



Dave Yost • Auditor of State

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Grandview Heights City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Grandview Heights City School District, Franklin County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

March 12, 2014

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

Financial Highlights

The District's net position decreased by \$598,660 or 3.4%. The decrease in net position is due primarily to an increase in accrued salaries and benefits payable.

General revenues accounted for \$15,712,612 or 89.16% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$1,909,745 or 10.84% of total revenues of \$17,622,357.

The District had \$17,560,398 in expenses related to governmental activities; only \$1,267,744 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$15,662,612 along with beginning net position were sufficient to provide for these programs.

As of June 30, 2013 the General Fund reported a positive fund balance of \$7,570,968, which represents a 1.6% decrease from 2012.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appear on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. These provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the entity-wide statements, therefore the statements will essentially match the business-type activities portion of the entity-wide statements.

Fiduciary Funds

The District has one agency fund for student activities. The agency fund's assets are equal to its liabilities since agency funds do not reflect revenues and expenses and all of its assets are held for others. The District's agency fund is reported in the Statement of Fiduciary Net Position, Agency Fund. We exclude these assets and liabilities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$16,932,071 according to the Statement of Net Position at the close of the most recent fiscal year.

The largest portions of the District's net position (43%) are unrestricted. As such, these assets are available for future spending to meet the District's ongoing activities. 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. A comparative analysis of fiscal year 2013 to 2012 follows from the Statements of Net Position:

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

	<u>Net Position</u>					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Current Assets	\$ 20,721,587	\$ 20,697,633	\$ 276,798	\$ 249,503	\$ 20,998,385	\$ 20,947,136
Capital Assets	12,147,057	12,233,463	29,784	30,521	12,176,841	12,263,984
Total Assets	<u>\$ 32,868,644</u>	<u>\$ 32,931,096</u>	<u>\$ 306,582</u>	<u>\$ 280,024</u>	<u>\$ 33,175,226</u>	<u>\$ 33,211,120</u>
Current Liabilities	\$ 2,109,203	\$ 2,099,648	\$ 82,929	\$ 90,787	\$ 2,192,132	\$ 2,190,435
Long-Term Liabilities	5,356,723	5,623,175	7,232	4,198	5,363,955	5,627,373
Total Liabilities	<u>7,465,926</u>	<u>7,722,823</u>	<u>90,161</u>	<u>94,985</u>	<u>7,556,087</u>	<u>7,817,808</u>
Deferred Inflows of Resources	<u>8,687,068</u>	<u>7,862,581</u>	<u>-</u>	<u>-</u>	<u>8,687,068</u>	<u>7,862,581</u>
Net Position:						
Net Investment in						
Capital Assets	7,882,680	7,736,930	29,784	30,521	7,912,464	7,767,451
Restricted	1,662,266	1,784,065	-	-	1,662,266	1,784,065
Unrestricted	7,170,704	7,824,697	186,637	154,518	7,357,341	7,979,215
Total Net Position	<u>\$ 16,715,650</u>	<u>\$ 17,345,692</u>	<u>\$ 216,421</u>	<u>\$ 185,039</u>	<u>\$ 16,932,071</u>	<u>\$ 17,530,731</u>

A portion of the District's net position (9.9%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 493,715	\$ 529,976	\$ 566,034	\$ 568,607	\$ 1,059,749	\$ 1,098,583
Operating Grants and Contributions	774,029	815,246	75,967	73,252	849,996	888,498
General Revenues						
Property Taxes	11,234,588	12,223,781	-	-	11,234,588	12,223,781
Payment in Lieu of Taxes	764,347	1,078,044	-	-	764,347	1,078,044
Intergovernmental-State	3,558,422	4,054,806	-	-	3,558,422	4,054,806
Other	155,255	92,999	-	-	155,255	92,999
Total Revenues	16,980,356	18,794,852	642,001	641,859	17,622,357	19,436,711
Expenses						
Instruction	9,560,113	9,803,896	-	-	9,560,113	9,803,896
Support Services	5,879,189	5,646,431	-	-	5,879,189	5,646,431
Extracurricular Activities	899,471	870,516	-	-	899,471	870,516
Facilities Services	496,176	744,284	-	-	496,176	744,284
Interest & Fiscal Charges	725,449	318,412	-	-	725,449	318,412
Food Service	-	-	292,646	304,379	292,646	304,379
Child Care	-	-	367,973	353,480	367,973	353,480
Total Expenses	17,560,398	17,383,539	660,619	657,859	18,221,017	18,041,398
Excess (deficiency)	(580,042)	1,411,313	(18,618)	(16,000)	(598,660)	1,395,313
Transfers	(50,000)	(50,000)	50,000	50,000	-	-
Change in Net Position	\$ (630,042)	\$ 1,361,313	\$ 31,382	\$ 34,000	\$ (598,660)	\$ 1,395,313

Governmental Activities

Net position of the District's governmental activities decreased by \$630,042 and unrestricted net position reflects a positive balance of \$7,170,704. Program Revenues were stable with only a slight decrease of \$77,478. Property tax and payment in lieu of tax revenues decreased by \$1.3 million due to a larger portion being deferred for fiscal year 2013 compared to fiscal year 2012. Intergovernmental State revenues were also lower by \$496,384 primarily due to the accelerated phase out of tangible personal property tax reimbursements and elimination of utility deregulation reimbursements. The decrease in intergovernmental state revenues were partially offset by new casino tax revenues.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

	<u>Total Cost of Services 2013</u>	<u>Net Cost of Services 2013</u>
Program Expenses		
Instruction		
Regular	\$ 7,388,023	\$ 7,134,050
Special	2,054,254	1,847,951
Vocational	117,836	116,386
Support Services		
Pupils	1,885,000	1,670,165
Instructional Staff	909,907	882,226
Board of Education	18,962	18,962
Administration	1,129,030	1,096,303
Fiscal	571,841	571,841
Business	124,783	(163,657)
Operation & Maintenance	1,167,046	1,167,046
Pupil Transportation	9,853	9,853
Central	62,767	62,767
Extracurricular	899,471	687,559
Facilities Services	496,176	465,753
Interest and Fiscal Charges	725,449	725,449
Total Expenses	<u>\$ 17,560,398</u>	<u>\$ 16,292,654</u>

Local taxes make up 66% of total revenues for governmental activities. The net services column reflecting the need for \$16,292,654 of support indicates the reliance on general revenues to support governmental activities.

Business-Type Activities

Business-type activities include food service and child care. These programs had an increase in net position of \$31,382 for the fiscal year. The increase was primarily due to the child care operations.

The District's Funds

The District's governmental funds reported a combined fund balance of \$9,243,278 which is below last year's total of \$9,447,937 according to the Balance Sheet, Governmental Funds. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2013 and 2012.

	<u>Fund Balance June 30, 2013</u>	<u>Fund Balance June 30, 2012</u>	<u>Increase/ Decrease</u>
General	\$ 7,570,968	\$ 7,694,450	\$ (123,482)
Bond Retirement	-	1,182,277	(1,182,277)
Other Governmental	1,672,310	571,210	1,101,100
Total	<u>\$ 9,243,278</u>	<u>\$ 9,447,937</u>	<u>\$ (204,659)</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

General Fund

The District's General Fund balance decrease is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund.

	2013 Amount	2012 Amount	Percent Change
Revenues			
Taxes	\$ 10,197,055	\$ 11,064,667	-7.8%
Payment in Lieu of Taxes	1,228,321	409,091	200.3%
Interest Earnings	15,408	18,543	-16.9%
Intergovernmental - State	3,500,247	3,898,661	-10.2%
Intergovernmental - Federal	1,472	-	100.0%
Other Revenue	725,397	420,391	72.6%
Total Revenues	<u>\$ 15,667,900</u>	<u>\$ 15,811,353</u>	-0.9%

The District received our first payment in lieu of taxes in March of 2012 as a result of economic development within the Grandview Yard. In fiscal year 2013 the District received a full year of payment in lieu of taxes. The decrease in interest earnings is due to the on-going economic recession. The decrease in intergovernmental state revenue is due to the accelerated phase out of tangible personal property tax reimbursements and elimination of utility deregulation reimbursements. The increase in intergovernmental federal revenue is due to the District's participation in the Ohio Medicaid Schools program beginning in April of 2013. The increase in other revenue is due to receiving a large donation to renovate the industrial technology classroom.

As the table below indicates, the largest portion of General Fund expenditures is for instruction.

	2013 Amount	2012 Amount	Percent Change
Expenditures by Function			
Instruction	\$ 9,138,924	\$ 9,701,998	-5.8%
Support Services	5,646,316	5,266,590	7.2%
Extracurricular	712,946	674,187	5.7%
Facilities Services	45,551	43,838	3.9%
Capital Outlay	193,203	110,476	74.9%
Debt Service	176,815	121,700	45.3%
Total	<u>\$ 15,913,755</u>	<u>\$ 15,918,789</u>	-0.03%

Expenditures are down \$5,034 or 0.03% over the prior year. The minimal decrease is due to the District's on-going efforts to reduce operating costs. The significant increase in capital outlay and debt service expenditures is due to leasing more computer equipment in fiscal year 2013 than in fiscal year 2012.

Other Governmental Funds

Other governmental funds consist primarily of special revenue, bond retirement, and permanent improvement funds. These funds decreased by \$81,177 in 2013.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

The District's Bond Retirement Fund balance decreased by \$164,433 due to required debt service principal and interest payments due in fiscal year 2013 being greater than tax revenue received. The county auditor considers beginning fund balance and future debt obligations to determine the proper millage rate necessary to meet current debt requirements. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees.

The decrease in the District's Bond Retirement Fund was partially offset by the increase in the special revenue funds and permanent improvement funds by \$40,088 and \$43,168 respectively. The increase in special revenue funds is primarily due to the public support fund receiving more revenues than they spent because of a large contribution received in June of 2013 to renovate the industrial technology classroom. Many of the summer permanent improvement projects were delayed until July and August due to the necessity to complete the renovation to the industrial technology classroom before the start of school. This resulted in a temporary increase to the balance of the permanent improvement at the end of fiscal year 2013.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Changes are made to the District's budget as changes in revenues and spending patterns are experienced.

General Fund revenues and other financing sources were originally budgeted for \$13.7 million and final budget and actual revenues and other financing sources were \$16.3 million. The District did not increase its General Fund property tax revenue estimates to reflect the receipt of advances from the August 2013 real property tax settlement in June since those advances were not needed to pay obligations during the 2013 fiscal year. The District increased its total General Fund expenditure estimate by \$22,388 about 0.1% difference from the original estimate. Expenditures and other financing uses were originally budgeted at \$16.5 million and final and actual expenditures and other financing uses were \$16.2 million.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students in the specific buildings. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

Capital Assets

The District has \$7,912,464 in net investment in capital assets, with \$7,882,680 attributed to governmental activities. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

Debt

On June 30, 2013, the District had \$4,089,343 in outstanding bonds and notes. During 2013, the District issued no additional bonds or notes. The District paid \$253,146 in principal on bonds and notes and \$723,833 in interest during the 2013 fiscal year. Detailed information regarding long term debt is included in the notes to the basic financial statements.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

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, 2013, the District's general obligation debt was below the legal limit.

Economic Conditions and Outlook

The future financial stability of the District is not without challenges. Contributing to the challenge for the District is the funding received by the District from the State of Ohio. The District experienced a 1% reduction in state school foundation revenues in fiscal year 2010 over 2009 and another 4% reduction in fiscal year 2011 over 2010. In addition, as a result of Am. Sub. HB-153 the 2011-13 biennium budget, the District received a 32% reduction in tangible personal property and public utility deregulation state reimbursements in fiscal year 2012 over 2011 and another 33% reduction fiscal year 2013 over 2012. Deregulation reimbursements discontinued entirely beginning in fiscal year 2013.

It could potentially be worse. The American Recovery and Reinvestment Act of 2009 provided some relief to the loss in revenue associated with the State's budget reductions. While the District continues to receive a moderate amount of federal stimulus funding the amount was drastically reduced for fiscal year 2013 and will continue to decrease through 2014.

Finally, the District continues to face the challenges of the local economy. The District's largest taxpayer, Big Bear Stores, closed and left the District in January, 2004. In response to Big Bear and the loss of other personal property tax revenue, the Board of Education on February 10, 2004 approved a reorganization of the School District resulting in savings of approximately \$855,000. Since then, Nationwide Realty Investors purchased the former Big Bear property and many other adjacent properties with the intention of constructing a major redevelopment project known as Grandview Yard. In July of 2009 the District entered into a compensation agreement with the City of Grandview Heights. According to the compensation agreement, the District will receive an amount equal to 11% of all real property taxes that would have been received by all political subdivisions and taxing districts on the exempt value of all the parcels of the property used for non-residential purposes and between 15% and 60% for residential units depending on the number of units and year of assessment. The District has received \$1,536,290 for payment in lieu of taxes from the City of Grandview Heights through June of 2013. The District anticipates these payments to increase as the development of the Grandview Yard expands.

The dedicated voters in the Grandview Heights City School District approved a 5.9 mill tax levy on November 2, 2010. That tax levy included 3.9 mills for general operating purposes and 2.0 mills for capital improvements, maintenance, and technology updates for a continuing period of time. Based on the District's current five-year forecast, it is expected that the passage of this levy will keep the District solvent through the 2014-15 fiscal year for general operating purposes. It is expected that the District will remain off the ballot until at least November 2014.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tammy Rizzo, Treasurer, Grandview Heights City School District, 1587 West 3rd Avenue, Columbus, Ohio 43212.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
JUNE 30, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 9,046,267	\$ 256,654	\$ 9,302,921
Receivables:			
Accrued Interest	-	-	-
Taxes	10,555,558	-	10,555,558
Payment in Lieu of Taxes (PILOT)	969,493	-	969,493
Due From Other Governments	66,908	-	66,908
Accounts	4,598	11,404	16,002
Materials and Supplies Inventory	-	6,555	6,555
Prepaid Expenditures/Expenses	78,763	2,185	80,948
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Capital Assets, Net of Depreciation	12,147,057	29,784	12,176,841
Amt. to be Provided for General L.T. Debt	-	-	-
Total Assets	32,868,644	306,582	33,175,226
Liabilities			
Due to Other Governments	57,414	-	57,414
Accounts Payable	516,412	4,708	521,120
Short Term Notes Payable	-	-	-
Accrued Salaries and Benefits Payable	1,535,377	51,589	1,586,966
Unearned Revenue	-	26,632	26,632
Deferred Intergovernmental Revenue	-	-	-
Deferred Other Revenue	-	-	-
Long-Term Liabilities:			
Due Within One Year	545,273	2,170	547,443
Due in More Than One Year	4,811,450	5,062	4,816,512
Total Liabilities	7,465,926	90,161	7,556,087
Deferred Inflows of Resources			
Property Taxes and PILOTs not Levied to Finance Current Year Operations	8,687,068	-	8,687,068
Unavailable Intergovernmental Revenue	-	-	-
Total Deferred Inflows of Resources	8,687,068	-	8,687,068
Net Position			
Net Investment in Capital Assets	7,882,680	29,784	7,912,464
Restricted For:			
Debt Service	1,046,015	-	1,046,015
Capital Outlay	578,376	-	578,376
HB-412 Set Asides	-	-	-
Special Education	22,810	-	22,810
Targeted Academic Assistance	-	-	-
Extracurricular Activities	-	-	-
Other Purposes	15,065	-	15,065
Committed To:			
Extracurricular Activities	-	-	-
Unrestricted	7,170,704	186,637	7,357,341
Total Net Position	\$ 16,715,650	\$ 216,421	\$ 16,932,071

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets			
Cash and Cash Equivalents	\$ 7,429,228	\$ 1,548,137	\$ 8,977,365
Accrued Interest Receivable	0	0	0
Taxes Receivable	9,515,306	1,040,252	10,555,558
Payment in Lieu of Taxes (PILOT)	969,493	-	969,493
Due From Other Governments/Others	46,435	20,473	66,908
Accounts Receivable	3,917	681	4,598
Prepaid Expenditures/Expenses	72,029	6,734	78,763
Restricted Assets:			
Cash and Cash Equivalents	68,902	-	68,902
Amount to be Provided for General Long Term Debt	-	-	-
<i>Total Assets</i>	<u>18,105,310</u>	<u>2,616,277</u>	<u>20,721,587</u>
Liabilities			
Due to Other Governments	57,414	-	57,414
Accounts Payable	417,054	99,358	516,412
Short Term Notes Payable	-	-	-
Accrued Salaries and Benefits Payable	1,535,377	-	1,535,377
General Obligation Bonds Payable	-	-	-
Long Term Notes Payable	-	-	-
<i>Total Liabilities</i>	<u>2,009,845</u>	<u>99,358</u>	<u>2,109,203</u>
Deferred Inflows of Resources			
Property Taxes and PILOTs not Levied to Finance Current Year Operations	8,524,497	824,136	9,348,633
Unavailable Intergovernmental Revenue	-	20,473	20,473
<i>Total Deferred Inflows of Resources</i>	<u>8,524,497</u>	<u>844,609</u>	<u>9,369,106</u>
Fund Balances			
Nonspendable:			
Prepays	72,029	6,734	78,763
Restricted For:			
Debt Service	-	1,017,844	1,017,844
Capital Outlay	-	560,888	560,888
HB-412 Set Asides	68,902	-	68,902
Special Education	-	3,061	3,061
Targeted Academic Assistance	-	-	-
Extracurricular Activities	-	-	-
Other Purposes	-	14,341	14,341
Committed To:			
Extracurricular Activities	-	69,442	69,442
Budget Reserve	750,000	-	750,000
Assigned	1,113,649	-	1,113,649
Unassigned	5,566,388	-	5,566,388
<i>Total Fund Balances</i>	<u>7,570,968</u>	<u>1,672,310</u>	<u>9,243,278</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 18,105,310</u>	<u>\$ 2,616,277</u>	<u>\$ 20,721,587</u>

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013**

TOTAL GOVERNMENTAL FUND BALANCES		\$ 9,243,278
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		12,147,057
Deferred inflows of resources are not receivable in the current period and therefore, are not reported in the funds:		
Property Taxes not Levied to Finance Current Year Operations	456,586	
Payment in Lieu of Taxes	204,979	
Unavailable Intergovernmental Revenue	20,473	
Total		682,038
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Interest Payable	(101,005)	
Accrued Benefits Payable	(991,341)	
Capital Lease Obligations Due Within One Year	(86,037)	
Capital Lease Obligations Due in More Than One Year	(88,997)	
General Obligation Notes Payable Due Within One Year	(17,500)	
General Obligation Notes Payable Due in More Than One Year	(52,500)	
General Obligation Bonds Payable Due Within One Year	(228,880)	
General obligation bonds payable due in more than one year	(3,790,463)	
Total		(5,356,723)
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 16,715,650

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues			
Property Taxes	\$ 10,197,055	\$ 1,154,379	\$ 11,351,434
Payment in Lieu of Taxes	1,228,321	-	1,228,321
Intergovernmental - State	3,500,247	161,856	3,662,103
Intergovernmental - Federal	1,472	447,465	448,937
Interest Income	15,408	-	15,408
Tuition and Fees	261,485	-	261,485
Miscellaneous Revenues	463,912	154,185	618,097
<i>Total Revenues</i>	<u>15,667,900</u>	<u>1,917,885</u>	<u>17,585,785</u>
Expenditures			
Current:			
Instruction:			
Regular	7,062,753	48,726	7,111,479
Special	1,958,476	111,395	2,069,871
Vocational	117,695	-	117,695
Total Instructional Services	<u>9,138,924</u>	<u>160,121</u>	<u>9,299,045</u>
Support Services:			
Pupils	1,603,034	208,463	1,811,497
Instructional Staff	880,818	26,860	907,678
Board of Education	18,962	-	18,962
Administration	1,101,194	31,756	1,132,950
Fiscal	566,604	18,526	585,130
Business	166,171	-	166,171
Operation & Maintenance	1,237,236	-	1,237,236
Pupil Transportation	9,853	-	9,853
Central	62,444	-	62,444
Total Support Services	<u>5,646,316</u>	<u>285,605</u>	<u>5,931,921</u>
Extracurricular Student Activities	712,946	146,562	859,508
Facilities Services	45,551	450,625	496,176
Capital Outlay	193,203	-	193,203
Debt Service:			
Principal Retirement	172,214	253,146	425,360
Interest and Fiscal Charges	4,601	723,833	728,434
<i>Total Expenditures</i>	<u>15,913,755</u>	<u>2,019,892</u>	<u>17,933,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(245,855)</u>	<u>(102,007)</u>	<u>(347,862)</u>
Other Financing Sources (Uses)			
Proceeds From Capital Lease Obligations	193,203	-	193,203
Operating Transfers In	-	20,830	20,830
Operating Transfers Out	(70,830)	-	(70,830)
<i>Total Other Financing Sources (Uses)</i>	<u>122,373</u>	<u>20,830</u>	<u>143,203</u>
<i>Net Change in Fund Balances</i>	(123,482)	(81,177)	(204,659)
<i>Fund Balances Beginning of Year</i>	<u>7,694,450</u>	<u>1,753,487</u>	<u>9,447,937</u>
<i>Fund Balances End of Year</i>	<u>\$ 7,570,968</u>	<u>\$ 1,672,310</u>	<u>\$ 9,243,278</u>

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN 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, 2013**

Net Change in Fund Balances - Total Governmental Funds	\$ (204,659)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and does not result in an expense in the Statement of Activities.	425,360
Some revenues that will not be collected for several months after the District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Deferred Inflows increased by this amount this year.	(605,430)
Proceeds from the issuance of bonds and capital leases are reported as revenues in the governmental funds. In the Statement of Net Position it increases liabilities.	(193,203)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	2,985
Some expenses reported in the Statement of Activities, such as compensated absences payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	31,311
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(86,406)</u>
Change in Net Position of Governmental Activities	<u>\$ (630,042)</u>

See accompanying notes to the basic financial statements.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS - YEAR ENDED JUNE 30, 2013
GENERAL FUND**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$ 9,348,879	\$ 12,899,708	\$ 10,572,943	\$ (2,326,765)
Payment in Lieu of Taxes	413,049	1,536,290	1,536,290	-
Intergovernmental - State	3,515,736	3,500,247	3,500,247	-
Intergovernmental - Federal	-	1,399	1,472	73
Interest Income	18,000	14,190	15,408	1,218
Tuition and Fees	245,415	260,209	260,290	81
Miscellaneous	154,300	381,587	384,281	2,694
<i>Total Revenues</i>	<u>13,695,379</u>	<u>18,593,630</u>	<u>16,270,931</u>	<u>(2,322,699)</u>
Expenditures				
Instruction, Regular:				
Salaries and Wages	5,293,582	5,336,542	5,314,134	22,408
Fringe Benefits	1,403,848	1,383,994	1,362,169	21,825
Purchased Services	229,022	205,298	202,058	3,240
Supplies	148,643	207,031	198,879	8,152
Miscellaneous Expenditures	68,190	64,914	53,773	11,141
Total Instruction, Regular	<u>7,143,285</u>	<u>7,197,779</u>	<u>7,131,013</u>	<u>66,766</u>
Instruction, Special:				
Salaries and Wages	1,181,479	1,194,052	1,189,256	4,796
Fringe Benefits	369,739	341,312	338,318	2,994
Purchased Services	595,400	469,176	463,277	5,899
Supplies	4,350	6,150	3,865	2,285
Miscellaneous Expenditures	250	250	237	13
Total Instruction, Special	<u>2,151,218</u>	<u>2,010,940</u>	<u>1,994,953</u>	<u>15,987</u>
Instruction, Vocational:				
Salaries and Wages	94,167	94,401	94,092	309
Fringe Benefits	24,244	24,421	24,052	369
Total Instruction, Vocational	<u>118,411</u>	<u>118,822</u>	<u>118,144</u>	<u>678</u>
Total Instructional Services	<u>9,412,914</u>	<u>9,327,541</u>	<u>9,244,110</u>	<u>83,431</u>
Support Service, Pupils:				
Salaries and Wages	956,203	1,098,813	1,085,489	13,324
Fringe Benefits	320,611	311,767	298,952	12,815
Purchased Services	372,109	379,428	368,495	10,933
Supplies	44,529	47,869	42,107	5,762
Miscellaneous Expenditures	22,335	23,643	22,884	759
Total Support Service, Pupils	<u>1,715,787</u>	<u>1,861,520</u>	<u>1,817,927</u>	<u>43,593</u>
Support Service, Instructional Staff:				
Salaries and Wages	328,172	312,756	304,464	8,292
Fringe Benefits	425,754	442,384	434,442	7,942
Purchased Services	141,551	155,136	145,695	9,441
Supplies	29,245	33,769	32,083	1,686
Miscellaneous Expenditures	24,930	18,324	17,858	466
Total Support Service, Instructional Staff	<u>949,652</u>	<u>962,369</u>	<u>934,542</u>	<u>27,827</u>
Support Service, Board of Education:				
Salaries and Wages	9,375	9,375	9,250	125
Fringe Benefits	1,201	1,407	1,180	227
Purchased Services	3,255	3,255	2,425	830
Miscellaneous Expenditures	6,200	6,200	6,109	91
Total Support Service, Board of Education	<u>20,031</u>	<u>20,237</u>	<u>18,964</u>	<u>1,273</u>
Support Service, Administration:				
Salaries and Wages	713,484	751,634	750,832	802
Fringe Benefits	279,619	284,006	274,060	9,946
Purchased Services	98,001	69,111	63,552	5,559
Supplies	29,182	35,702	35,415	287
Miscellaneous Expenditures	9,771	10,260	9,904	356
Total Support Service, Administration	<u>1,130,057</u>	<u>1,150,713</u>	<u>1,133,763</u>	<u>16,950</u>

(Continued)

GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGET BASIS - YEAR ENDED JUNE 30, 2013
GENERAL FUND
(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Service, Fiscal:				
Salaries and Wages	232,917	232,319	232,312	7
Fringe Benefits	99,897	102,594	101,855	739
Purchased Services	14,530	14,595	13,067	1,528
Supplies	5,117	5,117	2,510	2,607
Miscellaneous Expenditures	229,668	225,886	221,166	4,720
Total Support Service, Fiscal	582,129	580,511	570,910	9,601
Support Service, Business:				
Purchased Services	30,387	59,534	57,033	2,501
Supplies	29,592	45,254	39,603	5,651
Miscellaneous Expenditures	71,579	163,126	162,363	763
Total Support Service, Business	131,558	267,914	258,999	8,915
Support Service, Operation and Maintenance:				
Salaries and Wages	532,248	534,953	519,186	15,767
Fringe Benefits	234,561	210,486	202,997	7,489
Purchased Services	659,827	542,058	511,974	30,084
Supplies	112,556	124,110	122,132	1,978
Miscellaneous Expenditures	28,288	41,739	39,518	2,221
Total Support Service, Operation and Maintenance	1,567,480	1,453,346	1,395,807	57,539
Support Service, Pupil Transportation:				
Purchased Services	17,160	17,182	14,265	2,917
Total Support Service, Pupil Transportation	17,160	17,182	14,265	2,917
Support Service, Central:				
Salaries and Wages	9,540	9,540	9,540	-
Fringe Benefits	1,436	1,432	1,276	156
Purchased Services	74,068	54,763	52,808	1,955
Supplies	1,050	1,050	680	370
Total Support Service, Central	86,094	66,785	64,304	2,481
Total Support Service	6,199,948	6,380,577	6,209,481	171,096
Extracurricular Student Activities:				
Salaries and Wages	433,714	468,197	466,485	1,712
Fringe Benefits	102,595	103,540	99,980	3,560
Purchased Services	151,371	138,747	137,802	945
Supplies	11,722	11,722	3,673	8,049
Total Extracurricular Student Activities	699,402	722,206	707,940	14,266
Facilities Services:				
Purchased Services	44,500	46,828	46,828	-
Total Facilities Services	44,500	46,828	46,828	-
Total Expenditures	16,376,764	16,477,152	16,208,359	268,793
Excess of Revenues Over (Under) Expenditures	(2,681,385)	2,116,478	62,572	(2,053,906)
Other Financing Sources (Uses)				
Other Financing Sources	-	31,016	31,016	-
Transfers Out	(95,847)	(70,847)	(70,830)	17
Other Financing Uses	(53,100)	(100)	-	100
Total Other Financing Sources (Uses)	(148,947)	(39,931)	(39,814)	117
<i>Net Change in Fund Balance</i>	(2,830,332)	2,076,547	22,758	(2,053,789)
<i>Fund Balance Beginning of Year</i>	6,539,523	6,539,523	6,539,523	-
<i>Prior Year Encumbrances Appropriated</i>	400,187	400,187	400,187	-
<i>Fund Balance End of Year</i>	\$ 4,109,378	\$ 9,016,257	\$ 6,962,468	\$ (2,053,789)

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013**

	Enterprise Funds		
	Food Service	Child Care Fund	Total
Assets			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 22,191	\$ 234,463	\$ 256,654
Accounts Receivable	137	11,267	11,404
Material & Supplies Inventory	6,555	-	6,555
Prepaid Expenditures/Expenses	1,856	329	2,185
<i>Total Current Assets</i>	<u>30,739</u>	<u>246,059</u>	<u>276,798</u>
<i>Non-current Assets:</i>			
Capital Assets, Net of Depreciation	<u>26,347</u>	<u>3,437</u>	<u>29,784</u>
<i>Total Assets</i>	<u>57,086</u>	<u>249,496</u>	<u>306,582</u>
Liabilities			
<i>Current Liabilities:</i>			
Accounts Payable	255	4,453	4,708
Accrued Salaries and Benefits Payable	32,956	25,865	58,821
Unearned Revenue	8,431	18,201	26,632
<i>Total Liabilities</i>	<u>41,642</u>	<u>48,519</u>	<u>90,161</u>
Net Position			
Net investment in Capital Assets	26,347	3,437	29,784
Unrestricted	<u>(10,903)</u>	<u>197,540</u>	<u>186,637</u>
<i>Total Net Position</i>	<u>\$ 15,444</u>	<u>\$ 200,977</u>	<u>\$ 216,421</u>

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Enterprise Funds		
	Food Service	Child Care Fund	Total
Operating Revenues			
Charge for Services	\$ 149,984	\$ 410,410	\$ 560,394
Other Revenues	5,640	-	5,640
<i>Total Operating Revenues</i>	<u>155,624</u>	<u>410,410</u>	<u>566,034</u>
Operating Expenses			
Employee Salaries & Wages	125,882	270,073	395,955
Employee Frings Benefits	70,278	60,712	130,990
Purchased Services	4,623	13,123	17,746
Materials & Supplies	89,288	23,653	112,941
Depreciation Expense	2,575	412	2,987
<i>Total Operating Expenses</i>	<u>292,646</u>	<u>367,973</u>	<u>660,619</u>
<i>Operating Income (Loss)</i>	<u>(137,022)</u>	<u>42,437</u>	<u>(94,585)</u>
Non-Operating Revenues			
State Sources	1,611	-	1,611
Federal Sources	74,356	-	74,356
Transfers In	50,000	-	50,000
<i>Total Non-Operating Revenues</i>	<u>125,967</u>	<u>-</u>	<u>125,967</u>
<i>Change in Net Position</i>	(11,055)	42,437	31,382
<i>Net Position Beginning of Year</i>	<u>26,499</u>	<u>158,540</u>	<u>185,039</u>
<i>Net Position End of Year</i>	<u>\$ 15,444</u>	<u>\$ 200,977</u>	<u>\$ 216,421</u>

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Enterprise Funds		
	Food Service	Child Care Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from tuition and fees	\$ -	\$ 411,644	\$ 411,644
Cash received from sales	158,314	-	158,314
Other cash receipts	5,710	-	5,710
Cash payments for personal services	(191,901)	(339,617)	(531,518)
Cash payments for contract services	(6,040)	(14,003)	(20,043)
Cash payments for supplies and materials	(80,038)	(24,112)	(104,150)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(113,955)</u>	<u>33,912</u>	<u>(80,043)</u>
Cash Flows from Noncapital Financing Activities			
State Sources	1,611	-	1,611
Federal Sources	61,086	-	61,086
Transfers	50,000	-	50,000
<i>Net Cash Provided by Non-Capital Financing Activities</i>	<u>112,697</u>	<u>-</u>	<u>112,697</u>
Cash Flow from Capital Financing Activities			
Purchases of Capital Assets	(1,950)	(300)	(2,250)
<i>Net increase (decrease) in Cash and Cash Equivalents</i>	(3,208)	33,612	30,404
<i>Cash and Cash Equivalents Beginning of Year</i>	25,399	200,851	226,250
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 22,191</u>	<u>\$ 234,463</u>	<u>\$ 256,654</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities			
Operating Income (Loss)	\$ (137,022)	\$ 42,437	\$ (94,585)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	2,575	412	2,987
Commodities expense related to noncash grant	9,869	-	9,869
(Increase) Decrease in:			
Due from other governments	-	737	737
Accounts receivable	(31)	7,652	7,621
Prepaid expenditures/expenses	(1,438)	443	(995)
Consumption of Inventory	78,069	-	78,069
Purchase of Inventory	(78,922)	-	(78,922)
Increase (Decrease) in:			
Accounts payable	255	(1,782)	(1,527)
Accrued liabilities	4,259	(8,832)	(4,573)
Unearned revenue	8,431	(7,155)	1,276
<i>Net Adjustments</i>	<u>23,067</u>	<u>(8,525)</u>	<u>14,542</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ (113,955)</u>	<u>\$ 33,912</u>	<u>\$ (80,043)</u>

See accompanying notes to the basic financial statements

GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
JUNE 30, 2013

	<u>Agency</u>
Assets	
Cash and Cash Equivalents	\$ 78,437
Accounts Receivable	606
Prepaid Expenditures/Expenses	<u>240</u>
<i>Total Assets</i>	<u><u>79,283</u></u>
Liabilities	
Due to Other Government/Others	79,214
Accounts Payable	<u>69</u>
<i>Total Liabilities</i>	<u><u>\$ 79,283</u></u>

See accompanying notes to the basic financial statements

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013**

1. REPORTING ENTITY

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

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, in that the financial statements include all the organizations, activities, and functions for which the District is financially accountable. Financial Accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the School District only. There are no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category is divided into separate fund types. A summary of the District's major funds follows:

Governmental Funds:

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Fund Accounting (Continued)

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

The other governmental funds of the District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds:

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The District's proprietary funds are enterprise funds.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the District's major enterprise funds:

Food Service Fund – The Food Service Fund is used to account for all financial transactions related to food service operations.

Child Care Fund – The Child Care Fund is used to account for all financial transactions related to the District's child care program.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District's agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

(b) Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements distinguish between governmental and business-type activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type, and for each function or program of the governmental activities of the District.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Presentation (Continued)

Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements are on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current position.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the Statement of Net Position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations.

(c) Basis of Accounting

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 11). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of Accounting (Continued)

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

Unearned Revenue – The District reports unearned revenue on the proprietary funds statement of net position. Unearned revenue arises when child care fees and food service fees are paid in advance for the services being provided.

Deferred Inflows of Resources – In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payment in lieu of taxes and unavailable grant revenues. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

(d) Cash and Investments

Monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout. In 1998, the District adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and records all its investments at fair value, except repurchase agreements which are reported at cost.

The Grandview Heights School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2013. 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, 2013.

Following Ohio statutes, the Board of Education has, by Board Policy #DFA, specified the funds to receive an allocation of interest earnings. All interest revenue received amounts to \$15,408 and is credited to the General Fund during fiscal year 2013.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and inventories are determined by physical count.

(f) Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2013 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 recorded in the year in which services are consumed.

(g) Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$300 and a useful life of less than one year. The District does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over estimated useful lives ranging from 50 years for buildings, 5 years for improvements other than buildings, and 3 to 20 years for equipment.

(h) Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. These amounts are eliminated in the government-wide statements, except for amounts due between governmental and business-type activities.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Compensated Absences

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

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

(j) Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt is reported in the government-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

(k) Net Position

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for non-public schools and community involvement. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(l) Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, 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 following categories are used:

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Fund Balance (Continued)

Nonspendable – resources that are not in spendable form, such as, inventory or prepaid items or balances that are legally required to be maintained intact.

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

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted balances are available. The District's policy is to first apply assigned, committed and unassigned resources, respectively, when an expense is incurred for the purposes for which assigned, committed and/or unassigned balances are available.

The District does not have a formal minimum fund balance policy. However, the Board has committed \$750,000.00 in the General Fund as a budget reserve for which formal action must be taken in order to expend.

(m) Statements of Cash Flows

For purposes of the statement of cash flows, all cash and investments are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

(n) Management Estimates

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

(o) Budgetary Data

All governmental, proprietary, and fiduciary fund types, other than agency funds, are subject to annual expenditure budgets. The Board follows the procedures outlined below in establishing the expenditures budget data reported in the basic financial statements:

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Budgetary Data (Continued)

- (1) A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Grandview Heights Board of Education normally adopts the Tax Budget at its organizational meeting in January after conducting a public budget hearing. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function.
- (2) The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
- (3) An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are carried forward as additions to appropriations in the succeeding fiscal year. The Grandview Heights Board of Education normally adopts its annual appropriation measure at its regular July meeting. The Board adopts a temporary appropriation measure to allow the District to operate until its annual appropriations are adopted. The appropriation measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments may transfer funds within their budgets. Supplemental appropriations are presented on a monthly basis during the year and include the transfers requested by staff and any amendments to fund unanticipated expenditures. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. Supplemental appropriations approved during the current fiscal year, in the opinion of management, had no significant effect on the financial statements of the District. Appropriations may not exceed estimated resources at the fund level and expenditures may not exceed appropriations in any fund at the object level.
- (4) The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The comparison of actual results with the budget are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis).

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Encumbrances

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

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

3. CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2013, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions" – an amendment of GASB Statement No. 53, "Fund Balance Reporting and Governmental Fund Type Definitions", and Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the School District.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacements 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 did not result in any change in the School District's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

4. CASH AND INVESTMENTS

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations; bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association; bank certificates of deposit; no-load money market mutual funds consisting exclusively of obligations previously described in this paragraph and repurchase agreements secured by such obligations, provided that investments in securities herein are made only through eligible institutions; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and State Treasury Asset Reserve of Ohio (STAR Ohio), which is managed by the Treasurer of the State of Ohio. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities. It is management's policy to invest in United States and State of Ohio bonds, notes and other obligations; repurchase agreements; bank certificates of deposit; and STAR Ohio.

Earnings on investments are credited to the General Fund unless otherwise required by law. It is management's policy while investing the District's public funds primarily to ensure the safety of the principal. The secondary consideration is liquidity and third is rate of return on the investment.

State statutes classify monies held by the School District into three categories. Active deposits are public deposits necessary to meet current demand on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts or in money market deposit accounts. Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including passbook accounts.

Public Depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. The District complied with the provisions of these statutes.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

4. CASH AND INVESTMENTS (Continued)

At June 30, 2013 the carrying amount of the District's deposits was \$8,737,638 and the bank balance was \$8,884,088. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, as of June 30, 2013 \$4,981,693 of the District's bank balance of \$8,884,088 was exposed to custodial risk as discussed below, while \$3,902,395 was covered by Federal Deposit Insurance Corporation.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. 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.

The District has no deposit policy for custodial risk beyond the requirements of the State statute discussed in the preceding paragraph.

As of June 30, 2013, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Risk</u>	<u>Fair Value</u>
STAR Ohio	Not Applicable	AAAm	643,720
Total			<u>\$ 643,720</u>

Interest Rate Risk: The Ohio Revised Code 135.14(D) limits interim securities to a term of five years, unless matched to a specific debt.

The District's investment policy follows the above statute for addressing interest rate risk.

Credit Risk: As of June 30, 2013, the District's investments in STAR Ohio were rated AAAm by Standard & Poor's.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer for the types of investments listed above. One hundred percent of the District's investments are in STAR Ohio.

5. DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables at June 30, 2013, consist of the following:

	<u>Governmental Activities</u>		
	<u>Due From</u>		
	<u>Federal</u>	<u>Local</u>	<u>Total</u>
	<u>Government</u>	<u>Government</u>	<u>Total</u>
General Fund	\$ -	\$ 46,435	\$ 46,435
Other Governmental Funds	\$ 20,473	\$ -	\$ 20,473
Total	<u>\$ 20,473</u>	<u>\$ 46,435</u>	<u>\$ 66,908</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

6. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables and payables as of June 30, 2013.

7. INTERFUND TRANSFER

Interfund transfer for the year ended June 30, 2013, consisted of a transfer of \$50,000 from the General Fund to the Food Service Fund. This transfer is considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

8. CAPITAL ASSETS

Summaries of changes in capital assets for the fiscal year ended June 30, 2013, follows:

<u>Activity</u>	<u>Governmental Activities</u>			<u>Balance June 30, 2013</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	
	Land	\$ 137,400	\$ -	
Buildings and Improvements	17,554,292	-	-	17,554,292
Furniture and Equipment	4,989,301	481,800	24,425	5,446,676
Vehicles	88,909	-	-	88,909
Totals as Cost	22,769,902	481,800	24,425	23,227,277
Less Accumulated Depreciation:				
Buildings and Improvements	7,372,760	298,391	-	7,671,151
Furniture and Equipment	3,095,549	264,979	23,811	3,336,717
Vehicles	68,130	4,222	-	72,352
Total Accum. Depr.	10,536,439	567,592	23,811	11,080,220
Capital Assets, Net	\$ 12,233,463	\$ (85,792)	\$ 614	\$ 12,147,057

<u>Activity</u>	<u>Business-Type Activities</u>			<u>Balance June 30, 2013</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	
	Furniture and Equipment	\$ 152,514	\$ 2,250	
Totals at Cost	152,514	2,250	-	154,764
Less Accumulated Depreciation:				
Furniture and Equipment	121,993	2,987	-	124,980
Total Accum. Depr.	121,993	2,987	-	124,980
Capital Assets, Net	\$ 30,521	\$ (737)	\$ -	\$ 29,784

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

8. CAPITAL ASSETS (Continued)

*Depreciation Expense was charged to governmental functions as follows:

Instruction:			
Regular	\$	302,766	
Special		7,088	
Support Service:			
Pupils		89,844	
Instructional Staff		3,931	
Administration		3,844	
Fiscal		882	
Business		16,651	
Operation and Maintenance		97,686	
Central		3,193	
Food Service		1,188	
Extracurricular		40,519	
Total Depreciation Expense	\$	567,592	

9. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2013, follows:

	<u>Governmental Activities</u>			Balance June 30, 2013	Amounts Due In One Year
	Balance July 1, 2012	Additions	Deletions		
Long-Term Obligations:					
Accrued Interest	\$ 103,990	\$ 101,005	\$ 103,990	\$ 101,005	\$ 101,005
Capital Lease	154,044	193,203	172,213	175,034	86,037
Accrued Vacation and Sick	1,022,652	65,030	96,341	991,341	111,851
G.O. Bonds	4,254,989	-	235,646	4,019,343	228,880
G.O. Notes	87,500	-	17,500	70,000	17,500
Total	\$ 5,623,175	\$ 359,238	\$ 625,690	\$ 5,356,723	\$ 545,273

	<u>Business-Type Activities</u>			Balance June 30, 2013	Amounts Due In One Year
	Balance July 1, 2012	Additions	Deletions		
Accrued Vacation and Sick	\$ 4,198	\$ 7,232	\$ 4,198	\$ 7,232	\$ 2,170
Total	\$ 4,198	\$ 7,232	\$ 4,198	\$ 7,232	\$ 2,170

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

9. LONG-TERM LIABILITIES (Continued)

Additions and deletions of accrued sick leave are shown net since it is impracticable for the District to determine these amounts separately. District employees are granted sick leave in varying amounts. Vested personal and sick leave is the amount the District would owe in the form of severance pay to employees eligible to retire on June 30, 2013, plus vested personal and sick leave for faculty and classified staff members with over 15 years of service in the retirement system in accordance with GASB Statement 16. This would be paid out of the General, Other Governmental Funds, and Food Service Funds.

Capital Leases: The District is making installment payments on computer equipment purchased with original values of \$241,064, \$110,476 and \$193,203. This obligation provides for interest rates at 5.58%, 4.10% and 3.44%, with an outstanding balance of \$175,034 at June 30, 2013.

The following is a schedule of future minimum lease payments required under the capital leases and present value of the minimum lease payments as of June 30, 2013:

	Year Ending June 30
Fiscal Year 2014	\$ 92,059
Fiscal Year 2015	<u>\$ 92,058</u>
Total Principal and Interest Payments	184,117
Less Interest Payments	<u>(\$9,083)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 175,034</u></u>

Voted general obligation bonds in the amount of \$10,000,000 were issued in accordance with Chapter 133 of the Ohio Revised Code on March 1, 1995 with an average annual interest rate of 5.94%. The purpose of the bond issue was to construct a new multi-purpose facility, renovate school buildings, improve school sites and implement technology improvements. The bonds were scheduled to be repaid over a 24 year period with the final payment due on December 1, 2019. The \$8,560,000 balance of these bonds were advance-refunded on November 1, 2001 with new bonds issued for \$8,559,989 at an average annual interest rate of 5.1901%. A dedicated tax estimated by the Franklin County Auditor to average 5.52 mills is being collected to repay this debt and the \$3,060,000 debt described in the following paragraph.

Voted general obligation bonds in the amount of \$3,060,000 were issued in accordance with Chapter 133 of the Ohio Revised Code on January 1, 1996 with an average annual interest rate of 5.31%. The purpose of the bond issue was to complete the construction of the new multi-purpose facility, renovate school buildings, improve school sites and implement technology improvements as described in the paragraph above. The bonds are scheduled to be repaid over a 23 year period with the final payment due on December 1, 2019. A dedicated tax estimated by the Franklin County Auditor to average 5.52 mills is being collected to repay this debt and the \$10,000,000 debt described in the preceding paragraph.

Unvoted notes were sold to PNC Bank for \$175,000 in accordance with Chapter 133.06 of the Ohio Revised Code on December 1, 2006 with an average annual interest rate of 4.25%. The purpose of the notes was for the furnishing of materials and performance of labor necessary to install a synthetic grass playing field at Bobcat Stadium. The school district has set aside the rent proceeds associated with cell tower lease contracts to pay off the remaining debt over a ten-year period; with the final payment due on December 1, 2016.

In the opinion of management, the District has complied with all bond covenants.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

9. LONG-TERM LIABILITIES (Continued)

The annual maturities of the general obligation bonds as of June 30, 2013, and related interest payments are as follows:

**November 1, 2001 Bonds Issued to Advance-Refund
March 1, 1995 Renovation and Construction Bonds**

Fiscal Year Ended	Principal	Interest	Total Payment Due During Year
June 30, 2014	63,880	624,158	688,038
June 30, 2015	50,463	607,574	658,037
June 30, 2016	510,000	105,925	615,925
June 30, 2017	500,000	81,937	581,937
June 30, 2018	495,000	58,306	553,306
June 30, 2019 to 2020	980,000	46,550	1,026,550
	2,599,343	1,524,450	4,123,793

January 1, 1996 Renovation and Construction Bonds

Fiscal Year Ended	Principal	Interest	Total Payment Due During Year
June 30, 2014	165,000	74,231	239,231
June 30, 2015	175,000	64,796	239,796
June 30, 2016	190,000	54,668	244,668
June 30, 2017	200,000	43,845	243,845
June 30, 2018	215,000	32,329	247,329
June 30, 2019 to 2020	475,000	26,779	501,779
	1,420,000	296,648	1,716,648

December 1, 2006 Synthetic Grass Playing Field Notes

Fiscal Year Ended	Principal	Interest	Total Payment Due During Year
June 30, 2014	17,500	2,603	20,103
June 30, 2015	17,500	1,860	19,360
June 30, 2016	17,500	1,115	18,615
June 30, 2017	17,500	372	17,872
	70,000	5,950	75,950

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

9. LONG-TERM LIABILITIES (Continued)

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment Due During Year</u>
June 30, 2014	246,380	700,992	947,372
June 30, 2015	242,963	674,230	917,193
June 30, 2016	717,500	161,708	879,208
June 30, 2017	717,500	126,154	843,654
June 30, 2018	710,000	90,635	800,635
June 30, 2019 to 2020	1,455,000	73,329	1,528,329
	4,089,343	1,827,048	5,916,391

The ORC 133.06 provides that the net debt of a school district, whether or not approved by the people, shall not exceed 9% of the total value of all property in the school district as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed 0.1% of the total assessed value of property. However, school districts are permitted to incur unvoted debt up to 0.9% of the total assessed value of property for energy conservation measures in accordance with ORC 3313.372. This creates a new situation whereby the unvoted debt limitation is 1.0% of the total assessed value of property in the school district. The total valuation of the Grandview Heights School District on June 30, 2013 was \$283,271,590 according to the Franklin County Auditor's Office. Unvoted net debt at June 30, 2013 was \$70,000. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At June 30, 2013, the District's total net debt and unvoted net debt were approximately 1.44% of the total assessed value of all property within the School District. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Franklin County.

As of June 30, 2013, this entity has complied with the requirement that debt service payments on unvoted overlapping debt must not exceed in the aggregate 1% (10 mills) of the assessed property value.

10. DEFINED BENEFIT PENSION PLANS

(a) State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. DC and Combined Plan members may transfer to a different STRS Ohio retirement plan during their fifth year of membership. Eligible members who do not make a choice during the reselection period will permanently remain in their current plan.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) State Teachers Retirement System (Continued)

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

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

Combined Plan offers features of the DC Plan and the DB Plan. Member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to members on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

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

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

10. DEFINED BENEFIT PENSION PLANS (Continued)

(a) State Teachers Retirement System (Continued)

For the fiscal year ended June 30, 2013 (most recent information available) members were required to contribute 10 percent of their annual covered salary and the District was required to contribute 14 percent. Member and employer contributions were established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers provided by Chapter 3307 of the Ohio Revised Code. Of the 14% contributed by the District, 13% was the portion used to fund pension obligations.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,121,496, \$1,188,304, and \$1,152,421 respectively; 84.0 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

(b) School Employees Retirement System

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

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.10%. The remaining .90% of the 14% employer contribution rate is allocated to Health Care and Medicare B Funds. The School District's contributions to SERS for the fiscal years ended June 30 2013, 2012, and 2011 were \$315,936, \$276,096, and \$318,120, respectively; 71.8% has been contributed for fiscal year 2013 and 100% for fiscal year 2012 and 2011.

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

(a) State Teachers Retirement System

The School District contributes to the cost sharing multiple employer defined benefit Health 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. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

(a) State Teachers Retirement System (Continued)

Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, STRS Ohio allocated 1% of covered payroll to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$81,789, \$83,900, and \$84,857 respectively; 84.0% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

(b) School Employees Retirement System

School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans, the Medicare Part B Plan and the Health Care Plan as permitted by Ohio Revised Code Sections 3309.69 and 3309.375. The Medicare Part B Plan reimburses for Medicare Part B premiums paid by eligible retirees. The Health Care Plan provides health care and prescription drug plans administered by two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Retirement Board establishes rules for premiums paid by retirees for health care coverage and varies depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. SERS' Retirement Board reserves the right to change or discontinue any health plan or program.

Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS for the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2013 the actuarially required allocation was 0.74%. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$2,338, \$2,071, and \$2,418 respectively; 71.8% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

State statute permits SERS to fund the health care benefits through employer contributions. Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contributions of 14% of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For the year ended June 30 2013, the health care allocation is 0.16%. 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.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

11. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

(b) School Employees Retirement System (Continued)

State law provides 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 2013, the minimum compensation level was established at \$20,525, and the District's surcharge was \$38,244. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care fund. The School District's contributions assigned for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$38,749, \$32,658, and \$35,984 respectively; 71.8% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

12. PROPERTY TAXES

Property Taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. All property taxes are collected on behalf of the District by Franklin County. Due and collection dates for real property taxes, as established by Franklin County, were January 20, 2012 and June 20, 2012 for those taxes due during 2013. Tangible personal property taxes are due April 30 if paid annually; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility real property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the previous year.

Assessed values are established by State law at 35% of appraised market value for Real Estate and Public Utility real property. Public utility tangible personal property is assessed at varying percentages of true value. A reappraisal of all property is required to be completed no less than every six years. A revaluation of all property is required to be completed no less than every three years. The assessed values for collection in 2013 upon which the 2012 levies were based, was as follows:

Real estate:	
Residential	\$ 228,116,100
Commercial	\$ 39,767,520
Industrial	\$ 7,021,700
Public utility:	
Real	\$ 46,960
Personal	\$ 8,319,310
Total	<u>\$ 283,271,590</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

12. PROPERTY TAXES (Continued)

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .5% (5.0 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases. The total tax rate for the District, including voted increases, was 104.30 mills in 2013 with an effective rate of 43.18 for residential property and 64.57 for commercial property.

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in the county, including the District. The Franklin County Auditor periodically remits to the District its portion of the taxes collected. Property taxes may be paid on either an annual or a semiannual basis.

13. FEDERAL AND STATE GRANTS

The Federal and State Grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District believes such disallowances, if any, would be immaterial.

14. BUDGET BASIS OF ACCOUNTING

The following adjustments are necessary to convert the results of operations and fund balances at end of year from GAAP basis to budget basis:

(a) Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses:

	General
GAAP basis	\$ (123,482)
Increase (decrease):	
Due to revenues:	
Received in cash during fiscal year 2013, but accrued June 30, 2012	2,644,700
Accrued at June 30, 2013, but not yet received in cash	(2,010,654)
Due to expenditures:	
Paid in cash during fiscal year 2013, accrued June 30, 2012	(1,889,960)
Accrued at June 30, 2013, not yet paid in cash	1,937,816
Budget basis	558,420
Encumbrances outstanding on June 30, 2013	(535,662)
Budget basis	\$ 22,758

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

14. BUDGET BASIS OF ACCOUNTING (Continued)

(b) Fund balances at end of year:

	General
GAAP basis	\$ 7,570,968
Increase (decrease):	
Due to revenues:	
Received in cash during fiscal year 2013 but accrued at June 30, 2012	0
Accrued at June 30, 2013, not yet received in cash	(2,010,654)
Due to expenditures:	
Paid in cash during fiscal year 2013, accrued at June 30, 2012	0
Accrued at June 30, 2013, not yet paid in cash	1,937,816
Budget basis	7,498,130
Encumbrances outstanding on June 30, 2013	(535,662)
Fund balance at end of year, unencumbered, budget basis	\$ 6,962,468

15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2013, the District contracted with the Ohio School Plan for general liability insurance with a \$2,000,000 single occurrence limit and a \$4,000,000 aggregate limit with a \$10,000 deductible. The District also contracted with the Hanover Insurance Group, member of Citizens Insurance Company of America, to provide property and fleet insurance requiring deductibles ranging from \$250 to \$2,500 depending on the type of property. Additionally, the District participates in the State Workers' Compensation system that provides coverage for accidents and injuries to employees while on the job. The premium is based on a rate per \$100 of salaries and is calculated as part of a state-wide group rating plan for workers' compensation insurance coverage sponsored by the Ohio School Board's Association. Finally, the District offers employee group health insurance from Aetna, dental insurance from Delta Dental Plan, and life insurance from the American United Life Insurance Company with a portion of health insurance premiums being paid by employees. Insurance settlements have not exceeded insurance coverage for each of the past three fiscal years.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

16. JOINTLY GOVERNED ORGANIZATION AND JOINT VENTURE

The Metropolitan Educational Council is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. MEC is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for MEC. MEC provides computer services to the District including payroll, budgetary and student management information. The District submitted \$50,633 to MEC during the fiscal year 2013.

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

The Governing Board of the Academy consists of five members appointed by each member school. The District does not have an equity interest that is explicit and measurable in the joint venture, however, the District does have an ongoing financial obligation to support the Academy in meeting its financial obligations. The District submitted \$20,250 to the Academy during fiscal year 2013.

Further detailed financial information may be obtained by contacting the Upper Arlington City School District at (614) 487-5007.

17. LITIGATION

The District is currently party to legal proceedings of which management cannot determine any outcome at this time.

18. SET-ASIDE CALCULATION AND FUND RESERVES

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for construction and maintenance 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 Policy of the School District is to set aside the workers' compensation money returned to the District for budget stabilization.

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

	Capital Acquisitions	Budget Stabilization
Set-aside Balance, July 1 2012	\$ -	\$ 68,902
Current Year Set-aside Requirement	183,293	-
Qualifying Expenditures	(351,061)	-
Total	<u>(167,768)</u>	<u>68,902</u>
Set-aside Balance, June 30, 2013	<u>\$ -</u>	<u>\$ 68,902</u>

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

18. SET-ASIDE CALCULATION AND FUND RESERVES (Continued)

- (a) The mandatory total reserve balance for all set-asides at the end of the fiscal year was \$68,902. Although the District had qualifying disbursements during the year that reduced the capital acquisitions set aside amounts to below zero, the District has elected not to use these amounts to reduce the set aside requirements in future years.

19. CHANGES IN ACCOUNTING PRINCIPLES

GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

The District has early implemented GASB Statement No. 65 *“Items Previously Recognized as Assets and Liabilities”*, properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

As a result of implementing these statements, the following liabilities have been reclassified, as indicated:

Item	New Classification	Governmental Activities
Property tax billed, but levied for next year's budget (previously reported as a liability)	Deferred inflow of resources	\$8,023,676
Payment in lieu of tax billed, but levied for next year's budget (previously reported as a liability)	Deferred inflow of resources	\$663,392
Total Deferred Inflow of Resources		\$8,687,068

20. SIGNIFICANT COMMITMENT

- (a) Construction Commitments

As of June 30, 2013, the District had the following commitments with respect to building maintenance and security system upgrades.

<u>Project</u>	<u>Contractor</u>	<u>Amount Remaining</u>	<u>Estimated Completion Date</u>
RLS Roof Replacement	Design-Build Solutions Inc.	\$ 112,825	September, 2013
Repair/Refinish Gym Floor	Floor Tech LLC	11,183	August, 2013
Carpet Replacement	Continental Office Furniture	26,993	August, 2013
Install Block Walls	Legg & Davis Construction Inc.	10,000	September, 2013
Painting and Drywall	Just Hangin 2	14,280	August, 2013
Remove Brick Chimney	General Maintenance & Engin.	11,993	August, 2013
		<u>\$ 187,274</u>	

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

20. SIGNIFICANT COMMITMENT (Continued)

(b) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances are reported as a component of assigned restricted or committed fund balances since they do not constitute expenditures or liabilities. Outstanding encumbrances in governmental funds as of June 30, 2013 were as follows:

<u>Fund Type</u>	<u>Encumbrances</u>
General	\$ 535,662
Other Governmental	218,075
Total	<u>\$ 753,737</u>

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**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	\$ 9,869	\$ 9,869
Cash Assistance:			
National School Lunch Program	10.555	<u>61,086</u>	<u>61,086</u>
Total Nutrition Cluster		<u>70,955</u>	<u>70,955</u>
Child Care Food Program	10.558	<u>3,332</u>	<u>3,332</u>
Total U.S. Department of Agriculture		<u>74,287</u>	<u>74,287</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	99,199	99,199
Special Education - Grants to States	84.027	266,493	262,596
Career and Technical Development - Basic Grants to States	84.048	6,192	10,513
Education Technology	84.318	689	689
Improving Teacher Quality State Grants	84.367	32,572	32,572
ARRA - Race to the Top Incentive Grants	84.395	<u>42,320</u>	<u>41,119</u>
Total U.S. Department of Education		<u>447,465</u>	<u>446,688</u>
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES <i>Passed Through Ohio Department of Education</i>			
Learn and Serve America - Community Based Programs	94.004	<u>-</u>	<u>201</u>
Total U.S. Corporation for National and Community Services		<u>-</u>	<u>201</u>
Total		<u>\$ 521,752</u>	<u>\$ 521,176</u>

The accompanying notes are an integral part of this schedule.

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at their entitlement value. The District allocated donated food commodities to the respective programs that benefited from the use of those donated food commodities.



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Grandview Heights City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 12, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

March 12, 2014



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Grandview Heights City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Grandview Heights City School District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on the Major Federal Program

In our opinion, Grandview Heights City School District complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

March 12, 2014

**GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

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 Grandview Heights City 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 July 17, 2012 to include prohibiting harassment, intimidation, or bullying of any student by an "electronic act". The District does not operate any buses, and therefore is exempt from including that in their policy.

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
Columbus, Ohio

March 12, 2014

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Dave Yost • Auditor of State

GRANDVIEW HEIGHTS CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 1, 2014**