenues:					
Property Taxes	\$ 574,855	\$ -	\$ -	\$ -	\$ -
Intergovernmental	107,552	-	57,910	-	-
Charges for Services	-	-	645,551	-	-
Interest	1,074	-	67	552	-
Tuition and Fees	-	-	-	-	-
Extracurricular Activities	-	-	-	107	-
Other	4,500	-	8,604	-	-
Total Revenues	687,981	-	712,132	659	-
Expenditures:					
Instruction:					
Regular	364,691	-	-	4,438	-
Special	-	-	-	928	-
Other	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional Staff	-	-	-	3,754	-
Administration	-	-	-	-	-
Fiscal Services	9,831	-	-	-	-
Business Operations	-	-	-	-	-
Operation and Maintenance of Plant	100,027	-	-	-	-
Central	-	-	-	-	-
Non-instructional Services	18,551	-	641,629	1,625	-
Extracurricular Activities	-	-	-	2,700	-
Capital Outlay	90,246	-	-	-	-
Debt service:					
Interest and Fiscal Charges	18,000	-	-	-	-
Total Expenditures	601,346	-	641,629	13,445	-
Net Change in Fund Balances	86,635	-	70,503	(12,786)	-
Other financing sources (uses):					
Donations	-	-	-	13,302	-
Total other financing sources (uses)	-	-	-	13,302	-
Net Change in Fund Balances	86,635	-	70,503	516	-
Fund Balance Beginning of Year, Restated	(278,304)	(700,000)	13,706	22,859	3,580
Fund Balance End of Year	\$ (191,669)	\$ (700,000)	\$ 84,209	\$ 23,375	\$ 3,580

<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>Vocational Education Enhancement</u>	<u>Miscellaneous State Grants</u>
\$ 129,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,668	-	183,987	5,000	9,100	7,830	2,000
-	-	-	-	-	-	-
-	-	40	-	-	-	-
-	3,558	-	-	-	-	-
-	238,650	-	-	-	-	-
-	30	-	-	-	-	-
<u>154,704</u>	<u>242,238</u>	<u>184,027</u>	<u>5,000</u>	<u>9,100</u>	<u>7,830</u>	<u>2,000</u>
-	-	-	-	-	7,851	963
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,240	-	-	-	-	-
-	-	-	-	-	-	-
2,249	-	-	-	-	-	-
-	-	-	5,020	-	-	-
181,814	-	-	-	-	-	-
-	-	-	-	9,100	-	-
-	-	238,857	-	-	-	-
-	288,710	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>184,063</u>	<u>291,950</u>	<u>238,857</u>	<u>5,020</u>	<u>9,100</u>	<u>7,851</u>	<u>963</u>
(29,359)	(49,712)	(54,830)	(20)	-	(21)	1,037
-	20,947	-	-	-	-	-
-	20,947	-	-	-	-	-
(29,359)	(28,765)	(54,830)	(20)	-	(21)	1,037
134,790	90,467	64,634	-	-	7	-
<u>\$ 105,431</u>	<u>\$ 61,702</u>	<u>\$ 9,804</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ 1,037</u>

**GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
LICKING COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011
(CONTINUED)

	Education Jobs	Race to the Top	Title VI-B IDEA	Education Stabilization	Title II-D Technology
Revenues:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	295,032	25,000	680,286	438,523	334
Charges for Services	-	-	-	-	-
Interest	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	295,032	25,000	680,286	438,523	334
Expenditures:					
Instruction:					
Regular	117,309	24,730	-	20,413	-
Special	134,608	-	461,109	320,442	-
Other	-	-	-	-	-
Support services:					
Pupils	25,190	-	201,289	104,367	-
Instructional Staff	-	-	-	-	-
Administration	39,297	-	-	-	-
Fiscal Services	-	-	-	-	-
Business Operations	-	-	-	-	319
Operation and Maintenance of Plant	-	-	-	-	-
Central	-	-	-	-	-
Non-instructional Services	-	-	-	-	15
Extracurricular Activities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	316,404	24,730	662,398	445,222	334
Net Change in Fund Balances	(21,372)	270	17,888	(6,699)	-
Other financing sources (uses):					
Donations	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(21,372)	270	17,888	(6,699)	-
Fund Balance Beginning of Year	-	-	-	6,476	-
Fund Balance End of Year	\$ (21,372)	\$ 270	\$ 17,888	\$ (223)	\$ -

Title III Limited English Proficiency	Title I Disadvantaged Children	Drug Free Schools	IDEA Preschool Handicapped Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,891
8,272	88,854	892	1,914	42,135	-	1,980,289
-	-	-	-	-	-	645,551
-	-	-	-	-	-	1,733
-	-	-	-	-	-	3,558
-	-	-	-	-	-	238,757
-	-	-	-	-	-	13,134
<u>8,272</u>	<u>88,854</u>	<u>892</u>	<u>1,914</u>	<u>42,135</u>	<u>-</u>	<u>3,586,913</u>
-	-	892	-	41,058	-	582,345
8,272	88,976	-	1,914	-	-	1,016,249
-	-	-	-	-	500	500
-	-	-	-	-	-	330,846
-	-	-	-	-	-	6,994
-	-	-	-	-	-	39,297
-	-	-	-	-	-	12,080
-	-	-	-	-	-	5,339
-	-	-	-	-	-	281,841
-	-	-	-	-	-	9,100
-	-	-	-	2,052	-	902,729
-	-	-	-	-	-	291,410
-	-	-	-	-	-	90,246
-	-	-	-	-	-	18,000
<u>8,272</u>	<u>88,976</u>	<u>892</u>	<u>1,914</u>	<u>43,110</u>	<u>500</u>	<u>3,586,976</u>
-	(122)	-	-	(975)	(500)	(63)
-	-	-	-	-	-	34,249
-	-	-	-	-	-	34,249
-	(122)	-	-	(975)	(500)	34,186
-	-	-	-	811	500	(640,474)
<u>\$ -</u>	<u>\$ (122)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (164)</u>	<u>\$ -</u>	<u>\$ (606,288)</u>

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

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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	\$ 2,998,098	\$ 3,394,901	\$ 396,803
Total Expenditures and Other Uses	<u>3,012,946</u>	<u>3,012,939</u>	<u>7</u>
Net Change in Fund Balance	(14,848)	381,962	396,810
Fund Balance - July 1	1,776,443	1,776,443	-
Fund Balance - June 30	<u><u>\$ 1,761,595</u></u>	<u><u>\$ 2,158,405</u></u>	<u><u>\$ 396,810</u></u>
Permanent Improvement Fund			
Total Revenues and Other Sources	\$ 742,093	\$ 738,324	\$ (3,769)
Total Expenditures and Other Uses	<u>930,162</u>	<u>926,225</u>	<u>3,937</u>
Net Change in Fund Balance	(188,069)	(187,901)	168
Fund Balance - July 1	468,361	468,361	-
Prior Year Encumbrances Appropriated	136,393	136,393	-
Fund Balance - June 30	<u><u>\$ 416,685</u></u>	<u><u>\$ 416,853</u></u>	<u><u>\$ 168</u></u>
Food Service Fund			
Total Revenues and Other Sources	\$ 713,000	\$ 712,132	\$ (868)
Total Expenditures and Other Uses	<u>788,367</u>	<u>785,785</u>	<u>2,582</u>
Net Change in Fund Balance	(75,367)	(73,653)	1,714
Fund Balance - July 1	5,463	5,463	-
Prior Year Encumbrances Appropriated	70,000	70,000	-
Fund Balance - June 30	<u><u>\$ 96</u></u>	<u><u>\$ 1,810</u></u>	<u><u>\$ 1,714</u></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

	Final Budget	Actual	Variance Over/(Under)
	<u> </u>	<u> </u>	<u> </u>
Program Donations Fund			
Total Revenues and Other Sources	\$ 14,000	\$ 13,960	\$ (40)
Total Expenditures and Other Uses	<u>14,070</u>	<u>13,520</u>	<u>550</u>
Net Change in Fund Balance	(70)	440	510
Fund Balance - July 1	<u>22,860</u>	<u>22,860</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 22,790</u></u>	<u><u>\$ 23,300</u></u>	<u><u>\$ 510</u></u>
Public School Support Fund			
Total Revenues and Other Sources	\$ 221,116	\$ 221,111	\$ (5)
Total Expenditures and Other Uses	<u>218,427</u>	<u>217,168</u>	<u>1,259</u>
Net Change in Fund Balance	2,689	3,943	1,254
Fund Balance - July 1	50,730	50,730	-
Prior Year Encumbrances Appropriated	<u>8,608</u>	<u>8,608</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 62,027</u></u>	<u><u>\$ 63,281</u></u>	<u><u>\$ 1,254</u></u>
Other Grants Fund			
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>3,580</u>	<u>3,580</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 3,580</u></u>	<u><u>\$ 3,580</u></u>	<u><u>\$ -</u></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

	Final Budget	Actual	Variance Over/(Under)
	<u> </u>	<u> </u>	<u> </u>
Classroom Facilities Maintenance Fund			
Total Revenues and Other Sources	\$ 165,931	\$ 165,932	\$ 1
Total Expenditures and Other Uses	<u>203,819</u>	<u>195,117</u>	<u>8,702</u>
Net Change in Fund Balance	(37,888)	(29,185)	8,703
Fund Balance - July 1	103,776	103,776	-
Prior Year Encumbrances Appropriated	<u>19,569</u>	<u>19,569</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 85,457</u></u>	<u><u>\$ 94,160</u></u>	<u><u>\$ 8,703</u></u>
District Managed Activities Fund			
Total Revenues and Other Sources	\$ 261,712	\$ 263,185	\$ 1,473
Total Expenditures and Other Uses	<u>293,533</u>	<u>293,250</u>	<u>283</u>
Net Change in Fund Balance	(31,821)	(30,065)	1,756
Fund Balance - July 1	80,368	80,368	-
Prior Year Encumbrances Appropriated	<u>10,435</u>	<u>10,435</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 58,982</u></u>	<u><u>\$ 60,738</u></u>	<u><u>\$ 1,756</u></u>
Auxiliary Services Fund			
Total Revenues and Other Sources	\$ 199,298	\$ 199,297	\$ (1)
Total Expenditures and Other Uses	<u>260,523</u>	<u>250,704</u>	<u>9,819</u>
Net Change in Fund Balance	(61,225)	(51,407)	9,818
Fund Balance - July 1	58,037	58,037	-
Prior Year Encumbrances Appropriated	<u>3,360</u>	<u>3,360</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 172</u></u>	<u><u>\$ 9,990</u></u>	<u><u>\$ 9,818</u></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>
Management Information Systems Fund			
Total Revenues and Other Sources	\$ 5,000	\$ 5,000	\$ -
Total Expenditures and Other Uses	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Data Communication Fund			
Total Revenues and Other Sources	\$ 9,100	\$ 9,100	\$ -
Total Expenditures and Other Uses	<u>9,100</u>	<u>9,100</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Vocational Education Enhancement Fund			
Total Revenues and Other Sources	\$ 7,844	\$ 7,839	\$ (5)
Total Expenditures and Other Uses	<u>7,937</u>	<u>7,937</u>	<u>-</u>
Net Change in Fund Balance	(93)	(98)	(5)
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>98</u>	<u>98</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 5</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5)</u></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>
Miscellaneous State Grants Fund			
Total Revenues and Other Sources	\$ 2,000	\$ 2,000	\$ -
Total Expenditures and Other Uses	<u>1,607</u>	<u>1,607</u>	<u>-</u>
Net Change in Fund Balance	393	393	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 393</u></u>	<u><u>\$ 393</u></u>	<u><u>\$ -</u></u>
Education Jobs Fund			
Total Revenues and Other Sources	\$ 273,173	\$ 273,173	\$ -
Total Expenditures and Other Uses	<u>271,132</u>	<u>271,132</u>	<u>-</u>
Net Change in Fund Balance	2,041	2,041	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 2,041</u></u>	<u><u>\$ 2,041</u></u>	<u><u>\$ -</u></u>
Race to the Top Fund			
Total Revenues and Other Sources	\$ 25,000	\$ 25,000	\$ -
Total Expenditures and Other Uses	<u>24,725</u>	<u>24,725</u>	<u>-</u>
Net Change in Fund Balance	275	275	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 275</u></u>	<u><u>\$ 275</u></u>	<u><u>\$ -</u></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 VI-B IDEA Fund			
Total Revenues and Other Sources	\$ 592,814	\$ 592,813	\$ (1)
Total Expenditures and Other Uses	<u>595,289</u>	<u>586,078</u>	<u>9,211</u>
Net Change in Fund Balance	(2,475)	6,735	9,210
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ (2,475)</u></u>	<u><u>\$ 6,735</u></u>	<u><u>\$ 9,210</u></u>
Education Stabilization Fund			
Total Revenues and Other Sources	\$ 438,524	\$ 438,523	\$ (1)
Total Expenditures and Other Uses	<u>445,000</u>	<u>444,999</u>	<u>1</u>
Net Change in Fund Balance	(6,476)	(6,476)	-
Fund Balance - July 1	<u>6,476</u>	<u>6,476</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title II-D Technology Fund			
Total Revenues and Other Sources	\$ 334	\$ 334	\$ -
Total Expenditures and Other Uses	<u>1,221</u>	<u>1,221</u>	<u>-</u>
Net Change in Fund Balance	(887)	(887)	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>887</u>	<u>887</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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 III Limited English Proficiency Fund			
Total Revenues and Other Sources	\$ 8,272	\$ 8,272	\$ -
Total Expenditures and Other Uses	<u>8,272</u>	<u>8,272</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title I Disadvantaged Children Fund			
Total Revenues and Other Sources	\$ 88,854	\$ 88,854	\$ -
Total Expenditures and Other Uses	<u>88,854</u>	<u>88,854</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Drug Free Schools Fund			
Total Revenues and Other Sources	\$ 892	\$ 892	\$ -
Total Expenditures and Other Uses	<u>892</u>	<u>892</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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>
IDEA Preschool Grant for the Handicapped Fund			
Total Revenues and Other Sources	\$ 1,914	\$ 1,914	\$ -
Total Expenditures and Other Uses	<u>1,914</u>	<u>1,914</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Improving Teacher Quality			
Total Revenues and Other Sources	\$ 42,135	\$ 42,135	\$ -
Total Expenditures and Other Uses	<u>42,945</u>	<u>42,946</u>	<u>(1)</u>
Net Change in Fund Balance	(810)	(811)	(1)
Fund Balance - July 1	658	658	-
Prior Year Encumbrances Appropriated	<u>153</u>	<u>153</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1)</u></u>
Miscellaneous Federal Grants Fund			
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>500</u>	<u>500</u>	<u>-</u>
Net Change in Fund Balance	(500)	(500)	-
Fund Balance - July 1	<u>-</u>	<u>500</u>	<u>500</u>
Fund Balance - June 30	<u><u>\$ (500)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 500</u></u>

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Assets				
Pooled Cash and Cash Equivalents	\$ 958,007	\$ 438,342	\$ (580,894)	\$ 815,455
Total Assets	<u>\$ 958,007</u>	<u>\$ 438,342</u>	<u>\$ (580,894)</u>	<u>\$ 815,455</u>
Liabilities				
Accounts Payable	\$ 1,565	\$ 49,041	\$ (1,565)	\$ 49,041
Held for Student Liabilities	103,538	164,163	(166,052)	101,649
Held for Others	852,904	274,179	(462,318)	664,765
Total Liabilities	<u>\$ 958,007</u>	<u>\$ 487,383</u>	<u>\$ (629,935)</u>	<u>\$ 815,455</u>

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Statistical Section

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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. The District implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting government-wide information include information beginning in that fiscal year.

TABLE 1

Granville Exempted Village School District
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006
Invested in Capital Assets, Net of Related Debt	\$ 6,416,214	\$ 6,480,216	\$ 6,703,576	\$ 7,451,314
Restricted for:				
Capital Projects	-	645,723	435,943	152,733
Debt Service	1,802,668	1,901,025	1,905,441	1,975,927
Classroom Facilities Maintenance	-	-	-	108,278
Food Services	-	-	-	-
District Managed Activities	-	-	-	84,781
Other Purposes	444,961	506,457	318,502	32,570
Unrestricted (Deficit)	3,519,778	5,435,947	1,499,691	1,600,807
Total Net Assets	\$ 12,183,621	\$ 14,969,368	\$ 10,863,153	\$ 11,406,410

TABLE 1 (Continued)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	6,507,468	\$ 6,892,455	\$ 7,687,855	\$ 9,596,927	\$ 10,307,937
	280,324	353,915	225,636	-	-
	2,693,764	2,591,844	3,204,877	2,594,857	-
	184,740	256,578	195,268	141,981	111,627
	-	-	-	-	84,209
	80,795	119,743	119,620	90,467	61,702
	51,463	103,047	40,957	72,421	55,954
	<u>490,651</u>	<u>602,426</u>	<u>(1,530,997)</u>	<u>(3,256,300)</u>	<u>(3,391,141)</u>
\$	<u>10,289,205</u>	<u>\$ 10,920,008</u>	<u>\$ 9,943,216</u>	<u>\$ 9,240,353</u>	<u>\$ 7,230,288</u>

TABLE 2

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

	2003	2004	2005	2006
Expenses				
Regular Instruction	\$ 7,944,029	\$ 8,751,004	\$ 10,007,877	\$ 10,483,251
Special Instruction	828,064	952,868	1,094,548	1,361,964
Vocational Instruction	141,619	149,673	161,994	157,871
Other Instruction	-	-	-	-
Pupil Support Services	1,214,550	1,172,424	1,188,512	1,348,706
Instructional Staff Support Services	940,633	1,029,845	1,198,148	1,178,556
Board of Education Support Services	81,896	84,027	69,618	71,297
Administration Support Services	1,359,167	1,479,691	1,491,165	1,593,691
Fiscal Support Services	476,271	507,814	555,454	623,730
Business Support Services	2,057	2,017	312	2,935
Operation and Maintenance of				
Plant Support Services	2,112,098	1,877,893	2,060,552	2,196,166
Pupil Transportation Support Services	1,055,247	1,161,400	1,219,641	1,511,470
Central Support Services	60,149	75,946	182,849	62,828
Noninstructional Services	2,211	9,686	24,787	35,142
Extracurricular Activities	752,089	704,381	740,628	751,657
Intergovernmental	-	432,548	6,119,702	21,288
Interest and Fiscal Charges	1,467,570	1,410,922	1,718,643	1,810,404
<i>Total Expenses</i>	<u>18,437,650</u>	<u>19,802,139</u>	<u>27,834,430</u>	<u>23,210,956</u>
Program Revenues				
Charges for Services				
Regular Instruction	148,708	195,398	192,537	180,006
Special Instruction	-	-	-	-
Vocational Instruction	-	-	-	-
Pupil Support Services	89,028	72,935	94,441	125,692
Instructional Staff Support Services	-	1,345	2,790	1,880
Administration Support Services	-	1,186	1,256	6,237
Operation and Maintenance of				
Plant Support Services	15,121	18,003	20,659	21,522
Central Support Services	-	-	683	-
Noninstructional Services	-	-	1,639	2,342
Extracurricular Activities	91,635	324,588	188,924	191,725
Operating Grants and Contributions				
Regular Instruction	195,092	129,834	178,971	81,681
Special Instruction	207,207	297,967	462,145	457,511
Intergovernmental	-	714,980	683,520	-
Vocational Instruction	10,562	15,007	9,237	9,673
Pupil Support Services	286,303	217,394	252,377	338,712
Instructional Staff Support Services	145,655	117,203	73,767	62,170
Board of Education Support Services	-	-	-	-
Administration Support Services	139,767	116,772	91,738	150,053
Fiscal Support Services	48,344	381	315	257
Business Support Services	-	-	-	1,011

TABLE 2 (Continued)

	2007	2008	2009	2010	2011
\$	11,610,307	\$ 11,823,856	\$ 11,896,964	\$ 11,899,120	\$ 12,379,460
	1,569,026	1,975,964	2,159,916	2,520,861	2,610,277
	151,825	166,851	128,681	158,132	161,237
	-	-	-	-	500
	1,429,099	1,566,360	1,935,428	1,874,209	1,963,082
	1,236,667	1,428,716	1,466,119	1,455,718	1,235,636
	31,307	125,069	62,223	58,596	53,853
	1,794,830	1,734,575	1,411,719	1,582,101	1,644,746
	657,271	699,749	738,661	756,267	797,735
	9,344	474	117,289	142,458	138,937
	3,090,721	2,227,169	2,294,474	2,352,343	2,131,024
	1,461,364	1,698,740	1,695,459	1,687,517	1,696,740
	93,649	280,651	357,493	378,264	383,978
	41,624	35,442	28,336	908,460	981,418
	865,828	829,305	1,267,208	1,281,203	1,419,083
	-	-	-	-	-
	2,185,323	2,086,820	2,200,443	2,247,407	2,328,437
	<u>26,228,185</u>	<u>26,679,741</u>	<u>27,760,413</u>	<u>29,302,656</u>	<u>29,926,143</u>
	193,546	207,600	164,321	160,837	118,356
	-	-	-	-	15,320
	-	-	-	-	1,599
	170,727	179,500	173,156	182,062	157,048
	1,994	3,381	-	-	-
	-	1,612	-	-	-
	18,999	18,453	-	-	-
	-	525	-	-	-
	-	-	7,971	656,175	645,551
	215,935	216,580	265,246	210,105	266,775
	189,087	112,829	183,962	213,710	218,643
	522,805	754,372	852,759	704,971	1,013,737
	-	-	-	-	-
	11,515	10,890	10,650	11,207	11,291
	268,867	295,796	201,283	205,057	397,074
	53,404	87,129	17,219	6,013	-
	-	-	-	-	-
	133,233	26,001	19,320	-	41,643
	493	414	-	-	-
	395	176	-	-	319

TABLE 2 (Continued)

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

	2003	2004	2005	2006
Operating Grants and Contributions (continued)				
Operation and Maintenance of				
Plant Support Services	1,662	1,577	13,701	31,605
Pupil Transportation Support Services	391,168	457,766	400,977	410,657
Central Support Services	8,194	7,715	7,141	7,811
Noninstructional Services	1,429	1,712	10,324	6,537
Extracurricular Activities	97,843	55,285	42,622	52,616
Capital Grants and Contributions				
Regular Instruction	34,643	-	15,015	28,771
Special Instruction	-	-	-	-
Administration Support Services	-	-	-	-
Fiscal Support Services	-	-	-	878
Business Support Services	-	-	-	-
Operation and Maintenance of				
Plant Support Services	133,642	-	12,203	12,386
Pupil Transportation Support Services	17,114	11,333	-	15,331
Extracurricular Activities	-	-	-	-
Total Program Revenues	<u>2,063,117</u>	<u>2,758,381</u>	<u>2,756,982</u>	<u>2,197,064</u>
Net Expense	<u>(16,374,533)</u>	<u>(17,043,758)</u>	<u>(25,077,448)</u>	<u>(21,013,892)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	9,488,253	10,985,627	11,551,046	11,612,185
Debt Service	1,617,989	2,356,081	2,327,709	2,507,053
Capital Outlay	800,000	413,706	469,845	391,498
Classroom Facilities Maintenance	128,253	132,820	126,864	125,419
Grants and Entitlements not				
Restricted to Specific Programs	5,360,755	5,658,052	6,128,549	6,351,268
Payment in Lieu of Taxes	-	-	-	-
Investment Earnings	104,652	118,286	301,432	521,803
Miscellaneous	60,032	164,933	65,788	47,923
Total General Revenues	<u>17,559,934</u>	<u>19,829,505</u>	<u>20,971,233</u>	<u>21,557,149</u>
Change in Net Assets	<u>\$ 1,185,401</u>	<u>\$ 2,785,747</u>	<u>\$ (4,106,215)</u>	<u>\$ 543,257</u>

TABLE 2 (Continued)

2007	2008	2009	2010	2011
28,961	31,754	19,354	-	4,500
418,870	423,059	463,830	585,127	485,404
8,109	8,686	-	67,205	9,100
5,132	4,001	5,226	218,785	252,522
62,367	56,271	62,087	29,135	20,977
20,965	58,935	-	-	358,507
-	1,486	-	-	-
1,281	-	-	-	-
1,026	816	-	-	-
-	-	-	9,145	-
21,321	13,894	-	5,000	-
22,869	16,564	13,283	-	-
-	-	-	12,000	-
<u>2,371,901</u>	<u>2,530,724</u>	<u>2,459,667</u>	<u>3,276,534</u>	<u>4,018,366</u>
<u>(23,856,284)</u>	<u>(24,149,017)</u>	<u>(25,300,746)</u>	<u>(26,026,122)</u>	<u>(25,907,777)</u>
12,149,993	12,821,992	12,838,871	13,690,792	12,897,027
2,730,893	2,877,982	2,909,428	3,587,543	2,401,124
415,851	437,674	438,185	628,736	568,851
133,360	141,129	141,071	156,354	128,041
6,728,763	6,893,363	7,727,905	7,430,574	7,630,314
128,569	262,999	239,881	252,440	98,410
675,349	545,488	215,174	69,859	36,118
74,526	33,643	53,320	34,177	137,827
<u>23,037,304</u>	<u>24,014,270</u>	<u>24,563,835</u>	<u>25,850,475</u>	<u>23,897,712</u>
<u>\$ (818,980)</u>	<u>\$ (134,747)</u>	<u>\$ (736,911)</u>	<u>\$ (175,647)</u>	<u>\$ (2,010,065)</u>

TABLE 3

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

<i>Function</i>	2003	2004	2005	2006
Regular Instruction	\$ 378,443	\$ 325,232	\$ 386,523	\$ 290,458
Special Instruction	207,207	297,967	462,145	457,511
Intergovernmental	-	714,980	683,520	-
Vocational Instruction	10,562	15,007	9,237	9,673
Pupil Support Services	375,331	290,329	346,818	464,404
Instructional Staff Support Services	145,655	118,548	76,557	64,050
Board of Education Support Services				
Administration Support Services	139,767	117,958	92,994	156,290
Fiscal Support Services	48,344	381	315	1,135
Business Support Services	-	-	-	1,011
Operation and Maintenance of Plant Support Services	150,425	19,580	46,563	65,513
Pupil Transportation Support Services	408,282	469,099	400,977	425,988
Central Support Services	8,194	7,715	7,824	7,811
Noninstructional Services	1,429	1,712	11,963	8,879
Extracurricular Activities	189,478	379,873	231,546	244,341
<i>Total Program Revenues</i>	<u>\$ 2,063,117</u>	<u>\$ 2,758,381</u>	<u>\$ 2,756,982</u>	<u>\$ 2,197,064</u>

TABLE 3 (Continued)

	2007	2008	2009	2010	2011
\$	403,598	\$ 379,364	\$ 348,283	\$ 374,547	\$ 695,506
	522,805	755,858	852,759	704,971	1,029,057
	-	-	-	-	-
	11,515	10,890	10,650	11,207	12,890
	439,594	475,296	374,439	387,119	554,122
	55,398	90,510	17,219	6,013	-
	134,514	27,613	19,320	-	41,643
	1,519	1,230	-	-	-
	395	176	-	9,145	319
	69,281	64,101	19,354	5,000	4,500
	441,739	439,623	477,113	585,127	485,404
	8,109	9,211	-	67,205	9,100
	5,132	4,001	13,197	874,960	898,073
	278,302	272,851	327,333	251,240	287,752
\$	<u>2,371,901</u>	<u>\$ 2,530,724</u>	<u>\$ 2,459,667</u>	<u>\$ 3,276,534</u>	<u>\$ 4,018,366</u>

TABLE 4

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

	2002	2003	2004	2005
General Fund				
Nonspendable	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	\$ 540,650	\$ 955,748	\$ 1,758,530	\$ 1,338,222
Unreserved	1,528,941	2,295,202	3,922,114	5,373,477
<i>Total General Fund</i>	<u>2,069,591</u>	<u>3,250,950</u>	<u>5,680,644</u>	<u>6,711,699</u>
All Other Governmental Funds				
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	11,672,099	2,778,860	938,563	612,219
Unreserved, Undesignated, Reported in:				
Capital Projects Funds	(5,375,136)	(9,321,775)	252,001	156,818
Debt Service Funds	1,873,619	1,722,026	2,096,077	2,256,448
Special Revenue Funds	419,826	258,867	211,284	218,565
<i>Total All Other Governmental Funds</i>	<u>8,590,408</u>	<u>(4,562,022)</u>	<u>3,497,925</u>	<u>3,244,050</u>
<i>Total Governmental Funds</i>	<u>\$ 10,659,999</u>	<u>\$ (1,311,072)</u>	<u>\$ 9,178,569</u>	<u>\$ 9,955,749</u>

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)

2006	2007	2008	2009	2010	2011
N/A	N/A	N/A	N/A	\$ 700,000	\$ 700,000
N/A	N/A	N/A	N/A	2,187,178	205,554
N/A	N/A	N/A	N/A	1,602,172	1,821,366
\$ 588,115	\$ 725,783	\$ 773,671	\$ 1,619,422	N/A	N/A
5,979,415	5,702,660	5,337,556	3,603,983	N/A	N/A
<u>6,567,530</u>	<u>6,428,443</u>	<u>6,111,227</u>	<u>5,223,405</u>	<u>4,489,350</u>	<u>2,726,920</u>
N/A	N/A	N/A	N/A	905,822	683,838
N/A	N/A	N/A	N/A	2,893,121	2,901,869
N/A	N/A	N/A	N/A	(978,304)	(913,584)
177,668	244,914	1,839,976	967,772	N/A	N/A
92,357	(554,111)	(455,485)	(1,195,683)	N/A	N/A
2,531,199	3,051,357	2,927,238	2,924,501	N/A	N/A
266,099	356,705	465,690	305,614	N/A	N/A
<u>3,067,323</u>	<u>3,098,865</u>	<u>4,777,419</u>	<u>3,002,204</u>	<u>2,820,639</u>	<u>2,672,123</u>
<u>\$ 9,634,853</u>	<u>\$ 9,527,308</u>	<u>\$ 10,888,646</u>	<u>\$ 8,225,609</u>	<u>\$ 7,309,989</u>	<u>\$ 5,399,043</u>

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

TABLE 5

	2002	2003	2004	2005	2006
Revenues					
Property Taxes	\$ 10,640,452	\$ 11,814,923	\$ 13,956,248	\$ 14,358,838	\$ 14,592,531
Payment in Lieu of Taxes	-	-	-	-	-
Intergovernmental	5,969,842	6,737,651	7,633,581	8,344,965	7,927,106
Charges for Services	-	-	-	-	-
Interest	942,494	278,438	116,731	303,305	521,803
Tuition and Fees	145,705	144,632	194,677	185,149	177,831
Rent	16,161	15,121	18,003	20,659	21,522
Extracurricular Activities	229,269	184,739	400,642	295,157	327,932
Gifts and Donations	196,691	177,586	102,954	104,080	91,822
Miscellaneous	47,943	52,913	164,933	65,788	47,923
<i>Total Revenues</i>	<u>18,188,557</u>	<u>19,406,003</u>	<u>22,587,769</u>	<u>23,677,941</u>	<u>23,708,470</u>
Expenditures					
Current:					
Instruction:					
Regular	8,207,481	7,788,989	8,061,738	9,274,815	10,073,724
Special	632,515	768,919	857,309	999,867	1,266,684
Vocational	111,796	135,012	138,055	149,351	145,181
Other/Adult/Continuing	-	150,768	-	-	-
Support Services:					
Pupils	1,047,607	1,147,809	1,101,246	1,193,587	1,294,131
Instructional Staff	825,989	892,557	937,858	1,102,647	1,068,317
Board of Education	76,656	81,880	84,030	69,742	71,297
Administration	1,228,968	1,324,407	1,352,336	1,434,350	1,550,982
Fiscal	456,057	475,120	508,180	558,767	598,837
Business	9,354	2,057	2,017	312	2,935
Operation and Maintenance of Plant	1,189,498	1,312,298	1,793,484	2,118,281	2,290,656
Pupil Transportation	979,410	976,543	1,219,634	1,333,558	1,662,960
Central	77,493	60,149	75,946	182,849	62,828
Other Operation of Non-Instructional Services	7,288	834	3,271	20,782	30,475
Extracurricular Activities	428,470	674,721	601,992	623,999	623,205
Capital Outlay	13,913,655	13,799,309	2,629,344	134,354	573,289
Intergovernmental	-	-	432,460	6,119,790	21,288
Debt Service:					
Issuance Costs	-	-	207,507	128,124	-
Principal Retirement	655,100	874,013	1,065,287	1,145,983	1,174,573
Interest and Fiscal Charges	1,734,970	1,455,978	1,361,986	1,666,627	1,722,372
<i>Total Expenditures</i>	<u>31,582,307</u>	<u>31,921,363</u>	<u>22,433,680</u>	<u>28,257,785</u>	<u>24,233,734</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(13,393,750)</u>	<u>(12,515,360)</u>	<u>154,089</u>	<u>(4,579,844)</u>	<u>(525,264)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	-	523,085	33,500	-	204,368
Proceeds from Sale of Capital Assets	-	13,400	-	-	-
Donations	-	-	-	-	-
Refunding Bonds Issued	21,209,782	-	-	-	-
Premium on Refunding Bonds Issued	835,218	-	-	-	-
Discount on Refunding Bonds Issued	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(21,220,000)	-	-	-	-
Proceeds from Sale of Bonds	-	-	9,870,000	5,175,000	-
Premium on Bonds Sold	-	-	432,052	182,024	-
Proceeds from Sale of Long Term Notes	-	-	-	-	-
Premium on Sale of Notes	23,400	-	-	-	-
Transfers In	10,000,000	-	60,632	14,463	-
Transfers Out	(10,000,000)	-	(60,632)	(14,463)	-
<i>Total Other Financing Sources (Uses)</i>	<u>848,400</u>	<u>536,485</u>	<u>10,335,552</u>	<u>5,357,024</u>	<u>204,368</u>
<i>Net Change in Fund Balances</i>	<u>\$ (12,545,350)</u>	<u>\$ (11,978,875)</u>	<u>\$ 10,489,641</u>	<u>\$ 777,180</u>	<u>\$ (320,896)</u>
Debt Service as a Percentage of Noncapital Expenditures	12.4%	12.7%	12.3%	10.1%	12.6%

TABLE 5 (Continued)

	2007	2008	2009	2010	2011
\$	15,619,320	\$ 16,213,099	\$ 16,042,938	\$ 17,926,273	\$ 16,012,594
	128,569	262,999	238,334	252,440	98,410
	8,388,818	8,709,326	9,475,414	9,406,457	9,974,078
	-	-	7,971	656,175	645,551
	674,786	546,023	215,202	67,432	37,475
	193,127	200,960	171,471	160,837	148,049
	18,999	18,453	-	-	-
	388,704	407,542	438,402	392,167	411,049
	110,645	82,393	-	-	-
	74,526	32,966	159,501	113,649	161,166
	<u>25,597,494</u>	<u>26,473,761</u>	<u>26,749,233</u>	<u>28,975,430</u>	<u>27,488,372</u>
	10,830,781	11,178,156	11,184,331	11,449,591	12,074,408
	1,473,832	1,874,110	2,108,382	2,434,055	2,502,438
	139,148	154,153	156,148	152,227	155,174
	-	-	-	-	500
	1,374,565	1,446,558	1,852,373	1,808,659	1,916,836
	1,129,512	1,304,547	1,401,774	1,422,517	1,182,531
	31,307	125,069	60,091	56,395	51,918
	1,707,531	1,655,548	1,412,395	1,531,854	1,566,642
	657,106	715,473	690,515	740,438	779,016
	9,344	474	116,480	138,192	134,196
	2,412,566	2,258,837	2,516,637	2,526,897	2,132,916
	1,649,288	1,703,911	1,533,543	1,646,597	1,534,614
	93,649	280,651	345,242	365,621	368,839
	36,957	30,715	23,631	935,276	961,891
	741,926	711,164	857,678	881,991	1,023,552
	706,108	318,698	1,712,558	199,348	90,246
	-	-	-	-	-
	358,608	-	-	-	-
	834,663	1,388,780	1,503,030	1,628,238	1,609,433
	1,879,650	1,966,256	1,997,435	1,974,732	1,402,275
	<u>26,066,541</u>	<u>27,113,100</u>	<u>29,472,243</u>	<u>29,892,628</u>	<u>29,487,425</u>
	<u>(469,047)</u>	<u>(639,339)</u>	<u>(2,723,010)</u>	<u>(917,198)</u>	<u>(1,999,053)</u>
	-	-	57,000	-	-
	2,893	677	2,973	1,578	5,116
	-	-	-	-	82,991
	29,464,972	-	-	-	-
	1,808,941	-	-	-	-
	(306,814)	-	-	-	-
	(30,608,490)	-	-	-	-
	-	-	-	-	-
	-	2,000,000	-	-	-
	-	-	-	-	-
	-	-	-	16,000	-
	-	-	-	(16,000)	-
	<u>361,502</u>	<u>2,000,677</u>	<u>59,973</u>	<u>1,578</u>	<u>88,107</u>
\$	<u>(107,545)</u>	<u>\$ 1,361,338</u>	<u>\$ (2,663,037)</u>	<u>\$ (915,620)</u>	<u>\$ (1,910,946)</u>
	10.5%	12.6%	12.9%	12.4%	10.5%

TABLE 6

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

Tax Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2001	222,997,540	27,895,180	716,836,343	7,819,810	31,279,240
2002	267,929,700	29,908,220	850,965,486	7,806,020	31,224,080
2003	279,360,320	32,842,710	892,008,657	7,643,300	30,573,200
2004	291,956,730	33,087,910	928,698,971	8,153,910	32,615,640
2005	331,713,670	40,551,800	1,063,615,629	7,868,510	31,474,040
2006	343,246,350	43,791,930	1,105,823,657	7,894,880	42,106,027
2007	351,971,290	40,007,320	1,119,938,886	6,099,433	48,795,464
2008	360,031,560	43,102,810	1,151,812,486	6,898,260	110,372,160
2009	369,712,930	43,559,490	1,180,778,343	7,283,930	116,542,880
2010	371,794,500	43,907,440	1,187,719,829	7,720,210	123,523,360

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. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. 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. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Values are shown net of exempt property.

Source: Ohio Department of Taxation

TABLE 6 (Continued)

Granville Exempted						
Tangible Personal Property						
General Business		Total			Effective Tax Rate (Per \$1,000 of Assessed Value)	Voted Tax Rate (Per \$1,000 of Assessed Value)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
12,895,790	51,583,160	271,608,320	799,698,743	34%	40.60	73.89
13,512,920	54,051,680	330,587,480	936,241,246	35%	36.71	73.89
12,532,058	50,128,232	384,731,738	972,710,089	40%	44.26	81.59
11,016,205	44,064,820	404,229,315	1,005,379,431	40%	45.32	82.71
10,118,084	40,472,336	390,252,064	1,135,562,005	34%	42.14	82.20
7,542,663	40,227,536	402,475,823	1,188,157,220	34%	42.20	81.70
6,578,640	52,629,120	404,656,683	1,221,363,470	33%	42.01	81.72
3,090,760	49,452,160	413,123,390	1,311,636,806	31%	41.87	82.25
609,635	9,754,160	421,165,985	1,307,075,383	32%	42.30	82.30
-	-	423,422,150	1,311,243,189	32%	46.09	86.10

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						Total	Library Operating
	Voted				Unvoted			
	General	Bond	Perm. Improve.	Classroom Maintenance				
2010/2011	72.70	6.00	1.70	0.50	5.20	86.10	1.00	
2009/2010	66.90	8.00	1.70	0.50	5.20	82.30	0.00	
2008/2009	66.90	7.95	1.70	0.50	5.20	82.25	0.00	
2007/2008	66.90	7.42	1.70	0.50	5.20	81.72	0.00	
2006/2007	66.90	7.40	1.70	0.50	5.20	81.70	0.00	
2005/2006	66.90	7.90	1.70	0.50	5.20	82.20	0.00	
2004/2005	66.90	8.41	1.70	0.50	5.20	82.71	0.00	
2003/2004	66.90	7.29	1.70	0.50	5.20	81.59	0.00	
2002/2003	59.20	7.79	1.70	0.00	5.20	73.89	0.00	
2001/2002	59.20	7.79	1.70	0.00	5.20	73.89	0.00	

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>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>
7.70	2.50	8.9-13.95	1.00	2.52	5.90	7.40	13.48	2.60	5.10
7.40	2.50	9.9 - 14.95	1.00	3.00	5.90	7.40	13.54	2.60	5.10
7.40	2.50	9.80	0.00	3.00	5.90	7.40	13.54	2.60	5.10
7.40	2.50	9.80	0.00	3.00	5.90	7.40	12.62	2.60	5.10
7.40	2.50	9.80	0.00	3.00	5.10	7.40	13.92	2.60	5.10
7.20	2.50	9.80	0.00	3.00	5.90	7.40	14.20	2.60	5.10
7.20	2.50	9.80	0.00	2.80	5.90	7.40	11.50	2.60	5.10
7.20	2.50	9.80	0.00	3.00	6.20	7.40	11.60	2.60	5.10
7.20	2.50	9.80	0.00	2.00	6.20	7.40	11.60	2.60	5.10
7.20	2.50	9.80	0.00	2.00	6.20	7.40	11.60	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
2000	10,169,531	9,777,031	96.14	413,247	10,190,278	100.20
2001	11,634,037	11,220,790	96.45	337,772	11,558,562	99.35
2002	12,406,786	12,069,790	97.28	298,029	12,367,819	99.69
2003	12,964,041	12,666,012	97.70	175,378	12,841,390	99.05
2004	17,136,826	16,190,127	94.48	282,609	16,472,736	96.12
2005	17,644,442	16,892,432	95.74	261,702	17,154,134	97.22
2006	17,928,692	17,354,314	96.80	238,241	17,592,555	98.13
2007	17,711,799	17,449,235	98.52	383,861	17,833,096	100.68
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	19,067,191	18,881,763	99.03	288,000	19,169,763	100.54%

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 2010 information cannot be presented because all collections have not been made by June 30, 2010.

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

TABLE 9

Granville Exempted Village School District

Principal Taxpayers

Real Estate Tax

2010 and 2001 (1)

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
Bellaire Hospitalities, LLC	\$ 6,963,500	1.68%
Prairie Enterprises LTD	2,660,010	0.64
Owens Corning Fiberglas	2,503,320	0.60
Middleton House LTD An Ohio LLC	1,646,690	0.40
3825 Columbus Road LTD	1,428,500	0.34
Granville Apartments	856,560	0.21
Cherry Valley Professional Partners LLC	828,210	0.20
Granville Golf Course Co.	763,910	0.18
Licking Memorial Hospital	610,930	0.15
Granville Hospitality LLC	519,370	0.12
TOTALS	\$ 18,781,000	4.52%
Total Assessed Valuation	\$ 415,701,940	
Name of Taxpayer	2001	
	Assessed Value	Percent of Real Property Assessed Value
Cherry Jack Limited Partnership	\$ 4,809,460	1.73%
Owens Corning Fiberglas	3,276,140	1.36%
3825 Columbus Road LTD	1,337,670	0.55%
Longaberger	1,080,280	0.45%
Granville Golf Course Co.	1,030,100	0.43%
Denison University	951,820	0.39%
Granville Apartments	741,730	0.31%
Kent Family	706,280	0.29%
Kraner, William C.	680,700	0.28%
Mid Ohio Development Corp.	663,940	0.28%
Totals	\$ 15,278,120	6.33%
Total Assessed Valuation	\$ 241,345,580	

Source: Licking County Auditor's Office

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

Granville Exempted Village School District
Principal Taxpayers
Tangible Personal Property Tax
2010 and 2001 (1)

Name of Taxpayer	2010	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Not Applicable (2)		
Total	\$ -	
Total Assessed Valuation	\$ -	
Name of Taxpayer	2001	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Owens Corning Fiberglass	\$ 9,268,960	56.33%
Pitney Bowes Credit Corp.	1,127,610	6.85
Decimus Corp. GE Tech	552,190	3.36
Cherry Jack Limited Partnership	480,020	2.92
Granville Milling	233,280	1.42
Fackler Country Garden, Inc.	185,910	1.13
Frontiervision OP	178,100	1.08
Granville Corporation	169,080	1.03
Granville Lumber Co.	142,700	0.87
Connell Finance Co.	130,450	0.79
Total	\$ 12,468,300	75.77%
Total Assessed Valuation	\$ 16,455,840	

Source: Licking County Auditor's Office

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

(2) The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. 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.

TABLE 11

Granville Exempted Village School District

Principal Taxpayers

Public Utilities Tax

2010 and 2001 (1)

Name of Taxpayer	2010	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$ 4,118,170	53.34%
Columbia Gas of Ohio/Columbia Gas Transmission	2,491,490	32.27
Licking Rural Electric	543,160	7.04
National Gas & Oil Corp	323,150	4.19
Columbus Southern Power	242,520	3.14
Buckeye Power	1,720	0.02
Total	<u>\$ 7,720,210</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$ 7,720,210</u>	
Name of Taxpayer	2001	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Co	\$ 2,740,050	35.04%
Alltel Ohio Inc.	1,492,430	19.09
Columbia Gas Transmission Corp	1,276,420	16.32
Columbia Gas of Ohio Inc.	381,560	4.88
Licking Rural Electrification	364,420	4.66
APT Columbus Inc.	307,600	3.93
CSX Transportation Inc	244,900	3.13
MCI Telecommunications Corp	223,870	2.86
Columbus Southern power Co	210,430	2.69
National Gas & Oil Corp	181,980	2.33
Total	<u>\$ 7,423,660</u>	<u>94.93%</u>
Total Assessed Valuation	<u>\$ 7,819,810</u>	

Source: Licking County Auditor's Office

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

TABLE 12

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

Fiscal Year	Estimated Population (1)	Median Income (2)	Personal Income (2)	Energy Conservation Bond (3)	School Improvement Bonds (3)
2002	10,450	47,857	341,150,247	142,000	25,170,411
2003	10,450	48,939	366,665,861	97,000	24,379,192
2004	11,670	51,212	414,329,378	47,000	33,765,530
2005	11,670	52,475	465,615,563	-	38,144,380
2006	11,670	52,697	502,360,473	-	37,113,971
2007	14,410	56,290	559,273,583	-	36,512,188
2008	14,410	56,696	520,274,212	2,000,000	35,550,001
2009	14,410	57,602	494,274,212	1,829,000	34,158,066
2010	12,923	63,842	NA	1,652,123	33,012,982
2011	12,923	NA	NA	1,469,166	31,973,466

Sources:

(1) 2001 -2010 estimates - Ohio Municipal Advisory Council

(2) Ohio Department of Taxation

(3) OMAC; District Financial Records

NA - Information Not Available

TABLE 12 (Continued)

<u>Capital Leases</u>	<u>Bond Anticipation Notes</u>	<u>Total Debt Outstanding</u>	<u>Ratio of Total Debt to Personal Income</u>	<u>Total Debt Per Capita</u>
119,322	-	25,431,733	7.45%	2,434
466,951	-	24,943,143	6.80%	2,387
365,092	-	34,177,622	8.25%	2,929
226,109	-	38,370,489	8.24%	3,288
190,453	-	37,304,424	7.43%	3,197
143,884	-	36,656,072	6.55%	2,544
95,788	-	37,645,789	7.24%	2,612
92,744	-	36,079,810	7.30%	2,504
35,726	-	34,700,831	NA	2,685
14,250	-	33,456,882	NA	2,589

TABLE 13

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

Fiscal Year	Total General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value (1)	General Bonded Debt per Capita	General Bonded Debt per Enrollment
2002	25,312,411	2.70%	2,422	13,170
2003	24,476,192	2.52%	2,097	12,380
2004	33,812,530	3.36%	2,897	16,567
2005	38,144,380	3.36%	3,269	17,668
2006	37,113,971	3.12%	2,576	16,473
2007	36,512,188	2.99%	2,534	15,644
2008	37,550,001	2.86%	2,606	15,555
2009	35,987,066	2.75%	2,497	14,665
2010	34,665,105	2.64%	2,682	13,685
2011	33,442,632	NA	2,720	13,151

Source: Ohio Municipal Advisory Council

(1) Represents Total 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 14

Granville Exempted Village School District
*Computation of Direct and Overlapping
 Debt Attributable to Governmental Activities
 June 30, 2011*

	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, 2011	\$ 34,665,105	100.00%	\$ 34,665,105
Overlapping Debt:			
Payable from Property Taxes:			
Licking County	3,449,000	11.39%	392,841
City of Heath	6,700,000	0.29%	19,430
City of Newark	18,489,991	5.58%	1,031,741
Village of Granville	493,000	100.00%	493,000
Licking County Career Center	26,489,991	11.03%	2,921,846
Total Overlapping Debt	<u>55,621,982</u>		<u>4,858,859</u>
 Total Direct and Overlapping Debt	 <u><u>\$90,287,087</u></u>		 <u><u>\$39,523,964</u></u>

Source: Ohio Municipal Advisory Council

(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 2010.

TABLE 15

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

	2002	2003	2004	2005	2006
Assessed Valuation (1)	\$ 330,587,480	\$ 384,731,738	\$ 404,229,315	\$ 390,252,064	\$ 402,475,823
Debt Limit - 9% of Assessed Value (2)	29,752,873	34,625,856	36,380,638	35,122,686	36,222,824
Amount of Debt Applicable to Debt Limit	25,312,411	24,476,192	33,812,530	38,144,380	37,113,971
Less Amount Available in Debt Service	11,873,619	1,722,026	2,096,077	2,256,448	2,531,199
Net Indebtedness Subject to Limitation	13,438,792	22,754,166	31,716,453	35,887,932	34,582,772
Exemptions:					
Energy Conservation Notes	142,000	97,000	47,000	-	-
Amount of Debt Subject to Limit	13,296,792	22,657,166	31,669,453	35,887,932	34,582,772
Legal Debt Margin	16,456,081	11,968,690	4,711,185	(765,246)	1,640,052
Legal Debt Margin as a Percentage of the Debt Limit	55.31%	34.57%	12.95%	-2.18%	4.53%
Unvoted Debt Limit - .10% of Assessed Value (1)	330,587	384,732	404,229	390,252	402,476
Applicable District Debt Outstanding	-	-	-	-	-
Unvoted Legal Debt Margin	\$ 330,587	\$ 384,732	\$ 404,229	\$ 390,252	\$ 402,476
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	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 2011, the tax year 2011 assessed valuation is not available, therefore, the tax year 2010 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 15 (Continued)

2007	2008	2009	2010	2011
<u>\$ 404,656,683</u>	<u>\$ 413,123,390</u>	<u>\$ 421,165,985</u>	<u>\$ 423,422,150</u>	<u>\$ 423,422,150</u>
<u>36,419,101</u>	<u>37,181,105</u>	<u>37,904,939</u>	<u>38,107,994</u>	<u>38,107,994</u>
<u>36,512,188</u>	<u>37,550,001</u>	<u>35,987,066</u>	<u>34,665,105</u>	<u>33,442,632</u>
<u>3,051,357</u>	<u>2,927,238</u>	<u>3,097,101</u>	<u>3,461,113</u>	<u>2,881,591</u>
<u>33,460,831</u>	<u>34,622,763</u>	<u>32,889,965</u>	<u>31,203,992</u>	<u>30,561,041</u>
<u>-</u>	<u>2,000,000</u>	<u>1,829,000</u>	<u>1,652,123</u>	<u>1,469,166</u>
<u>33,460,831</u>	<u>32,622,763</u>	<u>31,060,965</u>	<u>29,551,869</u>	<u>29,091,875</u>
<u>2,958,270</u>	<u>4,558,342</u>	<u>6,843,974</u>	<u>8,556,125</u>	<u>9,016,119</u>
8.12%	12.26%	18.06%	22.45%	23.66%
<u>404,657</u>	<u>413,123</u>	<u>421,166</u>	<u>423,422</u>	<u>423,422</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 404,657</u>	<u>\$ 413,123</u>	<u>\$ 421,166</u>	<u>\$ 423,422</u>	<u>\$ 423,422</u>
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	Median Income (2)	District Enrollment (3)	Unemployment Rate (4)
2002	10,450	28,441	48,691	1,922	5.3%
2003	11,670	28,800	47,857	1,977	6.6%
2004	11,670	29,256	48,938	2,041	6.0%
2005	11,670	30,274	51,212	2,159	5.8%
2006	14,410	31,493	52,475	2,253	5.1%
2007	14,410	33,348	52,697	2,334	5.6%
2008	14,410	34,844	56,290	2,414	6.2%
2009	14,410	\$35,952	\$56,696	2,454	9.9%
2010	12,923	NA	\$57,602	2,533	9.8%
2011	12,293	NA	NA	2,543	8.2%

Sources:

- (1) 2001 -2010 estimates - Ohio Municipal Advisory Council
- (2) Ohio Department of Education
- (3) District data
- (4) 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 Capital income is not reported by the District. Information is only available by Licking County.

TABLE 17

Granville Exempted Village School District

*Licking County Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2011	
		Number of Employees	Percentage of Total Employment
Licking Memorial Hospital	Health Care	1,600	3.15%
State Farm Insurance	Insurance/Underwriting	1,235	2.44
OSU Newark/C.O.T.C.	Education	1,096	2.16
Licking County Government	Government Services	1,090	2.15
Newark City Schools	Education	900	1.77
Denison University	Education	720	1.42
Anomatic Corporation	Anodizing Alumimum Process Mfg.	650	1.28
Owens Corning Corporation	Glass Fiber Building Materials	643	1.27
Boeing Company	Aerospace Industries	603	1.19
Park National Bank	National Commercial Bank	525	1.04
Total		<u>9,062</u>	
Total Employment within the County		<u>50,715</u>	
Employer	Nature of Activity	2002	
		Number of Employees	Percentage of Total Employment
Licking Memorial Hospital	Health Care	1,381	1.78%
Licking County Government	Government Services	1,273	1.64
Owens Corning Corporation	Glass Fiber Building Materials	1,051	1.35
Newark City Schools	Education	1,083	1.39
OSU Newark/C.O.T.C.	Education	956	1.23
State Farm Insurance	Insurance/Underwriting	953	1.22
Anomatic Corporation	Anodizing Alumimum Process Mfg.	519	0.67
Boeing Company	Aerospace Industries	618	0.79
Longaberger	Specialty Basket and Pottery Mfg.	610	0.78
Wal*Mart	Department Store/Grocery Store	<u>400</u>	0.51
Total		<u>8,844</u>	
Total Employment within the County		<u>77,800</u>	

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

TABLE 18

Granville Exempted Village School District
School District Employees by Function/Program
Last Nine Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
Regular Instruction									
Certified Employees	105	107	116	121	126	131	127	127	127
Special Instruction									
Certified Employees	14	19	17	20	26	27	29	29	27
Vocational Instruction									
Certified Employees	2	2	2	2	2	2	2	2	2
Pupil Support Services									
Certified Employees	12	12	10	12	12	10	15	15	19
Instructional Staff									
Classified Employees	12	13	13	14	16	16	16	16	16
Certified Employees	3	3	3	3	3	5	6	6	5
Administrators	1	1	1	1	1	1	1	1	1
Administration									
Classified Employees	10	10	10	10	12	16	13	13	15
Certified Employees									
Administrators	7	7	7	7	7	6	6	6	6
Fiscal									
Classified Employees	3	3	3	3	3	3	3	3	4
Administrators	1	1	1	1	1	1	1	1	1
Pupil Transportation									
Classified Employees	28	30	32	31	31	29	29	31	28
Administrators	1	1	1	1	1	2	1	1	1
Totals	<u>199</u>	<u>209</u>	<u>216</u>	<u>226</u>	<u>241</u>	<u>249</u>	<u>249</u>	<u>251</u>	<u>252</u>

Source: School District Payroll Records

Information is not available in this format prior to 2003

TABLE 19

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

Fiscal Year	General Fund Expenditures	State Average Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	State Average Pupil/Teacher Ratio
2002	13,856,017	1,922	7,209	-6.85%	116	16.6	16.9
2003	15,007,106	1,977	7,591	5.29%	125	15.8	16.5
2004	16,087,713	2,041	7,882	3.84%	126	16.2	18.5
2005	18,029,132	2,159	8,351	5.94%	139	15.5	18.5
2006	19,779,522	2,253	8,779	5.13%	153	14.7	18.6
2007	21,394,120	2,334	9,166	4.41%	156	15.0	19.6
2008	22,393,586	2,414	9,277	1.20%	167	14.5	18.6
2009	23,389,071	2,454	9,531	2.74%	169	14.5	19.1
2010	25,113,938	2,533	9,915	4.03%	169	15.0	NA
2011	22,887,510	2,543	9,000	-9.22%	169	15.0	NA

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

NA - Information not available

TABLE 20

Granville Exempted Village School District

Building Statistics
Last Ten Fiscal Years

	2002	2003	2004	2005
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-5 until 2002; K-3 2002-present	535	576	624	691
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	434	493	482	525
Student Functional Capacity	600	600	600	600
Granville Middle School				
Constructed in 1969, additions in 1993, 2003				
Total Building Square Footage	65,000	71,655	71,655	71,655
Enrollment Grades 6-8 until 2002; 7-8 present	319	298	329	359
Student Functional Capacity	468	475	475	475
Granville High School				
Constructed in 1992, addition in 2003				
Total Building Square Footage	100,244	175,231	175,231	175,231
Enrollment Grades 9-12	634	665	666	651
Student Functional Capacity	616	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

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 20 (Continued)

2006	2007	2008	2009	2010	2011
105,000	105,000	105,000	105,000	105,000	105,000
725	750	736	707	704	672
714	714	714	714	714	714
84,549	84,549	84,549	84,549	84,549	84,549
561	603	625	606	615	615
600	600	600	600	600	600
71,655	71,655	71,655	71,655	71,655	71,655
376	375	373	425	427	414
475	475	475	475	475	475
175,231	175,231	175,231	175,231	175,231	175,231
675	693	755	772	787	842
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 21

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

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Bachelor's Degree	10	14	15	21	23	25	18	18	13	9
Bachelor + (150 hours)	20	22	22	26	25	24	25	22	26	22
Master's Degree	44	47	46	40	47	52	56	63	68	77
Master's + 25	32	28	29	31	33	29	36	36	32	27
Master's + 40	10	14	14	21	25	26	26	26	28	34
Total	<u>116</u>	<u>125</u>	<u>126</u>	<u>139</u>	<u>153</u>	<u>156</u>	<u>161</u>	<u>165</u>	<u>167</u>	<u>169</u>

Source: School District Personnel Records

TABLE 22

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)
2002	26,016	62,225	48,157	48,445	44,635
2003	26,927	64,243	49,113	49,835	45,959
2004	27,735	66,033	50,099	52,418	47,994
2005	28,567	67,876	50,752	49,312	49,436
2006	29,424	69,774	49,037	56,101	51,346
2007	30,307	71,730	48,973	58,453	52,596
2008	31,368	74,080	55,273	61,071	54,210
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

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 - The Ohio Department of Education started reporting these averages beginning in fiscal year 2002.

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.

TABLE 23

Granville Exempted Village School District
Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Elementary School	Intermediate School	Middle School	High School	Total
2002	535	434	319	634	1,922
2003	576	493	298	665	2,032
2004	624	482	329	666	2,101
2005	691	525	359	651	2,226
2006	725	561	376	675	2,337
2007	750	603	375	693	2,421
2008	736	625	373	755	2,489
2009	707	606	425	772	2,510
2010	704	615	427	787	2,533
2011	672	615	414	842	2,543

Source: School District Records

Granville Exempted Village School District
Educational Operating Indicators
Last Ten School Years

	Fiscal Year 2011			2010	2009	2008	2007	2006	2005	2004	2003	2002
	Granville Exempted	Similar Districts	State Average									
3rd Grade Achievement Test												
Mathematics	82.0%	90.6%	76.9%	89.7%	94.6%	92.9%	95.9%	92.4%	86.5%	NA	NA	NA
Reading	79.9%	93.8%	78.4%	95.7%	97.0%	92.3%	94.3%	93.6%	91.7%	93.0%	NA	NA
4th Grade Proficiency/Achievement Test												
Citizenship	NA	NA	NA	NA	NA	NA	NA	NA	83.2%	83.1%	83.3%	88.6%
Mathematics	78.1%	91.6%	76.2%	90.3%	92.9%	94.4%	89.2%	91.6%	75.7%	86.9%	80.9%	89.9%
Reading	83.8%	93.8%	81.0%	95.7%	94.9%	94.4%	93.5%	90.7%	89.6%	86.2%	84.1%	92.0%
Science	NA	NA	NA	NA	NA	NA	NA	NA	75.1%	79.4%	76.5%	91.4%
Writing	NA	NA	NA	NA	94.4%	92.3%	90.9%	94.6%	89.0%	93.8%	85.8%	95.7%
5th Grade Achievement Test												
Mathematics	66.1%	86.6%	67.0%	83.1%	89.5%	89.2%	88.8%	86.6%	NA	NA	NA	NA
Reading	74.1%	88.7%	71.8%	87.2%	96.0%	93.8%	95.3%	91.6%	96.1%	NA	NA	NA
Science	71.1%	88.4%	69.9%	91.1%	95.5%	95.9%	93.0%	NA	NA	NA	NA	NA
Social Studies	NA	NA	NA	NA	89.4%	90.7%	84.1%	NA	NA	NA	NA	NA
6th Grade Proficiency/Achievement Test												
Citizenship	NA	NA	NA	NA	NA	NA	NA	NA	91.4%	92.9%	86.8%	94.6%
Mathematics	77.5%	92.0%	77.4%	92.8%	94.6%	95.0%	88.8%	87.3%	89.4%	91.6%	78.8%	87.5%
Reading	85.6%	96.1%	84.1%	95.7%	97.5%	97.3%	92.4%	95.8%	88.3%	89.0%	88.8%	84.4%
Science	NA	NA	NA	NA	NA	NA	NA	NA	93.1%	90.1%	88.7%	91.5%
Writing	NA	NA	NA	NA	NA	NA	NA	NA	98.4%	97.4%	89.4%	97.7%
7th Grade Achievement Test												
Mathematics	74.8%	91.1%	71.1%	95.7%	95.2%	90.3%	92.2%	91.1%	89.7%	NA	NA	NA
Reading	77.3%	94.6%	80.2%	95.1%	94.6%	90.7%	92.8%	96.4%	NA	NA	NA	NA
Writing	NA	NA	NA	NA	95.5%	97.4%	92.2%	NA	NA	NA	NA	NA
8th Grade Achievement Test												
Mathematics	74.3%	89.9%	69.2%	87.0%	92.1%	91.8%	87.1%	90.6%	78.6%	NA	NA	NA
Reading	85.1%	94.8%	80.9%	96.5%	92.9%	94.8%	96.0%	93.9%	90.7%	NA	NA	NA
Science	67.4%	87.9%	64.8%	90.0%	80.6%	83.6%	89.6%	NA	NA	NA	NA	NA
Social Studies	NA	NA	NA	NA	81.2%	80.7%	78.5%	NA	NA	NA	NA	NA
10th Grade Ohio Graduation Test												
Mathematics	82.6%	96.1%	81.4%	95.5%	95.5%	95.4%	95.2%	97.3%	96.8%	NA	NA	NA
Reading	87.2%	96.8%	84.5%	96.8%	96.8%	96.4%	95.7%	98.6%	99.4%	NA	NA	NA
Science	74.7%	94.8%	76.0%	92.8%	92.8%	90.2%	85.5%	92.6%	94.2%	NA	NA	NA
Social Studies	80.1%	96.1%	81.6%	95.0%	95.0%	90.7%	91.4%	97.3%	98.1%	NA	NA	NA
Writing	89.5%	98.2%	89.7%	95.9%	95.9%	98.5%	94.6%	98.0%	100.0%	NA	NA	NA
11th Grade Ohio Graduation Test (OGT)¹												
Mathematics	89.1%	95.1%	80.4%	93.6%	98.4%	97.8%	98.7%	99.3%	NA	NA	NA	NA
Reading	92.4%	96.1%	83.0%	95.7%	98.9%	97.8%	99.3%	100.0%	NA	NA	NA	NA
Science	84.2%	92.3%	73.0%	93.0%	95.1%	95.1%	98.0%	99.3%	NA	NA	NA	NA
Social Studies	88.0%	95.2%	79.6%	96.3%	97.8%	95.7%	99.3%	99.3%	NA	NA	NA	NA
Writing	93.4%	96.4%	84.1%	98.9%	98.9%	98.4%	99.3%	100.0%	NA	NA	NA	NA
Student Attendance Rate	94.5%			95.7%	96.1%	95.9%	96.4%	96.0%	96.2%	96.2%	96.2%	96.2%
Student Graduation Rate	84.3%			98.9%	99.4%	98.7%	97.3%	96.4%	100.0%	98.2%	98.7%	98.7%
Student Enrollment	2543			2533	2510	2489	2421	2337	2226	2101	2032	1922

¹ Results for 11th grade students who took the test as 10th and 11th graders.

ACT Scores (Average)

Granville Exempted	25.0
Ohio	21.8
National	21.0

SAT Scores (Average)

Reading (Verbal)	
Granville Exempted	559
Mathematics	
Granville Exempted	563
Writing (initiated 2006)	
Granville Exempted	543

Source: District Records, Ohio Department of Education Local Report Card, & The College Board

NA - Information Not Available

TABLE 25

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

	2003	2004	2005	2006
Nondepreciable Capital Assets				
Land	\$1,465,969	\$1,465,969	\$1,465,969	\$1,465,969
Construction in Progress	-	-	-	298,225
Total Nondepreciable Capital Assets	<u>1,465,969</u>	<u>1,465,969</u>	<u>1,465,969</u>	<u>1,764,194</u>
Depreciable Capital Assets				
Land Improvements	889,608	1,120,237	1,115,300	1,238,894
Buildings and Buildings Improvements	34,712,685	35,946,567	35,069,240	34,185,741
Furniture, Fixtures & Equipment	864,800	801,927	690,215	725,567
Vehicles	541,459	597,426	677,079	828,789
Total Depreciable Capital Assets	<u>37,008,552</u>	<u>38,466,157</u>	<u>37,551,834</u>	<u>36,978,991</u>
Total Capital Assets, Net	<u>\$38,474,521</u>	<u>\$39,932,126</u>	<u>\$39,017,803</u>	<u>\$38,743,185</u>

Source: School District Financial Records

Depreciable capital assets are presented net of accumulated depreciation.

TABLE 25 (Continued)

2007	2008	2009	2010	2011
\$1,465,969	\$1,465,969	\$1,465,969	\$1,465,969	\$1,465,969
-	316,640	-	5,834	7,300
<u>1,465,969</u>	<u>1,782,609</u>	<u>1,465,969</u>	<u>1,471,803</u>	<u>1,473,269</u>
1,156,883	1,074,309	1,015,172	1,159,119	1,171,289
33,260,075	32,338,138	33,677,910	32,768,073	31,696,542
588,737	454,733	465,432	497,340	798,544
997,219	1,023,485	915,517	940,496	978,040
<u>36,002,914</u>	<u>34,890,665</u>	<u>36,074,031</u>	<u>35,365,028</u>	<u>34,644,415</u>
<u>\$37,468,883</u>	<u>\$36,673,274</u>	<u>\$37,540,000</u>	<u>\$36,836,831</u>	<u>\$36,117,684</u>

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Dave Yost • Auditor of State

GRANVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 29, 2011**