



Dave Yost • Auditor of State

ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster:					
National School Lunch Program	10.555	<u>\$117,772</u>	<u>\$31,366</u>	<u>\$117,772</u>	<u>\$31,366</u>
Total Nutrition Cluster		<u>117,772</u>	<u>31,366</u>	<u>117,772</u>	<u>31,366</u>
Total U.S. Department of Agriculture		<u>117,772</u>	<u>31,366</u>	<u>117,772</u>	<u>31,366</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	203,206	0	201,314	0
Special Education Cluster:					
Special Education--Grants to States (IDEA, Part B)	84.027	416,158	0	399,310	0
Special Education--Preschool Grants	84.173	<u>16,765</u>	<u>0</u>	<u>17,096</u>	<u>0</u>
Total Special Education Cluster		<u>432,923</u>	<u>0</u>	<u>416,406</u>	<u>0</u>
English Language Acquisition States Grants	84.365	6,591	0	10,400	0
Improving Teacher Quality State Grants	84.367	46,615	0	46,262	0
ARRA - Race to the Top	84.395	<u>4,900</u>	<u>0</u>	<u>4,895</u>	<u>0</u>
Total U.S. Department of Education		<u>694,235</u>	<u>0</u>	<u>679,277</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$812,007</u>	<u>\$31,366</u>	<u>\$797,049</u>	<u>\$31,366</u>

The accompanying notes are an integral part of this schedule.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Orange City School District's (the District) 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 the fair value.

CFDA – Catalog of Federal Domestic Assistance



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

Orange City School District
Cuyahoga County
32000 Chagrin Blvd.
Pepper Pike, Ohio 44124

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 Orange City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 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 opinion(s) 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*.

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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

December 12, 2014



Dave Yost • Auditor of State

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

Orange City School District
Cuyahoga County
32000 Chagrin Blvd.
Pepper Pike, Ohio 44124

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Orange 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 Orange City School District's major federal program for the year ended June 30, 2014. The *Summary of Auditor's 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 the District's major federal program 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 us to 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 such 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 of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Orange City School District's 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, 2014.

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 charged 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.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Orange City School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 12, 2014. We conducted our audit to opine on the Districts' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management 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

Orange City School District
Cuyahoga County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program, on Internal Control Over
Compliance Required by OMB Circular A-133, and on the Federal
Awards Receipts and Expenditures Schedule
Page 3

certain additional procedures, including comparing and reconciling this 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.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2014

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster (IDEA): Special Education Grants to States, CFDA #84.027, and Special Education Preschool Grants, CFDA #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Prepared by
Treasurer's Department
L. Greg Slemmons, Treasurer

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Comprehensive
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Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



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Orange City School District
32000 Chagrin Blvd.
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Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014
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Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



**To Learn.
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Introductory Section

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December 12, 2014

Board of Education Members and Residents of the Orange City School District:

We are pleased to submit to you the Orange City School District's (the "District") Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2014. This CAFR includes an opinion from an independent auditor and conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds as well as the District as a whole. This report will provide the taxpayers of the District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be made available to all interested parties.

The School District

History

More than a hundred years ago, a one-room school was built on land donated by the mother of President James A. Garfield. This school and seven other one-room schools located throughout the area were consolidated into the Orange City School District. The land for the first District school building was donated by the Stoneman Family.

The original, two-story school building opened in 1924 on the site of the current Orange High School. A total of 314 children in kindergarten through 12th grade were all educated in this one building. Dr. Terry Wickham, former president of Heidelberg College, was the School District's first superintendent. The first senior class graduated in 1927 with 11 members.

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange City School District. In 1994, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school. The original Moreland Hills Elementary School was used to educate students in grades K-2 as recently as the 2000-2001 school year, while the Pepper Pike Elementary School housed grades 3-4. Starting with the 2001-2002 school year, the original Moreland Hills Elementary School building was no longer used for K-12 education, but was replaced by the newly built Moreland Hills Elementary School serving students in grades pre-K-5. In 2003, the new school earned the distinction of becoming an Ohio Hall of Fame School based on its quality efforts. Beginning in the fall of 2009, the school served grades K-5 with the pre-K, the Orange Inclusive Preschool program, moved to the Pepper Pike Learning Center (formerly known as Pepper Pike Elementary School). The original Moreland Hills Elementary School was converted to a centralized maintenance and technology facility serving the entire District.

Enrollment from kindergarten through grade 12 increased from 500 students in 1939 to 1,750 in the spring of 1958. Eighty-two students graduated in 1958.

The District then experienced a period of successful expansion as a result of the support of the citizens of the community and long-range planning by the Board of Education, administration and faculty.

Ballard Brady Middle School opened in 1965. It was named for Dr. Ballard Brady, superintendent from 1951 to 1967. Brady Middle School educated children in grades 5-7 through the 2000-2001 school year. Starting with the 2001-2002 school year, the school was reconfigured to educate children in grades 6-8. Grade 5 children attended the new Moreland Hills Elementary School starting with the 2001-2002 school year. In 2001, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. A new gymnasium broke ground in 2009 and was completed in 2011.

Orange High School was remodeled and expanded many times with the last two major renovations taking place in 2001 and 2007. The library and commons areas were renovated in the years 2006 and 2009, respectively. In the 1990-1991 school year, Orange High School was recognized as a National Blue Ribbon School of Excellence by the United States Department of Education. In 2003, the high school was awarded Tier One status in the Ohio Award for Excellence. Throughout the District's history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

Present

The Orange School campus is located on 176 beautifully wooded acres in the Chagrin Valley, approximately 15 miles east of Cleveland. The campus setting offers students the advantage of moving between buildings for academic offerings, performances, and sports programs, as well as the opportunity to study the environment in a natural setting. The District encompasses the five separate municipalities of Pepper Pike, Moreland Hills, Orange, Hunting Valley and Woodmere as well as small portions of Solon, Bedford Heights, and Warrensville Heights.

Many of the District's 2,216 students are bused daily to the campus consisting of four school buildings: Moreland Hills Elementary School, Brady Middle School, Orange High School and Pepper Pike Learning Center, which houses an inclusive preschool program. The District's campus also includes an administration building, centralized maintenance and technology center and a transportation depot. The District also manages the Orange Community Education and Recreation Department, which encompasses public preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The Recreation Department utilizes all District facilities in concert with the school system. Gund School, which adjoins the District's campus within the Beechbrook residential facility, provides instruction for 70 students with special needs. The District also serves 33 students from the New Directions residential drug treatment facility, which is located within the District's boundaries.

The population within the District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 35 percent of the student population in the District. The majority of residents in the District have a bachelor's degree or higher and are involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. Approximately 98 percent of the District's graduates pursue post-secondary education. Over the past approximately 35 years, residents have passed all school operating levies placed on the ballot for their approval. A .95-mill replacement levy for the Orange Community Education and Recreation Department was approved by 68 percent of the voters in November 2010. Most recently, a general operating levy of 5 mills, which was on the ballot in November 2011, was approved by 60 percent of the voters. In addition, a \$36.5 million bond issue was approved in November 1998 by 68 percent of the voters and a one-mill permanent improvement levy was approved in November 2003 by 66 percent of the voters. The District is fortunate to have residents who believe in, and are willing to support with tax dollars, a high quality of education for all children.

Organizational Structure

The District's Board of Education approved the Superintendent's recommendation for a central office re-organization plan in January 1998. The plan re-structured central office administrative roles and support for the Superintendent of Schools. New job titles and job descriptions for central office administrators were established at that time.

The Superintendent serves as the Chief Administrative Officer of the District, responsible for providing educational and administrative management leadership for the total operation of the District.

The Treasurer/Director of Budget Services is the Chief Financial Officer of the District and is responsible for maintaining records of all financial matters, issuing warrants and paying liabilities incurred by the District. The Treasurer also serves as custodian of all District funds with the responsibility for the investment of funds as specified by law. The Treasurer of the District reports directly to the five member Board of Education that serves as the taxing authority, the contracting body, and the policy developers for the District. The Board adopts the annual operating budget of the District to which the Treasurer ensures adherence.

The remaining administrative team recommended by the Superintendent and appointed by the School Board include the following: Director of Human Resources, Director of 21st Century Curriculum, Director of Student Support Services, Coordinator of Special Education, Coordinator of Communications, Director of Community Education and Recreation, Supervisory of Technology, Assistant Treasurer, Supervisor of Transportation Services, Supervisor of Food Services, Director of Operations and Business Services, Campus Supervisor, and Building Principals.

The District has implemented various aspects of Site Based Management with the building principals and supervisors for the purpose of providing site leadership while the central office directors strive to provide the highest quality services and support in order to fulfill the educational needs of the schools.

The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", as amended by Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units. Based upon the application of these criteria, the District has no component units and is not itself a component unit. The basic financial statements of the reporting entity include only those of the District (the primary government).

The District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the North Coast Council (NCC), the Ohio Schools Council and the Suburban Health Consortium. These organizations are presented in Notes 15 and 16 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaging Students in 21st Century Learning

The District will authentically engage students in a positive, supportive, nurturing and safe environment in order to develop critical-thinking and civic-minded citizens who will contribute to the local community and our global society. This system will encourage the support and participation of the community it serves. The mission is based on the following basic beliefs and principles:

- Public education is a key element of a democratic society.
- All students have the ability and the right to grow intellectually. Thus, the District has a responsibility to provide programs and an environment to stimulate student engagement and growth.
- While the primary focus of the District is K-12 education, community participation and involvement is encouraged. This involvement enhances K-12 education, provides better use of facilities and fosters continued learning for all residents.
- High expectations promote high performance. All students and staff are expected to work to their highest potential.
- Given the current state of public education funding, financial support from the entire community is vital to a successful program.
- The District will maintain excellence through a continuous improvement process.

The educational plan for the District consists of the following:

1. Educational Programs - In order to develop students who will think critically to solve problems, acquire and apply knowledge to be life-long learners, communicate effectively, work collaboratively, utilize new technologies and are civic-minded, the District will:

- Focus all energies on the core business of schools, which is to design engaging work for students.
- Encourage and design professional development for both certified and non-certified staff that focuses on designing engaging and satisfying work for students. This includes, but is not limited to, Teachers' Academy, staff development days, Partnership for Next Generation Learning participation, opportunities for collaboration with other schools and community stakeholders, and Standard Bearer efforts.
- Create an environment that supports the work of the District in designing work for students that engages them in learning what we know they need to learn in order to be well educated.
- Design the schedule in each building to maximize available instructional and collaboration time to enhance student achievement.
- Incorporate at each grade level curricular experiences that involve students and teachers in using instructional technology.
- Maintain, improve and create programs that involve students from all grade levels in citizenship and school/community service programs.
- Encourage student selection of electives, co-curricular and extra-curricular offerings that will contribute to the development of a well-qualified and well-rounded graduate.
- Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
- Provide a learner-centered, innovative experience for all students to help transform the District into one that appropriately reflects the needs of today's children through various initiatives, such as our work with the Partnership for Next Generation Learning and the Schlechty Center.
- Value the contributions of all employees while establishing an atmosphere that enhances continuous improvement of both the individual and the system.
- Establish a complementary and/or extended curriculum through courses offered by the Orange Community Education and Recreation Department.
- Analyze, plan, implement and evaluate strategies which demonstrate a commitment to excellence as measured by student test scores, college admissions, artistic and athletic accomplishments and other indicators of success.
- Encourage all parents to participate in the continuous improvement process.
- Plan and articulate a systematic approach to curriculum which is consistent and sequential.
- Improve the current parent/teacher communication process regarding student welfare.

2. Fiscal Management - To enhance the effectiveness and efficiency of fiscal operations, the District will:
 - Provide useful and timely financial information in accordance with recognized standards, including, but not limited to, detailed spending/revenue plans and financial forecasts.
 - Implement and maintain strong internal controls.
 - Seek out opportunities to increase efficiencies through the use of available technology, when feasible.
 - Pursue appropriate non-traditional school funding sources.
 - Provide a clear accounting of the revenues and expenditures from school operation, bond retirement, permanent improvement and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of future school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act on a permanent appropriation measure prior to October 1.
3. Community Relations - To improve interaction with the community, the District will:
 - Periodically survey residents to determine where further communication is necessary and evaluate the perceptions and the extent of satisfaction or dissatisfaction with the District.
 - Keep the community well-informed by frequently and routinely providing news, information, and features about the District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondence, District web site, local media, social media, and letters to the community.
 - Identify and communicate with Orange Alumni.
4. Business Services - To maintain and improve buildings and facilities, transportation and food service, the District will:
 - Work with the staff to analyze cost effectiveness of present programs and offer recommendations.
 - Involve support staff in continuous improvement opportunities.
 - Work with representative groups to formulate a plan and recommend solutions to issues of space, programming, and maintenance.
 - Periodically review and update the District's facility and equipment permanent improvement plan in order to effectively use available capital funds for such purposes. This will allow the District to adequately maintain and improve the utilization of its physical plant assets.
5. Board of Education Operations - To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education has established the following goals:
 - Maximize achievement for all Orange students.
 - Maintain fiscally responsible operation of the District.
 - Evaluate educational programs.

- Acknowledge, embrace and address diversity.
- Maintain a safe school environment.
- Improve District relationships and communications with residents.
- Expand community partnerships.
- Follow developed guidelines

Major Initiatives and Accomplishments for School Year 2013-2014

The Orange Board of Education and the District's administration continue to work to improve the quality of education for all children and to provide prudent financial management to adequately fund this quality education. The Board of Education and the District's administration with better than expected operating results were able to extend the 2004 levy cycle to seven years. In November 2011 the Board did place on the ballot and was successful in passing a new five mill continuing operating levy.

The Orange High School Advanced Placement Program was named first in class in the State of Ohio by the Siemens Corporation for the 2006-2007 school year. During the 2013-2014 school year, 81% of the Advanced Placement tests taken by Orange students earned a score of 3 or higher, representing college level achievement. In 2013, Orange was recognized among 367 high schools in the United States which has dramatically expanded access to AP courses while maintaining consistently high performance levels. Orange High School continues to be among the top rated high schools in the State of Ohio. In grades 3-10, student performance met or exceeded all state and national standards.

The Orange City School District performed well overall on the 2014 Ohio Department of Education school district report card.

- Earned an "A" = MET 24 out of 24 state indicators.
- Earned an "A" in Overall Value Added (Student Growth).
- Earned an "A" in Graduation rate.
- Scored a very high District Performance Index of 108.2, an increase of 1.40 (measures the achievement of every student).
- Orange High School scored a very high Performance Index of 111.4
- Made gains in narrowing the achievement gap in annual measurable objectives (AMO).

The District is advancing several professional development initiatives aimed at ensuring student success in the twenty-first century. Most notably, the District has been actively engaged in the pioneering work of the Partnership for Next Generation Learning. This project, sponsored by the Council of Chief State School Officers, seeks to redefine learning experiences for public school students in order to guarantee all students graduate with world class knowledge and skills, prepared to be successful citizens in life after high school. The District is engaged in maximizing the use of best instructional practices and technology in order to reach these goals.

During fiscal year 2013, the Board reviewed and revised several Board policies to ensure compliance with current law and to address certain operational areas within the District. This process was completed with the input of the Superintendent, Treasurer, directors and school building-level management.

In January 2012 the District completed the construction and opened a new gymnasium at the Brady Middle School. This 13,600 square foot facility was financed through the use of the Federal Stimulus program and the sale of Qualified School Construction Bonds. Under this program the Federal Government reimburses the District the amount of interest charged for the life of the loan which is ten years.

In 2012, the Board of Education initiated a 5-year facilities study to analyze the District's future needs in regards to repairs, renovations, and educational supports needed to be a 21st Century school district. As a result of the facilities study, the District identified \$10 million in short-term permanent improvement needs across campus. These will be addressed over the next 5 years beginning in school year 2013-2014.

In 2012, the District also used the data from the facilities study to launch its FutureVision plan which studies the various options for long-term facility and campus needs. This plan has included public forums, public meetings, community workshops and mass communications to share information and garner input from various stakeholder groups. More community involvement will be scheduled as the project moves forward.

Student Accomplishments and Achievements

Orange students continued to thrive, grow and achieve within the District's curriculum. Some examples of their successes were:

- 1) A four-year graduation rate of 95.4 percent and a five-year graduation rate of 96.8 percent in 2014, with more than 98 percent of graduates continuing their education at an institution of higher learning.
- 2) More than 81 percent of all Advanced Placement tests earned scores of 3 or better, placing the District's students among the top in the nation.
- 3) One hundred forty three students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations.
- 4) Three National Merit semi-finalists competing for National Merit Scholarships.
- 5) Average student scores on the ACT are consistently above national and state averages, ranking Orange High School among the top 10% of all high schools in Ohio.

The District takes great pride in all of its students' achievements and recognizes the need to both maintain and enhance its curriculum to ensure our students' future academic and intellectual growth.

Economic Outlook

The boundaries of the District include residential parcels with a small portion of industrial/commercial property near interstate highway systems. Transportation access provides an excellent backdrop for commercial-industrial development. Interstate 271, the District's western boundary, access to Interstate 480 less than five minutes away and the Cleveland-Hopkins International Airport about thirty minutes travel time to the west makes the District a great location for all types of professionals. In addition, Interstate 480 permits easy connection with Interstates 71 and 77, leading south to Columbus and north to Cleveland. The District is an ideal suburban location to major hospitals and businesses in the Cleveland area.

Eighty-four percent of the District's valuation is comprised of residential property, which proves the District is an ideal suburban setting. The District's assessed valuation has increased approximately 24 percent since fiscal year 2001. The current economic trend in the nation of keeping and attracting businesses has had its effect on the District through some local tax abatements for businesses. In addition, legislative changes have resulted in a loss of revenue for the District. Most notably, Am. Sub. House Bill 66 passed in 2005, resulted in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year. In July 2011 Sub. House Bill 153 accelerated this phase out in fiscal years 2012 and 2013, but failed to address the balance of the phase out in future years.

Property taxes and related state entitlements made up approximately 87.5 percent of the District's total general fund revenue in fiscal year 2014. This shows that the District relies heavily upon the continued support of its residents through the passage of tax levies.

The District's enrollment has leveled off along with the growth of the five municipalities that make up the majority of enrollment. The 2013-2014 enrollment of 2,216 compared with the 1988-1989 enrollment of 1,973, this reflects an increase of 243 students, or 12 percent, over the 25 year period. In recent years, enrollment has remained fairly static and this trend is expected to continue into the foreseeable future.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. Consequently, school districts throughout Ohio must regularly place funding issues on the ballot to receive significant revenue growth. As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the students' needs over the next several years.

The District did pass a new 5-mill, continuous general operating levy in November 2011 with a 60 percent vote of confidence. This levy will generate approximately \$5 million per year for the general fund. The District also passed a 5.0-mill general operating levy in November 2004 with a 58 percent vote of confidence. This levy generates approximately \$5 million annually for the general fund. These levies, along with other operating levies passed prior to 2004, are projected to provide the funds needed to maintain current program levels. The District voters over the past approximately 35 years have not defeated an operating levy request. A \$36.5 million bond issue was passed with a 68 percent vote of confidence back in November 1998. In addition, a 1-mill, continuous permanent improvement levy was passed in November of 2003 with a 66 percent vote of confidence. These funds were used for various capital improvements and major equipment purchases (as required by law), including the construction of a new elementary school completed in 2001.

Financial Information

Internal Accounting and Budgetary Control

The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Fund financial reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. Internal control over financial reporting involves limitations due to human diligence and is subject to lapses in judgment and breakdowns resulting from human failures. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis. These inherent limitations are part of the financial reporting process and the District has designed processes to reduce this risk.

The District utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual review of each invoice prior to payment and each receipt, ensure that the financial information generated is both accurate and reliable.

As provided by Law, prior to the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure that remains in effect during the first three months of the ensuing fiscal year. Prior to October 1 of each fiscal year, the Board of Education adopts a permanent appropriation measure, which supersedes the previously passed temporary appropriation measure. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled by the Board of Education at the fund level. Within the District's accounting system, a more stringent management budget is controlled at the object level within each function and fund. Budget transfers between and among budget accounts are approved by the Treasurer and Superintendent. All purchase order requests must be approved by the Building Principal or another appropriate Supervisor and certified by the Treasurer. Necessary funds are then encumbered and purchase orders are released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports and transaction information that details year-to date expenditures and encumbrances versus the original appropriation plus any supplemental appropriations passed to date.

As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting and the various funds utilized by the District are fully described in Note 2 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

Financial Reporting

The basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

This transmittal letter is designed to provide historical information about the District, as well as complement the required Management's Discussion and Analysis (MD&A). The District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report and should be read in conjunction with this transmittal letter.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials. The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2013. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2014, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The District was also presented with the Ohio Auditor of State Award with Distinction for the fiscal year 2013. This award is for excellence in financial reporting for the Comprehensive Annual Financial Report and is awarded to entities whose exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans.

Independent Audit

State statute requires the District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. The Ohio Auditor of State was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2014. The opinion appears at the beginning of the financial section of this report. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for 1981.

Acknowledgments

The publication of this report continues in the tradition of providing a high level of accountability of the District's finances to the taxpayers and other internal and external users. This accomplishment would not have been possible without the support and efforts of the entire staff of the Treasurer's office and various administrators and employees of the District. Assistance from the County Auditor's office, surrounding community administrators and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the accounting firm of Julian & Grube, Inc. for their assistance in preparing this financial report.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully submitted,



Dr. Edwin Holland
Superintendent



Greg Slemons
Treasurer

*Orange City School District
List of Principal Officials
As of June 30, 2014*

Board of Education

Mrs. Dagmar Fellowes	President
Mrs. Angela Wilkes	Vice-President
Mrs. Jennifer Cohen	Member
Mr. Jeffrey Leikin	Member
Ms. Melanie Weltman	Member

Treasurer/Director of Budget Services

Mr. L. Greg Slemons

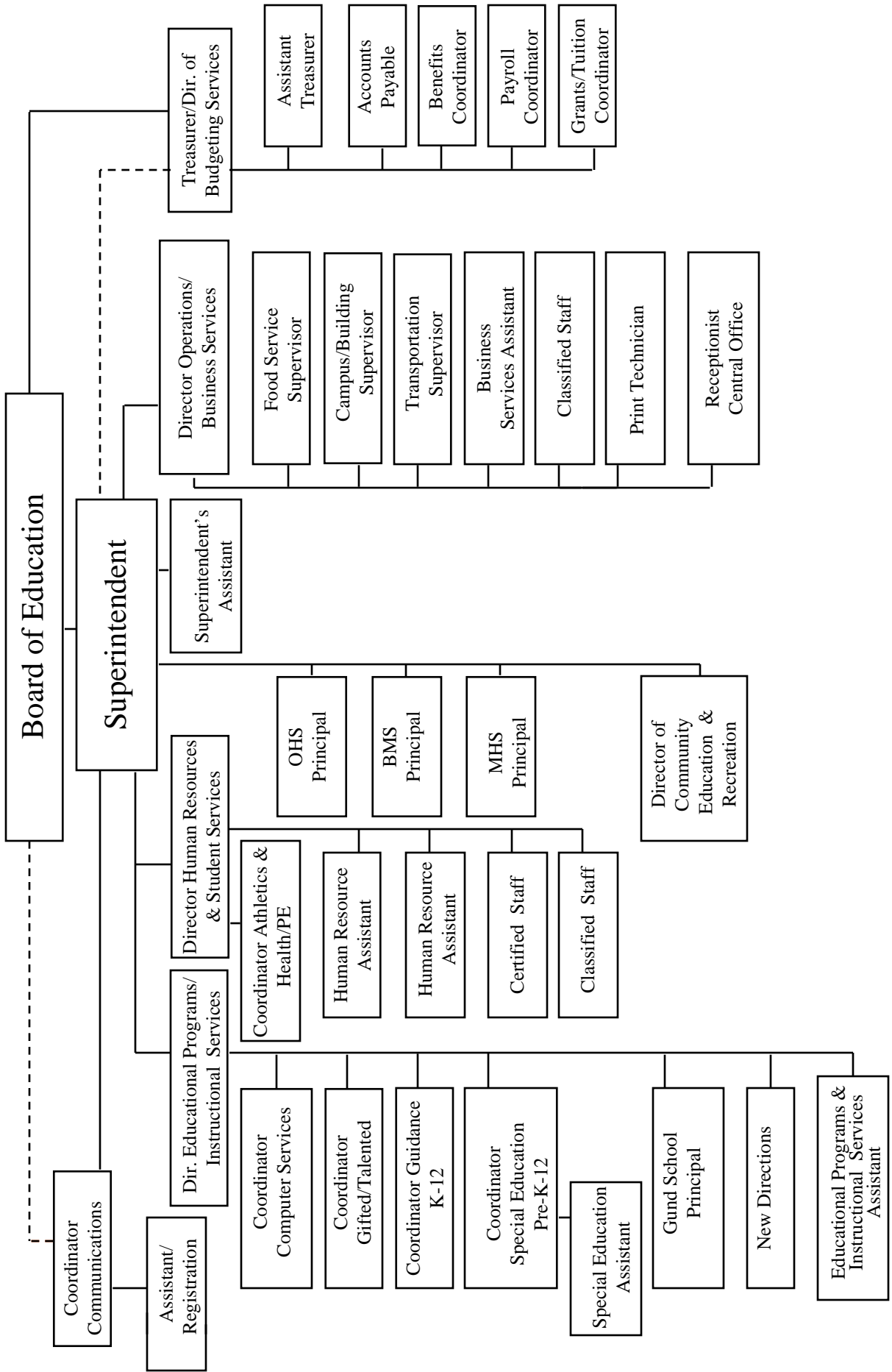
Administration

Dr. Edwin Holland	Superintendent
Dr. Paula Snyder	Director of Human Resources
Mrs. Jennifer Felker ⁽¹⁾	Director of Educational Programs and Instructional Services
Ms. Kershini Naidu	Director of Student Support Services
Mr. Philip Dickinson	Director of Operations and Business Services
Mrs. Laura Guentner	Director of Community Education and Recreation
Mrs. Lori Wotowiec	Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Mr. Gary Platko	Assistant Treasurer
Mrs. Cindy Finohr	Supervisor of Food Services
Mr. Larry Lerch	Supervisor of Transportation Services
Mrs. Jeanette Kane	Supervisor of Technology
Ms. Gina Marie Battaglia	Campus Supervisor

(1) On August 1, 2014, Mrs. Karen Moore became Director of 21st Century Curriculum.

Orange Schools Administrative Position Chart

2012-2013





Government Finance Officers Association

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

Presented to

**Orange City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Orange City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Orange City School District
Cuyahoga County
32000 Chagrin Blvd.
Pepper Pike, Ohio 44124

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 Orange City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2014, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Orange City School District, Cuyahoga County, Ohio, as of June 30, 2014, 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 introductory section, the financial section's combining statements, individual fund schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

December 12, 2014

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The management discussion and analysis of Orange City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- In total, net position increased \$2,729,351. Net position of governmental activities increased \$2,324,948, which represents a 4.08% increase from 2013. Net position of business-type activities increased \$404,403 or 5.33% from 2013.
- General revenues accounted for \$51,225,068 in revenue or 88.45% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,691,166 or 11.55% of total governmental revenues of \$57,916,234.
- The District had \$55,591,286 in expenses related to governmental activities; only \$6,691,166 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$51,225,068 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$51,908,433 in revenues and other financing sources and \$51,923,930 in expenditures and other financing uses. The general fund's fund balance decreased \$15,497 from \$29,478,625 to \$29,463,128.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$2,735,377 in revenues and \$2,539,220 in expenditures. The bond retirement fund's fund balance increased \$196,157 from \$3,933,451 to \$4,129,608.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$4,154,567 in revenues and other financing sources and \$3,674,451 in expenditures. The permanent improvement fund's fund balance increased \$480,116 from \$6,894,125 to \$7,374,241.
- Net position for the District's enterprise fund, the recreation fund, increased \$401,334 or 5.29%. The recreation fund's net position increased from \$7,580,837 to \$7,982,171 on expenses of \$2,465,189 versus revenues (both operating and non-operating) of \$2,866,523.

Using this Comprehensive Annual Financial Report (CAFR)

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question: How did we do financially during 2014? The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's recreation fund is reported as a business-type activity.

The District's statement of net position and statement of activities can be found on pages 21-23 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds and major enterprise fund begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the bond retirement fund and the permanent improvement fund.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 24-28 of this report.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The District's only proprietary funds are the recreation fund and an internal service fund which was used to account for the District's workers' compensation fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost-reimbursement basis. The basic proprietary fund financial statements can be found on pages 29-31 of this report. For reporting on the statement of net position and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in three agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 32 and 33. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 35-69 of this report.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2014 and June 30, 2013.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<u>Assets</u>						
Current assets	\$ 86,024,912	\$ 85,658,813	\$ 5,498,587	\$ 5,005,152	\$ 91,523,499	\$ 90,663,965
Capital assets, net	<u>43,539,764</u>	<u>42,982,818</u>	<u>3,342,225</u>	<u>3,512,524</u>	<u>46,881,989</u>	<u>46,495,342</u>
Total assets	<u>129,564,676</u>	<u>128,641,631</u>	<u>8,840,812</u>	<u>8,517,676</u>	<u>138,405,488</u>	<u>137,159,307</u>
<u>Deferred outflows of resources</u>						
Deferred outflows of resources	<u>368,919</u>	<u>408,097</u>	<u>-</u>	<u>-</u>	<u>368,919</u>	<u>408,097</u>
<u>Liabilities</u>						
Current liabilities	6,013,390	5,836,522	130,558	201,657	6,143,948	6,038,179
Long-term liabilities	<u>29,952,489</u>	<u>30,963,974</u>	<u>54,737</u>	<u>51,351</u>	<u>30,007,226</u>	<u>31,015,325</u>
Total liabilities	<u>35,965,879</u>	<u>36,800,496</u>	<u>185,295</u>	<u>253,008</u>	<u>36,151,174</u>	<u>37,053,504</u>
<u>Deferred inflows of resources</u>						
Deferred inflows of resources	<u>34,706,628</u>	<u>35,313,092</u>	<u>667,783</u>	<u>681,337</u>	<u>35,374,411</u>	<u>35,994,429</u>
<u>Net Position</u>						
Net investment in capital assets	21,803,232	20,334,609	3,342,225	3,512,524	25,145,457	23,847,133
Restricted	8,712,389	7,851,186	-	-	8,712,389	7,851,186
Unrestricted	<u>28,745,467</u>	<u>28,750,345</u>	<u>4,645,509</u>	<u>4,070,807</u>	<u>33,390,976</u>	<u>32,821,152</u>
Total net position	<u>\$ 59,261,088</u>	<u>\$ 56,936,140</u>	<u>\$ 7,987,734</u>	<u>\$ 7,583,331</u>	<u>\$ 67,248,822</u>	<u>\$ 64,519,471</u>

Total governmental assets and deferred outflows of resources increased by \$883,867 while total governmental liabilities and deferred inflows of resources decreased by \$1,441,081 resulting in an increase to net position of \$2,324,948. Total assets of business-type activities increased \$323,136 while total liabilities and deferred inflows of business-type activities decreased by \$81,267 resulting in an increase to net position of \$404,403.

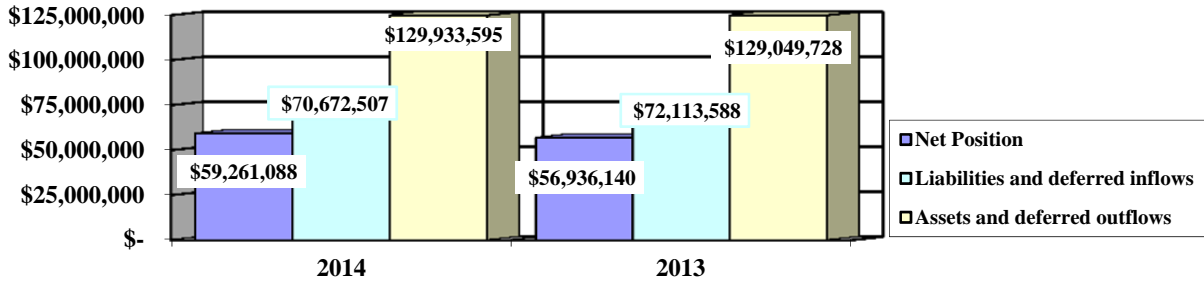
The increase in governmental assets can primarily be attributed to an increase in cash and investments with escrow agent and intergovernmental receivables. Liabilities for governmental activities totaled \$35,965,879; of this amount \$29,952,489 or 83.28% is long-term liabilities. The decrease in liabilities is primarily the result of current year principal payments on long-term general obligation bonds.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

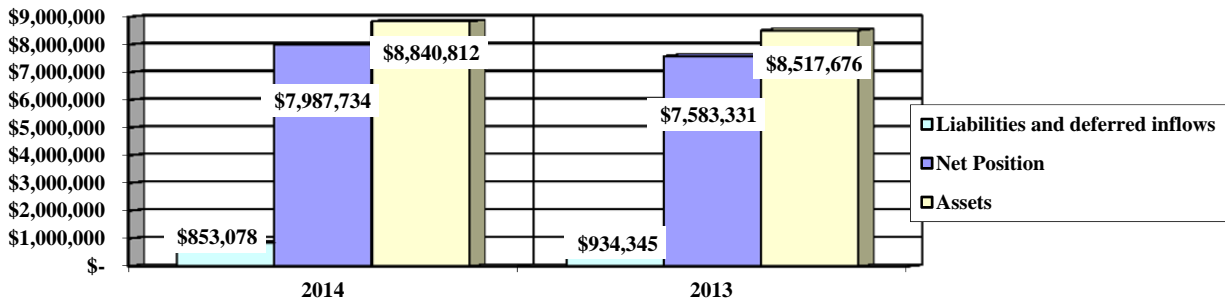
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The graphs below present the District's governmental and business-type assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2014 and June 30, 2013.

Governmental - Net Position



Business-Type - Net Position



**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The table below shows the changes in net position for fiscal year 2014 and 2013.

	Change in Net Position					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 4,709,143	\$ 4,238,065	\$ 1,831,696	\$ 1,761,216	\$ 6,540,839	\$ 5,999,281
Operating grants and contributions	1,967,425	1,743,500	117,952	120,128	2,085,377	1,863,628
Capital grants and contributions	<u>14,598</u>	<u>20,060</u>	<u>-</u>	<u>-</u>	<u>14,598</u>	<u>20,060</u>
Total program revenues	<u>6,691,166</u>	<u>6,001,625</u>	<u>1,949,648</u>	<u>1,881,344</u>	<u>8,640,814</u>	<u>7,882,969</u>
General revenues:						
Property taxes	42,706,496	42,659,868	825,721	824,640	43,532,217	43,484,508
Grants and entitlements, not restricted	7,941,897	7,707,534	-	-	7,941,897	7,707,534
Investment earnings	244,346	258,742	24,545	26,278	268,891	285,020
Inc (dec) in fair value of investments	266,476	(332,887)	27,461	(36,564)	293,937	(369,451)
Miscellaneous	<u>65,853</u>	<u>46,084</u>	<u>39,148</u>	<u>69,029</u>	<u>105,001</u>	<u>115,113</u>
Total general revenues	<u>51,225,068</u>	<u>50,339,341</u>	<u>916,875</u>	<u>883,383</u>	<u>52,141,943</u>	<u>51,222,724</u>
Total revenues	<u>\$ 57,916,234</u>	<u>\$ 56,340,966</u>	<u>\$ 2,866,523</u>	<u>\$ 2,764,727</u>	<u>\$ 60,782,757</u>	<u>\$ 59,105,693</u>

(Continued)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Change in Net Position – (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 20,311,007	\$ 18,837,598	\$ -	\$ -	\$ 20,311,007	\$ 18,837,598
Special	10,248,934	6,493,403	-	-	10,248,934	6,493,403
Vocational	287,690	365,421	-	-	287,690	365,421
Other	208,427	683,802	-	-	208,427	683,802
Support services:						
Pupil	3,601,927	3,598,659	-	-	3,601,927	3,598,659
Instructional staff	976,339	4,003,460	-	-	976,339	4,003,460
Board of education	78,226	69,029	-	-	78,226	69,029
Administration	3,665,874	3,428,020	-	-	3,665,874	3,428,020
Fiscal	1,327,247	1,344,401	-	-	1,327,247	1,344,401
Business	605,040	625,460	-	-	605,040	625,460
Operations and maintenance of plant	5,088,454	5,256,521	-	-	5,088,454	5,256,521
Pupil transportation	3,786,870	3,641,934	-	-	3,786,870	3,641,934
Central	954,363	992,787	-	-	954,363	992,787
Operation of non-instructional services:						
Other non-instructional services	625,874	575,953	-	-	625,874	575,953
Food service operations	683,835	737,225	-	-	683,835	737,225
Extracurricular activities	1,954,690	1,665,913	-	-	1,954,690	1,665,913
Interest and fiscal charges	1,186,489	1,277,694	-	-	1,186,489	1,277,694
Recreation	-	-	2,462,120	2,493,790	2,462,120	2,493,790
Total expenses	<u>55,591,286</u>	<u>53,597,280</u>	<u>2,462,120</u>	<u>2,493,790</u>	<u>58,053,406</u>	<u>56,091,070</u>
Changes in net position	2,324,948	2,743,686	404,403	270,937	2,729,351	3,014,623
Net position at beginning of year	<u>56,936,140</u>	<u>54,192,454</u>	<u>7,583,331</u>	<u>7,312,394</u>	<u>64,519,471</u>	<u>61,504,848</u>
Net position at end of year	<u>\$ 59,261,088</u>	<u>\$ 56,936,140</u>	<u>\$ 7,987,734</u>	<u>\$ 7,583,331</u>	<u>\$ 67,248,822</u>	<u>\$ 64,519,471</u>

Governmental Activities

Net position of the District's governmental activities increased \$2,324,948. Total governmental expenses of \$55,591,286 were offset by program revenues of \$6,691,166 and general revenues of \$51,225,068. Program revenues supported 12.04% of the total governmental expenses.

Charges for services increased \$471,078, which is primarily due to an increase in tuition at the Gund School and an increase in extracurricular revenues. Operating grants and contributions increased \$223,925. This increase is due to an increase in preschool special education and special education transportation foundation funding from the State.

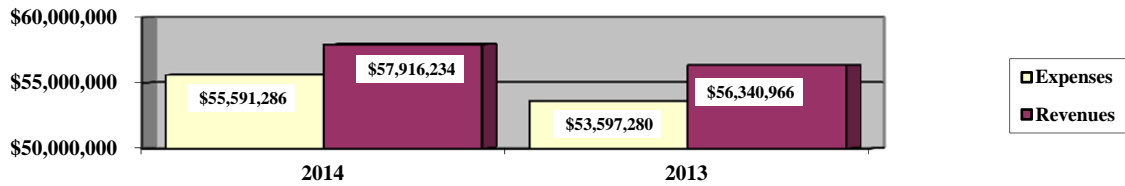
**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

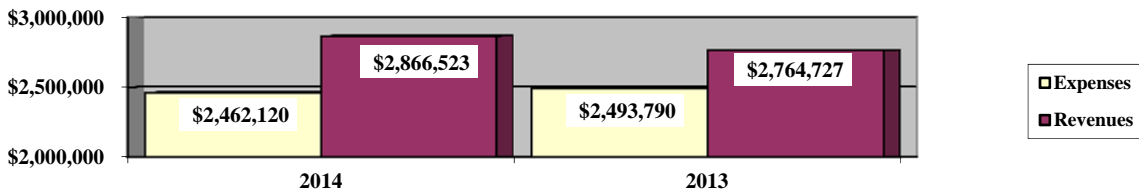
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 87.45% of total governmental revenues. Property taxes increased \$46,628 due to better than expected real estate property tax collections. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past approximately 35 years, residents of the District have, without exception, supported all operating levies placed on the ballot. In November of 2011, the District successfully passed a 5-mill operating levy that generates approximately \$5 million in revenue per year. Collections on this levy began during the second half of fiscal year 2012 with full collection of this levy realized in fiscal year 2013. The additional income has been dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation). This levy was originally expected to cover four years of operation, but it has since been determined that it will cover five years. Ohio H.B. 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This state law, enacted in 1976, also eliminates any growth from local revenue with the exception of additional tax dollars created by new construction. As a result, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

The graphs below present the District's governmental and business-type activities revenues and expenses for fiscal year 2014 and 2013.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2014 and 2013. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
Program expenses:				
Instruction:				
Regular	\$ 20,311,007	\$ 19,478,548	\$ 18,837,598	\$ 18,149,184
Special	10,248,934	6,726,384	6,493,403	3,514,891
Vocational	287,690	156,950	365,421	175,213
Other	208,427	208,427	683,802	683,802
Support services:				
Pupil	3,601,927	3,347,565	3,598,659	3,400,245
Instructional staff	976,339	954,683	4,003,460	3,771,986
Board of education	78,226	78,226	69,029	69,029
Administration	3,665,874	3,651,181	3,428,020	3,414,683
Fiscal	1,327,247	1,327,247	1,344,401	1,324,341
Business	605,040	605,040	625,460	625,460
Operations and maintenance of plant	5,088,454	5,073,164	5,256,521	5,253,401
Pupil transportation	3,786,870	3,671,358	3,641,934	3,544,692
Central	954,363	945,363	992,787	983,787
Operation of non-instructional services:				
Other non-instructional services	625,874	68,224	575,953	12,577
Food service operations	683,835	23,838	737,225	107,226
Extracurricular activities	1,954,690	1,514,370	1,665,913	1,407,986
Interest and fiscal charges	1,186,489	1,069,552	1,277,694	1,157,152
Total expenses	<u>\$ 55,591,286</u>	<u>\$ 48,900,120</u>	<u>\$ 53,597,280</u>	<u>\$ 47,595,655</u>

The dependence upon tax revenues and unrestricted grants and entitlements during fiscal year 2014 for governmental activities is apparent, as 85.56% of 2014 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 87.96% in 2014. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are by far the primary support for the District's students.

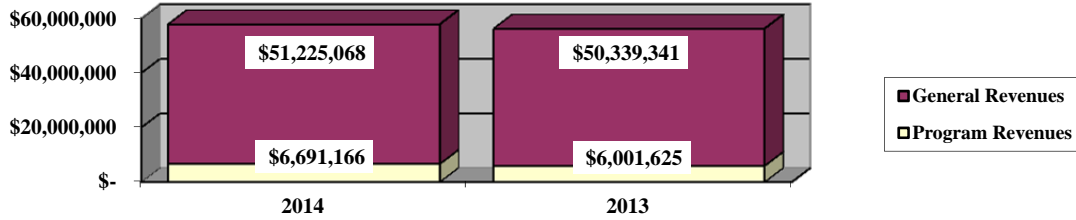
The communities of Pepper Pike, Moreland Hills, Orange, Hunting Valley, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

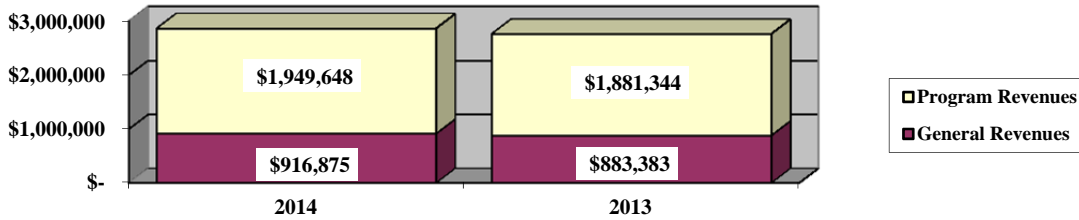
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The graphs below present the District's governmental and business-type activities revenues for fiscal years 2014 and 2013.

Governmental Activities - General and Program Revenues



Business-Type Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the recreation operation. This program had revenues of \$2,866,523 and expenses of \$2,465,189 for fiscal year 2014. During fiscal year 2014, the District's business activities received \$825,721 in support from tax revenues. The District passed a new replacement recreation levy in November of 2010. Collections for this replacement levy began in January of 2011. For fiscal year 2014, the Recreation fund had an operating loss of \$594,345 (prior to non-operating revenues, such as interest revenue, grants and taxes) and a change in net position of \$401,334. As can be seen, the recreation fund is dependent upon the tax levy to sustain profitable operations. Total net position of the recreation fund at June 30, 2014 was \$7,982,171.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 24) reported a combined fund balance of \$41,559,941, which is above last year's total of \$40,907,389. Of the total fund balance at fiscal year-end:

- \$115,562 is reported as nonspendable as these amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- \$9,986,832 is reported as restricted as these amounts have constraints place on the use of resources from externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments.
- \$2,992,152 is reported as committed as these amounts can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Education.
- \$2,515,877 is reported as assigned as these amounts are constrained by the District's intent to be used for specific purposes
- The remaining balance of \$25,949,518 is reported as unassigned as these amounts have not been restricted, committed or assigned to specific purposes.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and 2013.

	Fund Balance <u>June 30, 2014</u>	Fund Balance <u>June 30, 2013</u>	<u>Change</u>
General	\$ 29,463,128	\$ 29,478,625	\$ (15,497)
Bond retirement	4,129,608	3,933,451	196,157
Permanent improvement	7,374,241	6,894,125	480,116
Other Governmental	<u>592,964</u>	<u>601,188</u>	<u>(8,224)</u>
Total	<u>\$ 41,559,941</u>	<u>\$ 40,907,389</u>	<u>\$ 652,552</u>

General Fund

The general fund is by far the District's most significant fund. The fund balance of the general fund decreased \$15,497. The table that follows assists in illustrating the revenues of the general fund.

	2014 <u>Amount</u>	2013 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 39,749,239	\$ 39,784,789	\$ (35,550)	(0.09) %
Tuition	3,592,886	3,432,486	160,400	4.67 %
Investment earnings	229,224	173,318	55,906	32.26 %
Intergovernmental	7,804,600	7,424,078	380,522	5.13 %
Other revenues	<u>527,229</u>	<u>43,257</u>	<u>483,972</u>	1,118.83 %
Total	<u>\$ 51,903,178</u>	<u>\$ 50,857,928</u>	<u>\$ 1,045,250</u>	2.06 %

Revenues of the general fund increased \$1,045,250 or 2.06%. The most significant increase was in the area of other revenues which increased \$483,972. This increase was due an increase in the fair value of investments. Another significant increase was in the area of intergovernmental revenues which increased \$380,522 or 5.13%. This increase was the result of an increase in special education and special education transportation funding from the State.

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

	2014 <u>Amount</u>	2013 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 28,183,638	\$ 24,926,847	\$ 3,256,791	13.07 %
Support services	18,999,415	21,703,247	(2,703,832)	(12.46) %
Extracurricular activities	1,323,801	1,336,140	(12,339)	(0.92) %
Debt service	<u>7,076</u>	<u>45,875</u>	<u>(38,799)</u>	(84.58) %
Total	<u>\$ 48,513,930</u>	<u>\$ 48,012,109</u>	<u>\$ 501,821</u>	1.05 %

General fund expenditures increased by \$501,821 or 1.05%. The most significant increase was in the area of instruction expenditures which increased \$3,256,791 or 13.07%. This increase is primarily the result of increased costs associated with the Gund School. Support services decreased \$2,703,832 or 12.46% due primarily to a decrease in staff salary and benefits.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. Encumbrances are commitments for the expenditure of monies in a future period. The general fund is the most significant fund to be budgeted and is the main operating fund of the District.

During the course of fiscal year 2014, the District amended its total general fund permanent budget several times and had numerous intrafund budget transfers were made amongst the various accounts within the general fund. None were significant. The District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses, but provide flexibility for site based decision-making by management.

The general fund's original budgeted revenues and other financing sources totaled \$45,172,022. Final budgeted revenues were increased to \$47,300,000. Actual budget basis revenues and other financing sources of \$47,757,929 were higher than final budgeted revenues by \$457,929 primarily due to an increase in advances in. The original and final budgeted expenditures and other financing uses totaled \$48,897,540. Actual budget basis expenditures and other financing uses of \$49,343,144 were \$445,604 higher than the final budgeted expenditures due to an increase in advances out and an increase in transfers out.

The District's ending unencumbered cash balance totaled \$26,625,286, which was higher than that originally budgeted.

Bond Retirement Fund

The bond retirement fund had \$2,735,377 in revenues and \$2,539,220 in expenditures. The bond retirement fund's fund balance increased \$196,157 from \$3,933,451 to \$4,129,608. The fund balance increase is due to revenues surpassing required principal and interest payments for fiscal year 2014.

Permanent Improvement Fund

The permanent improvement fund had \$4,154,567 in revenues and other financing sources and \$3,674,451 in expenditures. The permanent improvement fund's fund balance increased \$480,116 from \$6,894,125 to \$7,374,241. This increase is primarily due to a \$3.3 million transfer from the general fund. The District has set aside this amount for educational improvements throughout the District.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2014, the District had \$46,881,989 invested in land, construction in progress (CIP), land improvements, buildings, equipment and vehicles. Of this total, \$43,539,764 was reported in governmental activities and \$3,342,225 was reported in business-type activities.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The following table shows June 30, 2014 balances compared to June 30, 2013:

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

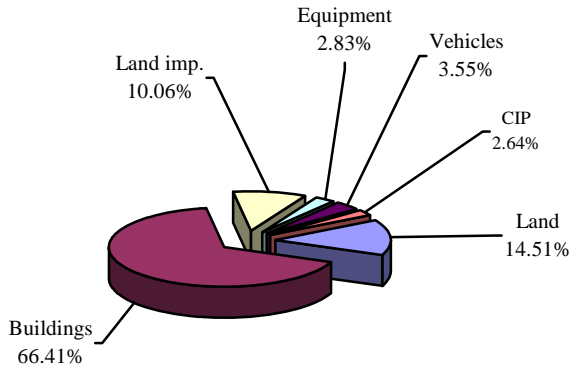
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,315,782	\$ 6,370,150	\$ -	\$ -	\$ 6,315,782	\$ 6,370,150
Construction in progress	1,148,798	330,459	-	-	1,148,798	330,459
Land improvements	4,379,666	3,881,682	24,956	27,769	4,404,622	3,909,451
Buildings	28,916,233	29,429,013	3,317,269	3,484,755	32,233,502	32,913,768
Equipment	1,233,820	1,390,872	-	-	1,233,820	1,390,872
Vehicles	1,545,465	1,580,642	-	-	1,545,465	1,580,642
Total	\$ 43,539,764	\$ 42,982,818	\$ 3,342,225	\$ 3,512,524	\$ 46,881,989	\$ 46,495,342

Governmental activities capital assets increased \$556,946. This is due to additions of \$2,950,324 exceeding depreciation of \$2,322,823 and disposals (net of accumulated depreciation) of \$70,555. Major additions of governmental capital assets during the fiscal year included stadium Astroturf, a cooling tower, pool roof, bathroom renovations and replacement of the high school roof.

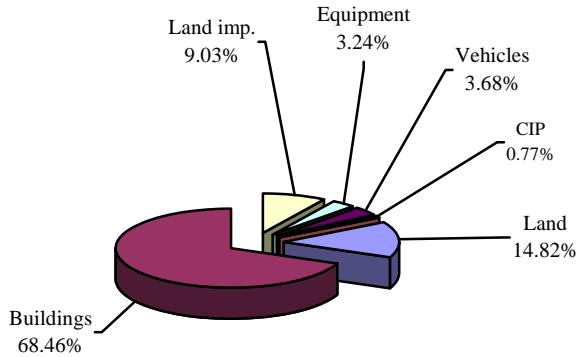
Business-type activities capital assets decreased \$170,299. This is due to current year depreciation of \$170,299.

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2014 and 2013.

**Capital Assets - Governmental Activities
2014**



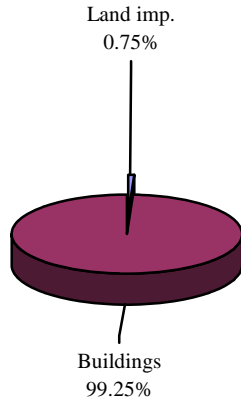
Capital Assets - Governmental Activities 2013



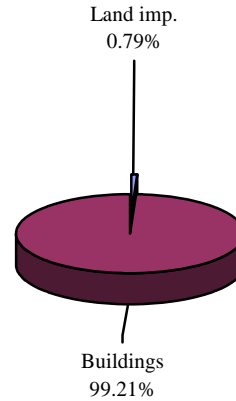
**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**Capital Assets - Business-Type Activities
2014**



**Capital Assets - Business-Type Activities
2013**



See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2014 the District had \$22,959,668 in capital lease obligations and general obligation bonds outstanding. The following table summarizes the capital lease and general obligation bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2014	Governmental Activities 2013
General obligation bonds - Series 1999	\$ -	\$ 1,176,835
General obligation bonds - Series 2004	3,233,500	3,375,694
General obligation bonds - Series 2007	17,050,438	17,019,078
General obligation bonds - Series 2010	2,670,000	2,670,000
Capital lease obligation	<u>5,730</u>	<u>12,218</u>
Total	<u>\$ 22,959,668</u>	<u>\$ 24,253,825</u>

In an election held on November 3, 1998 the electors of the District approved the issuance of bonds (Series 1999 bonds) for the purpose of acquiring improved and additional educational technology, installing computer stations in school buildings, renovating school libraries (media centers), reconstructing and equipping of science and technology laboratories, constructing, furnishing and equipping a new elementary school, and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The Series 2004 bonds were issued to provide funding for various school improvement projects throughout the District.

The Series 2007 bonds were issued to refund a significant portion of the Series 1999 general obligation bonds.

The Series 2010 bonds were issued for the construction of the Brady Middle School gym.

During fiscal year 2010, the District entered into capital lease obligations for copier equipment. See Note 8 for detail on the capital lease obligations.

See Note 14 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District has continued to maintain the highest standards of service to our students, parents and community. The District is always presented with challenges and opportunities. National events economically affect the Orange City School District and the surrounding area and the District continually reviews and analyzes the impact this has on its property tax base and collections.

The District has a relatively strong financial outlook as evidenced by the fact that two nationally recognized financial rating services, Moody's Investors Service and Standard & Poor's, gave the District their highest ratings of Aaa and AAA, respectively. The Orange City School District was the first district in the State of Ohio to ever receive Standard & Poor's highest rating. These achievements will allow the District to secure better interest rates on all credits. The Board of Education and administration closely monitor the District's revenues and expenditures in accordance with its financial forecast.

Overall, the District continues to academically perform at a high level as determined by the State of Ohio. Our most recent State report card shows the District's students achieving a score "A" and met 24 out of 24 state indicators. The District also earned a score of "A" in Overall Value Added (Student Growth) and in Graduation Rate. The District's Performance Index of 108.2 was scored very high and the Orange High School scored a 111.4 on the Performance Index.

As the preceding information shows, the District heavily depends on its property taxpayers. Our communities' support was recently measured by six most outstanding accomplishments. In the fall of 1998 the community passed a \$36.5 million bond issue, in November of 2000 they passed a 9.5-mill operating levy, in November of 2003 they passed a 1-mill permanent improvement levy, in November of 2004 they passed a 5-mill operating levy and in November 2010 they passed a .95-mill replacement levy for the District's recreation operations. In November of 2011, voters approved the passage of a 5-mill operating levy. The support of these six issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

The District has communicated to its communities its reliance upon their support for the major part of its operations, and will continue to work diligently to plan expenses, staying carefully within the District's five-year financial plan. State law impedes the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth forces the District to come back to the voters from time to time and ask for additional financial support.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

On December 11, 2002, the Ohio Supreme Court issued its opinion regarding the state's school funding plan. The decision reaffirmed the earlier decisions that Ohio's current school funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". Further, on May 16, 2003, the Ohio Supreme Court rejected a motion from the plaintiffs requesting that they enforce a remedy for the December 11 decision. Following this decision, the plaintiffs filed a writ of certiorari with the United States Supreme Court to have the high court consider enforcement of a remedy in this case. On October 20, 2003, the United States Supreme Court informed the plaintiffs that they have declined to hear their petition, effectively ending the school funding litigation. In response to the school funding issue, the Governor of the State of Ohio assembled a "Blue Ribbon Task Force on Financing Student Success" to offer recommendations on how the State can better fund education. This task force issued its report to the Governor in February of 2005. A copy of this report in its entirety can be accessed at <http://www.blueribbontaskforce.ohio.gov/>. The District is currently unable to determine what effect, if any, these recommendations or those initiatives of the current State administration will have on its future state funding and its financial operations. Furthermore, the passage of Am. Sub. House Bill 66 will result in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year.

As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the student's desired needs over the next several years.

The District has committed itself to financial and educational excellence for many years. The District has received the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the 2013 CAFR. Orange City School District is committed to continuous improvement in financial reporting to our communities.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Greg Slemons, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974 or e-mail him at gslemons@orangecsd.org.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 40,060,019	\$ 4,644,980	\$ 44,704,999
Cash and investments with escrow agent	1,101,370	-	1,101,370
Receivables:			
Property taxes	43,437,429	839,988	44,277,417
Accounts	12,776	-	12,776
Accrued interest	49,447	6,032	55,479
Intergovernmental	1,264,542	-	1,264,542
Materials and supplies inventory	98,655	2,024	100,679
Internal balance	(5,563)	5,563	-
Inventory held for resale	6,237	-	6,237
Capital assets:			
Nondepreciable capital assets	7,464,580	-	7,464,580
Depreciable capital assets, net	36,075,184	3,342,225	39,417,409
Capital assets, net	43,539,764	3,342,225	46,881,989
Total assets	<u>129,564,676</u>	<u>8,840,812</u>	<u>138,405,488</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	368,919	-	368,919
Total deferred outflows of resources	<u>368,919</u>	<u>-</u>	<u>368,919</u>
Liabilities:			
Accounts payable	105,762	10,734	116,496
Contracts payable	380,861	-	380,861
Accrued wages and benefits payable	4,640,931	96,430	4,737,361
Pension obligation payable	663,933	22,687	686,620
Intergovernmental payable	60,054	707	60,761
Accrued interest payable	91,737	-	91,737
Claims payable	70,112	-	70,112
Long-term liabilities:			
Due within one year	2,554,518	20,086	2,574,604
Due in more than one year	27,397,971	34,651	27,432,622
Total liabilities	<u>35,965,879</u>	<u>185,295</u>	<u>36,151,174</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	34,706,628	667,783	35,374,411
Total deferred inflows of resources	<u>34,706,628</u>	<u>667,783</u>	<u>35,374,411</u>
Net position:			
Net investment in capital assets	21,803,232	3,342,225	25,145,457
Restricted for:			
Capital projects	5,509,096	-	5,509,096
Debt service	2,828,644	-	2,828,644
Locally funded programs	38,451	-	38,451
Federally funded programs	55,170	-	55,170
Student activities	124,178	-	124,178
Food service operations	156,850	-	156,850
Unrestricted	28,745,467	4,645,509	33,390,976
Total net position	<u>\$ 59,261,088</u>	<u>\$ 7,987,734</u>	<u>\$ 67,248,822</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 20,311,007	\$ 710,686	\$ 107,175	\$ 14,598
Special	10,248,934	2,920,085	602,465	-
Vocational	287,690	128,762	1,978	-
Other	208,427	-	-	-
Support services:				
Pupil.	3,601,927	49,955	204,407	-
Instructional staff	976,339	3,088	18,568	-
Board of education	78,226	-	-	-
Administration.	3,665,874	-	14,693	-
Fiscal.	1,327,247	-	-	-
Business.	605,040	-	-	-
Operations and maintenance	5,088,454	15,290	-	-
Pupil transportation.	3,786,870	-	115,512	-
Central	954,363	-	9,000	-
Operation of non-instructional services:				
Other non-instructional services	625,874	-	557,650	-
Food service operations	683,835	505,523	154,474	-
Extracurricular activities.	1,954,690	375,754	64,566	-
Interest and fiscal charges	1,186,489	-	116,937	-
Total governmental activities	<u>55,591,286</u>	<u>4,709,143</u>	<u>1,967,425</u>	<u>14,598</u>
Business-type activities:				
Recreation.	<u>2,462,120</u>	<u>1,831,696</u>	<u>117,952</u>	<u>-</u>
Total business-type activities	<u>2,462,120</u>	<u>1,831,696</u>	<u>117,952</u>	<u>-</u>
Totals	<u>\$ 58,053,406</u>	<u>\$ 6,540,839</u>	<u>\$ 2,085,377</u>	<u>\$ 14,598</u>

General revenues:

Property taxes levied for:

General purposes

Debt service.

Capital outlay.

Recreation

Grants and entitlements not restricted to specific programs

Investment earnings

Increase in fair value of investments.

Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-Type Activities	Total
\$ (19,478,548)	\$ -	\$ (19,478,548)
(6,726,384)	-	(6,726,384)
(156,950)	-	(156,950)
(208,427)	-	(208,427)
(3,347,565)	-	(3,347,565)
(954,683)	-	(954,683)
(78,226)	-	(78,226)
(3,651,181)	-	(3,651,181)
(1,327,247)	-	(1,327,247)
(605,040)	-	(605,040)
(5,073,164)	-	(5,073,164)
(3,671,358)	-	(3,671,358)
(945,363)	-	(945,363)
(68,224)	-	(68,224)
(23,838)	-	(23,838)
(1,514,370)	-	(1,514,370)
(1,069,552)	-	(1,069,552)
<u>(48,900,120)</u>	<u>-</u>	<u>(48,900,120)</u>
-	(512,472)	(512,472)
-	(512,472)	(512,472)
<u>(48,900,120)</u>	<u>(512,472)</u>	<u>(49,412,592)</u>
39,749,378	-	39,749,378
2,301,562	-	2,301,562
655,556	-	655,556
-	825,721	825,721
7,941,897	-	7,941,897
244,346	24,545	268,891
266,476	27,461	293,937
<u>65,853</u>	<u>39,148</u>	<u>105,001</u>
<u>51,225,068</u>	<u>916,875</u>	<u>52,141,943</u>
2,324,948	404,403	2,729,351
<u>56,936,140</u>	<u>7,583,331</u>	<u>64,519,471</u>
<u>\$ 59,261,088</u>	<u>\$ 7,987,734</u>	<u>\$ 67,248,822</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 28,434,811	\$ 2,965,619	\$ 7,350,749	\$ 629,753	\$ 39,380,932
Cash and investments with escrow agent.	-	826,028	275,342	-	1,101,370
Receivables:					
Property taxes.	40,424,484	2,178,028	834,917	-	43,437,429
Accounts	12,776	-	-	-	12,776
Accrued interest	35,551	5,111	7,304	594	48,560
Intergovernmental.	1,092,431	-	-	172,111	1,264,542
Materials and supplies inventory.	98,655	-	-	-	98,655
Inventory held for resale.	-	-	-	6,237	6,237
Total assets	<u>\$ 70,098,708</u>	<u>\$ 5,974,786</u>	<u>\$ 8,468,312</u>	<u>\$ 808,695</u>	<u>\$ 85,350,501</u>
Liabilities:					
Accounts payable	\$ 103,063	\$ -	\$ -	\$ 1,169	\$ 104,232
Contracts payable.	-	-	380,861	-	380,861
Accrued wages and benefits payable	4,537,765	-	-	103,166	4,640,931
Compensated absences payable	196,948	-	-	36,866	233,814
Intergovernmental payable	58,919	-	-	1,135	60,054
Pension obligation payable	651,043	-	-	12,890	663,933
Total liabilities.	<u>5,547,738</u>	<u>-</u>	<u>380,861</u>	<u>155,226</u>	<u>6,083,825</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	32,312,068	1,729,601	664,959	-	34,706,628
Delinquent property tax revenue not available.	2,068,870	111,468	42,730	-	2,223,068
Accrued interest not available.	26,353	4,109	5,521	441	36,424
Intergovernmental revenues not available.	-	-	-	60,064	60,064
Tuition revenue not available.	680,551	-	-	-	680,551
Total deferred inflows of resources	<u>35,087,842</u>	<u>1,845,178</u>	<u>713,210</u>	<u>60,505</u>	<u>37,706,735</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory.	98,655	-	-	-	98,655
Unclaimed monies	16,907	-	-	-	16,907
Restricted:					
Debt service	-	4,129,608	-	-	4,129,608
Capital improvements	-	-	5,300,087	160,602	5,460,689
Food service operations	-	-	-	195,634	195,634
Non-public schools	-	-	-	10,528	10,528
Special education	-	-	-	22,223	22,223
Targeted academic assistance	-	-	-	2,825	2,825
Other local, state and federal grants	-	-	-	41,147	41,147
Extracurricular activities	-	-	-	124,178	124,178
Committed:					
Capital improvements	-	-	2,074,154	-	2,074,154
Termination benefits.	881,426	-	-	-	881,426
Memorial	-	-	-	36,572	36,572
Assigned:					
Student instruction	158,732	-	-	-	158,732
Student and staff support.	122,615	-	-	-	122,615
Subsequent year's appropriations	2,169,718	-	-	-	2,169,718
Uniform school supplies	64,649	-	-	-	64,649
Other purposes.	163	-	-	-	163
Unassigned	25,950,263	-	-	(745)	25,949,518
Total fund balances	<u>29,463,128</u>	<u>4,129,608</u>	<u>7,374,241</u>	<u>592,964</u>	<u>41,559,941</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 70,098,708</u>	<u>\$ 5,974,786</u>	<u>\$ 8,468,312</u>	<u>\$ 808,695</u>	<u>\$ 85,350,501</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total governmental fund balances		\$	41,559,941
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			43,539,764
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,223,068	
Accrued interest receivable		36,424	
Intergovernmental receivable		740,615	
Total		740,615	3,000,107
An internal service fund is used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			602,769
Unamortized premiums on bonds issued are not recognized in the funds.			(577,025)
Unamortized amounts on refundings are not recognized in the funds.			368,919
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(91,737)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(22,953,938)	
Capital lease obligations		(5,730)	
Compensated absences		(6,181,982)	
Total		(29,141,650)	(29,141,650)
Net position of governmental activities		\$	59,261,088

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 39,749,239	\$ 2,301,793	\$ 655,394	\$ -	\$ 42,706,426
Tuition	3,592,886	-	-	-	3,592,886
Earnings on investments	229,224	22,060	29,445	3,663	284,392
Charges for services	-	-	-	505,523	505,523
Extracurricular	121,536	-	-	305,942	427,478
Classroom materials and fees	72,847	-	-	-	72,847
Rental income	15,290	-	-	-	15,290
Contributions and donations	13,164	-	-	45,271	58,435
Contract services	41,450	-	-	-	41,450
Other local revenues	68,776	-	14,598	10,481	93,855
Intergovernmental - intermediate	-	-	-	57,309	57,309
Intergovernmental - state	7,804,600	263,321	117,300	568,230	8,753,451
Intergovernmental - federal	-	116,937	-	848,909	965,846
Increase in fair value of investments	194,166	31,266	37,830	3,214	266,476
Total revenues	<u>51,903,178</u>	<u>2,735,377</u>	<u>854,567</u>	<u>2,348,542</u>	<u>57,841,664</u>
Expenditures:					
Current:					
Instruction:					
Regular	18,475,203	-	-	85,943	18,561,146
Special	9,246,842	-	-	432,079	9,678,921
Vocational	254,227	-	-	-	254,227
Other	207,366	-	-	-	207,366
Support services:					
Pupil	3,297,411	-	-	167,596	3,465,007
Instructional staff	1,166,332	-	-	17,940	1,184,272
Board of education	78,372	-	-	-	78,372
Administration	3,443,416	-	-	14,671	3,458,087
Fiscal	1,261,623	37,451	13,009	-	1,312,083
Business	589,603	-	-	-	589,603
Operations and maintenance	4,576,331	-	-	-	4,576,331
Pupil transportation	3,664,747	-	-	-	3,664,747
Central	921,580	-	-	9,000	930,580
Operation of non-instructional services:					
Other non-instructional services	-	-	-	618,650	618,650
Food service operations	-	-	-	624,186	624,186
Extracurricular activities	1,323,801	-	-	496,701	1,820,502
Facilities acquisition and construction	-	-	3,661,442	-	3,661,442
Debt service:					
Principal retirement	6,488	1,620,000	-	-	1,626,488
Interest and fiscal charges	588	881,769	-	-	882,357
Total expenditures	<u>48,513,930</u>	<u>2,539,220</u>	<u>3,674,451</u>	<u>2,466,766</u>	<u>57,194,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,389,248</u>	<u>196,157</u>	<u>(2,819,884)</u>	<u>(118,224)</u>	<u>647,297</u>
Other financing sources (uses):					
Sale/loss of assets	5,255	-	-	-	5,255
Transfers in	-	-	3,300,000	110,000	3,410,000
Transfers (out)	<u>(3,410,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,410,000)</u>
Total other financing sources (uses)	<u>(3,404,745)</u>	<u>-</u>	<u>3,300,000</u>	<u>110,000</u>	<u>5,255</u>
Net change in fund balances	(15,497)	196,157	480,116	(8,224)	652,552
Fund balances at beginning of year	<u>29,478,625</u>	<u>3,933,451</u>	<u>6,894,125</u>	<u>601,188</u>	<u>40,907,389</u>
Fund balances at end of year	<u>\$ 29,463,128</u>	<u>\$ 4,129,608</u>	<u>\$ 7,374,241</u>	<u>\$ 592,964</u>	<u>\$ 41,559,941</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds \$ 652,552

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

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

Capital asset additions	\$	2,950,324	
Current year depreciation		(2,322,823)	
Total			627,501

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (70,555)

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

Property taxes		70	
Tuition		53,669	
Earnings on investments		(44,307)	
Intergovernmental		201,317	
Total			210,749

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:

Bonds		1,620,000	
Capital leases		6,488	
Total			1,626,488

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Accrued interest payable		8,052	
Accreted interest on capital appreciation bonds		(332,331)	
Amortization of bond premiums		59,325	
Amortization of deferred charges		(39,178)	
Total			(304,132)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (517,297)

An internal service fund used by management to charge the costs of worker's compensation to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

99,642

Change in net position of governmental activities \$ 2,324,948

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 37,384,385	\$ 39,051,000	\$ 39,079,410	\$ 28,410
Tuition.	377,620	400,000	385,189	(14,811)
Earnings on investments	179,370	190,000	227,314	37,314
Classroom materials and fees	4,720	5,000	2,502	(2,498)
Rental income	4,720	5,000	15,290	10,290
Contributions and donations	-	-	10	10
Contract services.	37,762	40,000	41,450	1,450
Other local revenues	33,042	35,000	59,942	24,942
Intergovernmental - state	7,147,403	7,571,000	7,417,517	(153,483)
Total revenues	<u>45,169,022</u>	<u>47,297,000</u>	<u>47,228,624</u>	<u>(68,376)</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,028,990	18,028,990	17,625,493	403,497
Special.	6,598,135	6,598,135	6,597,607	528
Vocational.	254,300	254,300	301,706	(47,406)
Other.	13,500	13,500	10,235	3,265
Support services:				
Pupil.	3,274,626	3,274,626	3,134,955	139,671
Instructional staff	1,425,899	1,425,899	1,483,805	(57,906)
Board of education	65,918	65,918	79,924	(14,006)
Administration.	3,265,141	3,265,141	3,255,379	9,762
Fiscal	1,395,667	1,395,667	1,267,394	128,273
Business	573,230	573,230	580,110	(6,880)
Operations and maintenance.	4,775,174	4,775,174	4,580,874	194,300
Pupil transportation	3,963,233	3,963,233	3,693,383	269,850
Central.	998,903	998,903	946,756	52,147
Extracurricular activities.	1,286,824	1,286,824	1,275,523	11,301
Total expenditures	<u>45,919,540</u>	<u>45,919,540</u>	<u>44,833,144</u>	<u>1,086,396</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(750,518)</u>	<u>1,377,460</u>	<u>2,395,480</u>	<u>1,018,020</u>
Other financing sources (uses):				
Refund of prior year's expenditures	3,000	3,000	3,550	550
Transfers (out).	(2,978,000)	(2,978,000)	(3,810,000)	(832,000)
Advances in.	-	-	520,500	520,500
Advances (out)	-	-	(700,000)	(700,000)
Sale of capital assets	-	-	5,255	5,255
Total other financing sources (uses)	<u>(2,975,000)</u>	<u>(2,975,000)</u>	<u>(3,980,695)</u>	<u>(1,005,695)</u>
Net change in fund balance	(3,725,518)	(1,597,540)	(1,585,215)	12,325
Fund balance at beginning of year	28,112,961	28,112,961	28,112,961	-
Prior year encumbrances appropriated	97,540	97,540	97,540	-
Fund balance at end of year	<u>\$ 24,484,983</u>	<u>\$ 26,612,961</u>	<u>\$ 26,625,286</u>	<u>\$ 12,325</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 4,644,980	\$ 679,087
Receivables:		
Property taxes	839,988	-
Accrued interest.	6,032	887
Materials and supplies inventory.	2,024	-
Total current assets	5,493,024	679,974
Noncurrent assets:		
Depreciable capital assets, net	3,342,225	-
Total assets.	8,835,249	679,974
Liabilities:		
Accounts payable.	10,734	1,530
Accrued wages and benefits	96,430	-
Compensated absences.	20,086	-
Pension obligation payable.	22,687	-
Intergovernmental payable	707	-
Claims payable	-	70,112
Total current liabilities	150,644	71,642
Long-term liabilities:		
Compensated absences payable.	34,651	-
Total long-term liabilities	34,651	-
Total liabilities	185,295	71,642
Deferred inflows of resources:		
Property taxes levied for the next fiscal year.	667,783	-
Total deferred inflows of resources	667,783	-
Net position:		
Investment in capital assets	3,342,225	-
Unrestricted.	4,639,946	608,332
Total net position.	7,982,171	\$ 608,332
Adjustment to reflect the consolidation of the internal service fund activities related to the enterprise fund.	5,563	
Net position of business-type activities	\$ 7,987,734	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Operating revenues:		
Tuition and fees.	\$ 1,780,827	\$ -
Sales/charges for services.	50,869	302,819
Other	39,148	-
Total operating revenues	1,870,844	302,819
Operating expenses:		
Personal services.	1,599,482	-
Purchased services.	520,497	82,737
Materials and supplies	132,217	-
Other.	42,694	-
Claims	-	123,698
Depreciation	170,299	-
Total operating expenses.	2,465,189	206,435
Operating income (loss)	(594,345)	96,384
Nonoperating revenues:		
Grants and subsidies.	117,952	-
Interest revenue	24,545	3,353
Increase in fair value of investments	27,461	2,974
Property taxes	825,721	-
Total nonoperating revenues.	995,679	6,327
Change in net position	401,334	102,711
Net position at beginning of year	7,580,837	505,621
Net position at end of year	\$ 7,982,171	\$ 608,332
Adjustment to reflect the consolidation of the internal service fund activities related to the enterprise fund.	3,069	
Change in net position of business-type activities.	\$ 404,403	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from customers.	\$ 1,780,827	\$ -
Cash received from interfund services provided	-	288,716
Cash received from sales/charges for services.	50,869	-
Cash received from other operating revenues	39,160	78,390
Cash payments for personal services.	(1,655,241)	-
Cash payments for contractual services	(532,968)	(111,989)
Cash payments to suppliers for goods and services	(128,279)	-
Cash payments for claims	-	(56,392)
Cash payments for other operating expenses	(44,024)	-
Net cash provided by (used in) operating activities	(489,656)	198,725
Cash flows from noncapital financing activities:		
Cash received from grants and subsidies.	117,952	-
Cash received from property taxes	811,413	-
Net cash provided by noncapital financing activities.	929,365	-
Cash flows from investing activities:		
Interest received	28,758	3,643
Increase in fair value of investments	27,461	2,974
Net cash provided by investing activities.	56,219	6,617
Net increase in cash and investments	495,928	205,342
Cash and investments at beginning of year	4,149,052	473,745
Cash and investments at end of year	\$ 4,644,980	\$ 679,087
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (594,345)	\$ 96,384
Adjustments:		
Depreciation.	170,299	-
Changes in assets and liabilities:		
Materials and supplies inventory	2,091	-
Accounts receivable.	12	-
Intergovernmental receivable.	-	64,287
Accounts payable	(11,954)	1,440
Accrued wages and benefits	1,095	-
Intergovernmental payable.	(43)	-
Compensated absences payable.	3,386	-
Pension obligation payable.	(60,197)	-
Claims payable	-	36,614
Net cash provided by (used in) operating activities.	\$ (489,656)	\$ 198,725

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 76,004	\$ 103,202
Cash and investments with fiscal agent. . .	-	19,180,085
Receivables:		
Accounts	-	6,563
Accrued interest.	99	-
Total assets.	76,103	\$ 19,289,850
Liabilities:		
Accounts payable.	-	\$ -
Intergovernmental payable	-	19,186,648
Due to students.	-	82,540
Undistributed monies	-	16,162
Total liabilities	-	\$ 19,285,350
Net position:		
Held in trust for scholarships	76,103	
Total net position.	\$ 76,103	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 417
Decrease in fair value of investments	516
Total additions.	933
Deductions:	
Scholarships awarded	800
Change in net position	133
Net position at beginning of year.	75,970
Net position at end of year	\$ 76,103

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Orange City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The District provides educational services as mandated by State and federal agencies. The Board of Education controls the District's three instructional support facilities staffed by 185 classified employees, 243 certified teaching personnel and 30 administrators/supervisors who provide services to 2,216 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 346th largest by enrollment among the 1,019 public school districts and community schools in the State of Ohio. The District operates one elementary school (pre-K-5), one middle school (6-8) and a high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type.

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

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

C. Fund Accounting

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of property tax revenues restricted for the payment of general obligation bonds used for the construction of a new elementary school and other necessary school facility improvements.

Permanent improvement fund - The permanent improvement fund is used to account for taxes levied that are restricted for the replacement and updating of equipment and facilities essential for the instruction of students.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Proprietary fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The following are the District's proprietary funds:

Enterprise fund - An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services. The District's major enterprise fund is:

Recreation fund - This fund accounts for fees and property taxes for the upkeep of the recreational center and educational opportunities offered to District residents.

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service fund accounts for workers' compensation activities.

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 trusts and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one private-purpose trust fund to account for a scholarship program for students and four agency funds. The agency funds are used to account for funds held on behalf of others, employee benefits collected, but not yet remitted, student activities and the Suburban Health Consortium.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

D. Measurement Focus

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's enterprise fund are program fees. The principal operating revenue of the District's internal service fund is charges for services and sales. Operating expenses for the enterprise fund include the cost of sales, personnel and administrative expenses. Operating expenses for the internal service fund included claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Revenues-Exchange and NonExchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the timing requirements are met, and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows on the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

F. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the budgetary statement comparisons at the fund and function level of expenditures.

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

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

G. Cash and Investments

To improve cash management, all cash received by the District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" in the basic financial statements.

During fiscal year 2014, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio), the State Treasurer's Investment Pool.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposits, are reported at cost.

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 shares price which is the price the investment could be sold for on June 30, 2014.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$229,224 which includes \$38,550 assigned from other District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents.

H. Inventory

On government-wide financial statements, inventories of supplies are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies inventory and inventory held for resale are equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net position.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

I. Capital Assets

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

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 values as of the date received. During fiscal year 2014, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land improvements	20 - 50 years	20 - 50 years
Buildings	20 - 50 years	20 - 50 years
Equipment	5 - 20 years	5 - 20 years
Vehicles	10 years	10 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. There were not interfund loans at June 30, 2014.

K. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Compensated absences include salary related payments related to vacation and sick leave liabilities. Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. Sick leave benefits are accrued as a liability using the "termination payment method". The termination payment method accrues a liability that is based entirely on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The estimate is based on past experience. This estimate (ratio) is then applied to employee's sick leave balances and current wages at fiscal year end.

The entire compensated absence liability is reported on the government-wide financial statements and in the proprietary fund.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund financial statements.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

M. Net Position

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

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

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

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 nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund services provided and used are not eliminated on the government-wide financial statements.

P. Bond Issuance Costs/Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are expensed when they occur.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 14.A.

Q. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2014.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

B. Deficit Fund Balance

Fund balances at June 30, 2014 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
Title II-A	\$ 745

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash and Investments with Escrow Agent

At fiscal year end, \$1,101,370 was on deposit with an escrow agent for monies held in relation to the District's sinking fund deposits that are required for the District's Series 2010 bonds (See Note 14). These funds are not included in "deposits with financial institutions" below.

B. Cash and Investments in Segregated Accounts

At fiscal year end, \$19,180,085 was on deposit in the account the District maintains as fiscal agent for the Suburban Health Consortium (See Note 15) and is included on the fiduciary statement of net position as "cash and investments in segregated accounts". The balance is covered by federal deposit insurance, by collateral held by the District, or by collateral held by a qualified third-party trustee in the name of the District. This amount is not included in the total amount of "Deposits with Financial Institutions" reported below.

C. Deposits with Financial Institutions

At June 30, 2014, the carrying amount of all District deposits was \$17,121,756. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$15,898,744 of the District's bank balance of \$18,186,836 was exposed to custodial risk as discussed below, while \$2,288,092 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2014, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities		
		6 months or less	13 to 18 months	Greater than 24 months
Negotiable CD's	\$ 736,478	\$ 491,297	\$ 245,181	\$ -
FFCB	4,971,070	-	-	4,971,070
FHLB	10,504,865	-	-	10,504,865
FHLMC	4,266,792	-	-	4,266,792
FNMA	6,988,170	-	-	6,988,170
STAR Ohio	295,074	295,074	-	-
Total	<u>\$ 27,762,449</u>	<u>\$ 786,371</u>	<u>\$ 245,181</u>	<u>\$ 26,730,897</u>

The weighted average maturity of investments is 3.04 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the District at June 30, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Negotiable CD's	\$ 736,478	2.65
FFCB	4,971,070	17.91
FHLB	10,504,865	37.84
FLMC	4,266,792	15.37
FNMA	6,988,170	25.17
STAR Ohio	295,074	1.06
Total	<u>\$ 27,762,449</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 17,121,756
Investments	27,762,449
Investments with escrow agent	1,101,370
Cash and investments in segregated accounts	<u>19,180,085</u>
Total	<u>\$ 65,165,660</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 41,161,389
Business-type activities	4,644,980
Private-purpose trust funds	76,004
Agency funds	<u>19,283,287</u>
Total	<u>\$ 65,165,660</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2014, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Permanent improvement fund	\$ 3,300,000
Nonmajor governmental fund	<u>110,000</u>
Total	<u>\$ 3,410,000</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$6,043,546 in the general fund, \$336,959 in the bond retirement fund, \$127,228 in the permanent improvement fund and \$129,216 in the recreation fund. This amount is recorded as revenue. The amount available for advance at June 30, 2013 was \$5,373,717 in the general fund, \$300,093 in the bond retirement fund, \$117,070 in the permanent improvement fund and \$114,838 in the recreation fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 995,704,210	99.08	\$ 1,001,559,470	98.99
Public utility personal	<u>9,282,780</u>	<u>0.92</u>	<u>10,236,390</u>	<u>1.01</u>
Total	<u>\$ 1,004,986,990</u>	<u>100.00</u>	<u>\$ 1,011,795,860</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$86.75		\$86.75	
Bond	2.40		2.40	
Permanent improvement	1.00		1.00	
Recreation	0.95		0.95	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2014 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 7 - RECEIVABLES - (Continued)

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

Governmental activities:

Property taxes:	
General fund	\$ 40,424,484
Bond retirement fund	2,178,028
Permanent improvement fund	834,917
Accounts:	
General fund	12,776
Accrued interest:	
General fund	35,551
Bond retirement fund	5,111
Permanent improvement fund	7,304
Nonmajor governmental funds	594
Internal service fund	887
Intergovernmental:	
General fund	1,092,431
Nonmajor governmental funds	172,111

Business-type activities:

Property taxes	839,988
Accrued interest	<u>6,032</u>
Total receivables	<u>\$ 45,610,214</u>

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

NOTE 8 - CAPITALIZED LEASE

During a prior fiscal year, the District entered into capitalized leases for copiers. All leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$30,255, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2014 was \$27,230, leaving a current book value of \$3,025.

Principal and interest payments in the 2014 fiscal year totaled \$6,488 and \$588, respectively. These amounts are reported as debt service payments of the general fund.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 8 - CAPITALIZED LEASE - (Continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2014.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 5,898
Total minimum lease payments	5,898
Less: amount representing interest	<u>(168)</u>
Total	<u>\$ 5,730</u>

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ (54,368)	\$ 6,315,782
Construction in progress	<u>330,459</u>	<u>1,119,399</u>	<u>(301,060)</u>	<u>1,148,798</u>
Total capital assets, not being depreciated	<u>6,700,609</u>	<u>1,119,399</u>	<u>(355,428)</u>	<u>7,464,580</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	9,509,296	948,589	-	10,457,885
Buildings	48,599,811	823,066	(7,420)	49,415,457
Equipment	3,900,388	79,192	(17,085)	3,962,495
Vehicles	<u>4,166,995</u>	<u>281,138</u>	<u>(309,224)</u>	<u>4,138,909</u>
Total capital assets, being depreciated	<u>66,176,490</u>	<u>2,131,985</u>	<u>(333,729)</u>	<u>67,974,746</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(5,627,614)	(450,605)	-	(6,078,219)
Buildings	(19,170,798)	(1,329,910)	1,484	(20,499,224)
Equipment	(2,509,516)	(225,993)	6,834	(2,728,675)
Vehicles	<u>(2,586,353)</u>	<u>(316,315)</u>	<u>309,224</u>	<u>(2,593,444)</u>
Total accumulated depreciation	<u>(29,894,281)</u>	<u>(2,322,823)</u>	<u>317,542</u>	<u>(31,899,562)</u>
Total capital assets, being depreciated	<u>36,282,209</u>	<u>(190,838)</u>	<u>(16,187)</u>	<u>36,075,184</u>
Governmental activities capital assets, net	<u>\$ 42,982,818</u>	<u>\$ 928,561</u>	<u>\$ (371,615)</u>	<u>\$ 43,539,764</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 904,902
Special	131,276
Vocational	27,243
<u>Support services:</u>	
Pupil	58,338
Instructional staff	681
Administration	52,087
Fiscal	3,446
Business	3,693
Operations and maintenance	576,956
Pupil transportation	326,162
Central	24,421
<u>Operation of non-instructional services:</u>	
Other non-instructional services	57,932
Food service operations	54,767
Extracurricular activities	100,919
Total depreciation expense	<u>\$ 2,322,823</u>

B. Business-type capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 168,278	\$ -	\$ -	\$ 168,278
Buildings	5,320,572	-	-	5,320,572
Equipment	87,794	-	-	87,794
Vehicles	50,147	-	-	50,147
Total capital assets, being depreciated	<u>5,626,791</u>	<u>-</u>	<u>-</u>	<u>5,626,791</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(140,509)	(2,813)	-	(143,322)
Buildings	(1,835,817)	(167,486)	-	(2,003,303)
Equipment	(87,794)	-	-	(87,794)
Vehicles	(50,147)	-	-	(50,147)
Total accumulated depreciation	<u>(2,114,267)</u>	<u>(170,299)</u>	<u>-</u>	<u>(2,284,566)</u>
Business-type activities capital assets, net	<u>\$ 3,512,524</u>	<u>\$ (170,299)</u>	<u>\$ -</u>	<u>\$ 3,342,225</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2014, the District maintained comprehensive insurance coverage for liability, violence, property, building contents and vehicles. The District obtains insurance coverage through Argonaut Insurance Company. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Building and Contents - Replacement Cost	\$82,930,414
Automobile Liability	5,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Umbrella Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Employer's Liability	1,000,000

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

B. Workers' Compensation

During fiscal year 2012, the District became self-insured for workers' compensation benefits. The District only pays administrative charges and in turn the District assumes the responsibility of paying all claims incurred during the policy period. The District's stop-loss coverage through the plan is limited to \$200,000 per claim stop-loss coverage with an annual aggregate. The District utilizes Sheakley Uniservice, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal year 2014, the District paid administration fees in the amount of \$20,400 for these services.

The District's Workers' Compensation program is accounted for in the internal service fund which pays for all claims, claim reserves and administrative costs of the program. The internal service fund generates revenues by charging each fund a percentage rate determined by the District for the payroll during the reporting period. The claims liability of \$70,112 reported in the basic financial statements at June 30, 2014, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 10 - RISK MANAGEMENT - (Continued)

Changes in claims activity for the fiscal years 2014 and 2013 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2014	\$ 33,498	\$ 123,698	\$ (87,084)	\$ 70,112
2013	39,353	44,021	(49,876)	33,498

C. Employee Health Benefits

The District participates in the Suburban Health Consortium, a shared risk pool (Note 15) to provide employee medical, prescription, dental and vision benefits. Rates are set annually with the assistance of a consultant. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. During fiscal year 2014, the District's Board of Education paid 89% of the cost of the monthly medical and prescription premiums for full-time employees and administrators. Additionally, the Board paid 89% of the monthly premium for dental and vision coverage.

Claims are paid for all participants regardless of claims flow. Upon termination, all District claims would be paid without regard to the District's account balance or the Directors have the right to hold monies for an exiting school district subsequent to the settlement of all expenses and claims.

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 12 to 22 days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators employed to work 225 days per year receive 22 days of vacation annually. Classified employees and administrators who receive vacation are paid for accumulated, unused vacation time upon separation of employment in accordance with Ohio Revised Code Section 3319.084. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, classified OAPSE employees receive payment for one-fourth of total sick leave accumulation up to a maximum accumulation of 270 days. For classified CESSA and certified employees, upon retirement, employees receive one-fourth of total sick leave accumulation up to a maximum accumulation of 336 and 320 days, respectively, plus eight percent of sick leave accumulation over the last five years of service less sick leave used over the last five years of service.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem in the amount of \$100,000 and \$200,000 for all administrators.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 by writing to the District Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 14 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$1,263,743, \$1,270,420 and \$1,220,733, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

NOTE 12 - PENSION PLANS - (Continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$2,929,710, \$2,904,145 and \$2,940,205, respectively; 84.11 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$114,945 made by the District and \$90,314 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2014 certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

B. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - 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 contribution of 14 percent 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 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$131,841, \$154,606 and \$195,266, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$73,316, \$71,764 and \$72,091, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$225,362, \$223,396 and \$226,170, respectively; 84.11 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS

A. During fiscal year 2014, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2014</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement Capital Appreciation Bonds 8.16% (stated rate) 12/01/12 and 12/01/13 maturity	\$ 381,061	\$ -	\$ (381,061)	\$ -	\$ -
Series 1999, Improvement Capital Appreciation Bonds Accreted Interest	795,774	48,165	(843,939)	-	-
Series 2004, Improvement Current Interest Bonds 2.0 - 4.625%, 12/01/26 maturity	3,055,000	-	-	3,055,000	-
Series 2004, Improvement Capital Appreciation Bonds 24.185% (stated rate) 12/01/13 and 12/01/14 maturity	39,998	-	(22,272)	17,726	17,726
Series 2004, Improvement Capital Appreciation Bonds Accreted Interest	280,696	57,806	(177,728)	160,774	160,774
Series 2007, Refunding Current Interest Bonds 4.00 - 4.50%, 12/01/23 maturity	14,580,000	-	(195,000)	14,385,000	1,530,000
Series 2007, Refunding Capital Appreciation Bonds 9.281% (stated rate) 12/01/15 and 12/01/16 maturity	1,394,970	-	-	1,394,970	-
Series 2007, Refunding Capital Appreciation Bonds Accreted Interest	1,044,108	226,360	-	1,270,468	-
Series 2010 Qualified School Construction Bonds 4.72% 12/1/19 maturity	<u>2,670,000</u>	<u>-</u>	<u>-</u>	<u>2,670,000</u>	<u>-</u>
Total, general obligation bonds	<u>24,241,607</u>	<u>332,331</u>	<u>(1,620,000)</u>	<u>22,953,938</u>	<u>1,708,500</u>

(Continued)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2014</u>	Amount Due in <u>One Year</u>
<u>Other obligations:</u>					
Capital lease obligation	\$ 12,218	\$ -	\$ (6,488)	\$ 5,730	\$ 5,730
Compensated absences	<u>6,073,799</u>	<u>918,713</u>	<u>(576,716)</u>	<u>6,415,796</u>	<u>840,288</u>
Total, other obligations	<u>6,086,017</u>	<u>918,713</u>	<u>(583,204)</u>	<u>6,421,526</u>	<u>846,018</u>
Total, all governmental activities long-term liabilities	<u>\$ 30,327,624</u>	<u>\$ 1,251,044</u>	<u>\$ (2,203,204)</u>	29,375,464	<u>\$ 2,554,518</u>
Add: Unamortized premium on bonds				<u>577,025</u>	
Total on statement of net position				<u>\$ 29,952,489</u>	
Business-type activity:					
Compensated absences	<u>\$ 51,351</u>	<u>\$ 18,541</u>	<u>\$ (15,155)</u>	<u>\$ 54,737</u>	<u>\$ 20,086</u>
Total business-type activities, long-term obligations	<u>\$ 51,351</u>	<u>\$ 18,541</u>	<u>\$ (15,155)</u>	<u>\$ 54,737</u>	<u>\$ 20,086</u>

The general obligation bonds will be paid with property tax revenue from the bond retirement fund. Compensated absences will be paid from the fund from which the employee is paid which, for the District is primarily the general fund. Capital lease obligations will be paid from the general fund.

Series 1999 General Obligation Bonds

On May 12, 1999, the District issued \$29,498,221 in general obligation bonds. The proceeds of these bonds were used to provide long-term financing of the District's building projects. These bonds bear an annual interest rate of 3.3% to 5.1% and mature in fiscal year 2014. The Series 1999 general obligation bond issue is comprised of both current interest bonds, par value \$28,710,000 and capital appreciation bonds, par value \$788,221. There are no further obligations on this bond issuance.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 School Improvement General Obligation Bonds

On April 8, 2004, the District issued \$4,499,998 in general obligation bonds. The proceeds of the bond issue were used to retire the Series 2003 School Improvement Notes which matured on July 15, 2004. The Series 2004 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$4,460,000 and capital appreciation bonds, par value \$39,998. The remaining capital appreciation bonds mature on December 1, 2014 (stated interest rate 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. A total of \$160,774 in accreted interest has been included in the statement of net position at June 30, 2014. The capital appreciation bonds are not subject to redemption prior to maturity. The current interest bonds maturing on December 1, 2026 (the 2026 Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption of the 2026 Term Bonds is to occur on December 1 in each of the years 2024 and 2025 (with the balance of \$320,000 to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2024	\$290,000
December 1, 2025	305,000

The current interest bonds maturing on or after December 1, 2015 are also subject to prior redemption on or after June 21, 2014 by and at the sole option of the Board, either in whole or in part (as selected by the Board) on any date and in integral multiples of \$5,000, at par.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2026.

Series 2007 Refunding General Obligation Bonds

On February 14, 2007, the District issued general obligation bonds (Series 2007 Refunding Bonds) to advance refund the callable portion of the Series 1999 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2014, is \$17,285,000.

The refunding issue is comprised of both current interest bonds, par value \$16,960,000 and capital appreciation bonds par value \$1,394,970. The interest rates on the current interest bonds range from 4.00% - 4.50%. The capital appreciation bonds mature on December 1, 2015 (stated interest rate 9.281%) and December 1, 2016 (stated interest rate 9.281%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 is \$1,590,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 is \$1,590,000. Total accreted interest of \$1,270,468 has been included in the statement of net position at June 30, 2014.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2023.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$657,852. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Facilities Construction and Improvement Bonds - Series 2010

On September 1, 2010, the District issued \$2,670,000 of Qualified School Construction Bonds (QSCBs) to finance building construction and improvements. This issue is comprised of current interest term bonds, par value \$2,670,000.

These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for on the statement of net position. Payments of interest relating to this bond are recorded as expenditures in the bond retirement fund.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issues is December 1, 2019.

For QSCBs, the District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District recorded this subsidy from the federal government in the amount of \$116,937 in the bond retirement fund.

\$2,670,000 of the QSCBs is subject to mandatory sinking fund deposits. The District is required to maintain a sinking fund account and deposit monies each December 1 into the account for payment of the bonds at maturity on December 1, 2019. During fiscal year 2014, the District made \$267,000 in sinking fund deposits. The payments into the sinking fund were made through the bond retirement fund during fiscal year 2014. On the financial statements, the fair value of the investments accumulated in the sinking fund in the amount of \$1,101,370 is reported as “cash and investments with escrow agent”.

The following is a schedule of future sinking fund deposits required to be made into the District’s sinking fund account:

<u>Fiscal Year</u>	<u>Sinking Fund Required Deposit</u>
2015	\$ 267,000
2016	267,000
2017	267,000
2018	267,000
2019	267,000
2020	<u>267,000</u>
Total	<u>\$ 1,602,000</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2004)			Capital Appreciation G.O. Bonds (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total
	2015	\$ -	\$ 133,582	\$ 133,582	\$ 17,726	\$ 182,274
2016	200,000	129,732	329,732	-	-	-
2017	210,000	121,683	331,683	-	-	-
2018	220,000	113,082	333,082	-	-	-
2019	225,000	104,014	329,014	-	-	-
2020 - 2024	1,285,000	361,514	1,646,514	-	-	-
2025 - 2027	915,000	64,866	979,866	-	-	-
Total	\$ 3,055,000	\$ 1,028,473	\$ 4,083,473	\$ 17,726	\$ 182,274	\$ 200,000

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2007)			Capital Appreciation G.O. Bonds (Series 2007)		
	Principal	Interest	Total	Principal	Interest	Total
	2015	\$ 1,530,000	\$ 587,663	\$ 2,117,663	\$ -	\$ -
2016	-	557,062	557,062	728,410	861,590	1,590,000
2017	-	557,063	557,063	666,560	923,440	1,590,000
2018	1,590,000	525,263	2,115,263	-	-	-
2019	1,705,000	457,231	2,162,231	-	-	-
2020 - 2024	9,560,000	1,086,412	10,646,412	-	-	-
Total	\$ 14,385,000	\$ 3,770,694	\$ 18,155,694	\$ 1,394,970	\$ 1,785,030	\$ 3,180,000

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2010)		
	Principal	Interest	Total
	2015	\$ -	\$ 126,024
2016	-	126,024	126,024
2017	-	126,024	126,024
2018	-	126,024	126,024
2019	-	126,024	126,024
2020	2,670,000	63,012	2,733,012
Total	\$ 2,670,000	\$ 693,132	\$ 3,363,132

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2014, are a voted debt margin of \$73,668,539 (including available funds of \$4,129,608) and an unvoted debt margin of \$1,011,796.

NOTE 15 - PUBLIC ENTITY RISK POOL

The Suburban Health Consortium (Consortium) is a shared health risk pool created pursuant to State statute for the purpose of administering health care benefits. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part at any time for their district. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance of the terms of the contract. During fiscal year 2012, the District became the fiscal agent for the Consortium.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. North Coast Council

The District is a member of the North Coast Council (NCC) which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2012. NCC was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34 member districts. Each of the governments of these schools supports the NCC based on a per pupil charge. The District contributed \$67,965 to NCC during fiscal year 2014. NCC is governed by a nine member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Board of Education, who serves as fiscal agent, at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred twenty-one member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2014, the District paid \$3,091 to the Council for membership and other services and \$198,120 to the Council's prepaid natural gas program. Financial information can be obtained by contacting William Zelli, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 Developmental Disabilities boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, and Toledo Edison) the ability to purchase electricity at reduced rates. The Council's current program, Power 4 Schools, provides for a fixed per kilowatt-hour for electricity generation until May 2017, converting to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

NOTE 17 - SET-ASIDES

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 17 - SET-ASIDES - (Continued)

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	357,287
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(762,536)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	<u>\$ (405,249)</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

The District had current year offsets that reduced the capital improvements set-aside amount to zero. During fiscal years 1999, 2004 and 2011, the District issued \$29,498,221, \$4,499,998 and \$2,670,000, respectively, in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to zero. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$36,668,219 at June 30, 2014.

NOTE 18 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is party to legal proceedings. The District management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (1,585,215)
Net adjustment for revenue accruals	1,207,420
Net adjustment for expenditure accruals	(84,384)
Net adjustment for other sources/uses	(24,050)
Funds budgeted elsewhere	267,240
Adjustment for encumbrances	<u>203,492</u>
GAAP basis	<u>\$ (15,497)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, uniform school supplies fund, special education fund, public school support fund, the electric holding fund and the termination benefits fund.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 20 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 192,226
Permanent improvement fund	1,802,024
Other nonmajor governmental funds	<u>12,907</u>
 Total	 <u><u>\$ 2,007,157</u></u>

NOTE 21 - CONTRACTUAL COMMITMENTS

As of June 30, 2014, the District had the following contractual commitments outstanding:

<u>Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2014</u>
Albert M. Higley Company	\$ 1,962,341	\$ (482,983)	\$ 1,479,358
Marlin Mechanical	<u>92,280</u>	<u>(54,250)</u>	<u>38,030</u>
 Total	 <u><u>\$ 2,054,621</u></u>	 <u><u>\$ (537,233)</u></u>	 <u><u>\$ 1,517,388</u></u>

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Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Combining Statements
and Individual Fund Schedules
Supplementary Information

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MAJOR FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. The general funds's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Other Major Funds

Bond Retirement Fund

The bond retirement fund is used to account for the accumulation of property tax revenue restricted for the payment of general obligations bonds used for the construction of a new elementary school and other necessary school facility improvements.

Permanent Improvement Fund

The permanent improvement fund is used to account for taxes levied that are restricted for the replacement and updating of equipment and facilities essential for the instruction of students.

Recreation Fund

This fund accounts for fees and property taxes for the upkeep of the recreation center and educational opportunities offered to District residents.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 37,384,385	\$ 39,051,000	\$ 39,079,410	\$ 28,410
Tuition.	377,620	400,000	385,189	(14,811)
Earnings on investments	179,370	190,000	227,314	37,314
Classroom materials and fees	4,720	5,000	2,502	(2,498)
Rental income	4,720	5,000	15,290	10,290
Contributions and donations	-	-	10	10
Contract services	37,762	40,000	41,450	1,450
Other local revenues	33,042	35,000	59,942	24,942
Intergovernmental - state.	<u>7,147,403</u>	<u>7,571,000</u>	<u>7,417,517</u>	<u>(153,483)</u>
<i>Total revenues.</i>	<u>45,169,022</u>	<u>47,297,000</u>	<u>47,228,624</u>	<u>(68,376)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	12,715,300	12,715,300	12,826,229	(110,929)
Fringe benefits	4,292,900	4,292,900	3,951,869	341,031
Purchased services	402,262	402,262	305,438	96,824
Materials and supplies.	424,395	424,395	350,708	73,687
Capital outlay	<u>194,133</u>	<u>194,133</u>	<u>191,249</u>	<u>2,884</u>
Total instruction-regular.	<u>18,028,990</u>	<u>18,028,990</u>	<u>17,625,493</u>	<u>403,497</u>
Instruction-special:				
Salaries and wages	3,960,600	3,960,600	3,932,288	28,312
Fringe benefits	1,471,700	1,471,700	1,418,773	52,927
Purchased services	1,083,170	1,083,170	1,178,758	(95,588)
Materials and supplies.	63,965	63,965	51,057	12,908
Capital outlay	<u>18,700</u>	<u>18,700</u>	<u>16,731</u>	<u>1,969</u>
Total instruction-special	<u>6,598,135</u>	<u>6,598,135</u>	<u>6,597,607</u>	<u>528</u>
Instruction-vocational:				
Salaries and wages	72,400	72,400	43,364	29,036
Fringe benefits	42,400	42,400	9,375	33,025
Purchased services	137,000	137,000	246,472	(109,472)
Materials and supplies.	<u>2,500</u>	<u>2,500</u>	<u>2,495</u>	<u>5</u>
Total instruction-vocational	<u>254,300</u>	<u>254,300</u>	<u>301,706</u>	<u>(47,406)</u>
Instruction-other:				
Fringe benefits	<u>13,500</u>	<u>13,500</u>	<u>10,235</u>	<u>3,265</u>
Total instruction-other	<u>13,500</u>	<u>13,500</u>	<u>10,235</u>	<u>3,265</u>
Support services-pupil:				
Salaries and wages	2,090,700	2,090,700	2,043,326	47,374
Fringe benefits	735,700	735,700	671,735	63,965
Purchased services	427,880	427,880	402,543	25,337
Materials and supplies.	<u>20,346</u>	<u>20,346</u>	<u>17,351</u>	<u>2,995</u>
Total support services-pupil.	<u>3,274,626</u>	<u>3,274,626</u>	<u>3,134,955</u>	<u>139,671</u>

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 874,600	\$ 874,600	\$ 941,148	\$ (66,548)
Fringe benefits	409,050	409,050	419,010	(9,960)
Purchased services	89,576	89,576	74,873	14,703
Materials and supplies	44,478	44,478	41,979	2,499
Capital outlay	8,195	8,195	6,795	1,400
Total support services-instructional staff	1,425,899	1,425,899	1,483,805	(57,906)
Support services-Board of Education:				
Salaries and wages	-	-	15,000	(15,000)
Fringe benefits	4,400	4,400	4,228	172
Purchased services	5,762	5,762	5,762	-
Materials and supplies	338	338	248	90
Capital outlay	2,558	2,558	2,350	208
Other	52,860	52,860	52,336	524
Total support services-Board of Education	65,918	65,918	79,924	(14,006)
Support services-administration:				
Salaries and wages	1,787,100	1,787,100	1,808,366	(21,266)
Fringe benefits	772,135	772,135	767,214	4,921
Purchased services	442,552	442,552	435,425	7,127
Materials and supplies	33,600	33,600	29,172	4,428
Capital outlay	7,900	7,900	7,421	479
Other	221,854	221,854	207,781	14,073
Total support services-administration.	3,265,141	3,265,141	3,255,379	9,762
Support services-fiscal:				
Salaries and wages	391,500	391,500	385,017	6,483
Fringe benefits	303,800	303,800	193,177	110,623
Purchased services	61,367	61,367	47,251	14,116
Materials and supplies	5,000	5,000	4,139	861
Capital outlay	5,000	5,000	4,375	625
Other	629,000	629,000	633,435	(4,435)
Total support services-fiscal	1,395,667	1,395,667	1,267,394	128,273
Support services-business:				
Salaries and wages	237,500	237,500	281,867	(44,367)
Fringe benefits	126,300	126,300	114,954	11,346
Purchased services	132,000	132,000	111,875	20,125
Materials and supplies	58,980	58,980	54,939	4,041
Capital outlay	15,750	15,750	14,619	1,131
Other	2,700	2,700	1,856	844
Total support services-business	573,230	573,230	580,110	(6,880)

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-operations and maintenance:				
Salaries and wages	\$ 1,834,500	\$ 1,834,500	\$ 1,778,473	\$ 56,027
Fringe benefits	950,200	950,200	866,684	83,516
Purchased services	1,656,738	1,656,738	1,610,064	46,674
Materials and supplies.	235,586	235,586	227,165	8,421
Capital outlay	81,150	81,150	80,983	167
Other	<u>17,000</u>	<u>17,000</u>	<u>17,505</u>	<u>(505)</u>
Total support services-operations and maintenance	<u>4,775,174</u>	<u>4,775,174</u>	<u>4,580,874</u>	<u>194,300</u>
Support services-pupil transportation:				
Salaries and wages	1,964,300	1,964,300	1,930,194	34,106
Fringe benefits	1,166,300	1,166,300	1,017,119	149,181
Purchased services	131,290	131,290	90,178	41,112
Materials and supplies.	396,343	396,343	357,262	39,081
Capital outlay	<u>305,000</u>	<u>305,000</u>	<u>298,630</u>	<u>6,370</u>
Total support services-pupil transportation	<u>3,963,233</u>	<u>3,963,233</u>	<u>3,693,383</u>	<u>269,850</u>
Support services-central:				
Salaries and wages	421,200	421,200	426,032	(4,832)
Fringe benefits	269,300	269,300	222,283	47,017
Purchased services	185,277	185,277	178,323	6,954
Materials and supplies.	60,675	60,675	58,832	1,843
Capital outlay	<u>62,451</u>	<u>62,451</u>	<u>61,286</u>	<u>1,165</u>
Total support services-central	<u>998,903</u>	<u>998,903</u>	<u>946,756</u>	<u>52,147</u>
Extracurricular activities:				
Salaries and wages	1,046,300	1,046,300	1,046,681	(381)
Fringe benefits	240,350	240,350	228,668	11,682
Purchased services	<u>174</u>	<u>174</u>	<u>174</u>	<u>-</u>
Total extracurricular activities.	<u>1,286,824</u>	<u>1,286,824</u>	<u>1,275,523</u>	<u>11,301</u>
<i>Total expenditures</i>	<u>45,919,540</u>	<u>45,919,540</u>	<u>44,833,144</u>	<u>1,086,396</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(750,518)</u>	<u>1,377,460</u>	<u>2,395,480</u>	<u>1,018,020</u>

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 3,000	\$ 3,000	\$ 3,550	\$ 550
Transfers out	(2,978,000)	(2,978,000)	(3,810,000)	(832,000)
Advances in	-	-	520,500	520,500
Advances out.	-	-	(700,000)	(700,000)
Sale of capital assets	-	-	5,255	5,255
<i>Total other financing sources (uses)</i>	<u>(2,975,000)</u>	<u>(2,975,000)</u>	<u>(3,980,695)</u>	<u>(1,005,695)</u>
<i>Net change in fund balance</i>	(3,725,518)	(1,597,540)	(1,585,215)	12,325
<i>Fund balance at beginning of year</i>	28,112,961	28,112,961	28,112,961	-
<i>Prior year encumbrances appropriated.</i>	97,540	97,540	97,540	-
<i>Fund balance at end of year.</i>	<u>\$ 24,484,983</u>	<u>\$ 26,612,961</u>	<u>\$ 26,625,286</u>	<u>\$ 12,325</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 2,263,000	\$ 2,264,927	\$ 1,927
Earnings on investments	23,200	23,004	(196)
Intergovernmental - state	263,300	263,321	21
Intergovernmental-federal	117,000	116,937	(63)
<i>Total revenues.</i>	2,666,500	2,668,189	1,689
 Expenditures:			
Current:			
Support services-fiscal			
Dues and fees	35,010	37,451	(2,441)
Total support services-fiscal	35,010	37,451	(2,441)
Debt service:			
Principal retirement	1,620,000	1,620,000	-
Interest and fiscal charges	1,151,990	1,148,769	3,221
Total debt service	2,771,990	2,768,769	3,221
 <i>Total expenditures</i>	2,807,000	2,806,220	780
 <i>Net change in fund balance</i>	(140,500)	(138,031)	2,469
 <i>Fund balance at beginning of year</i>	3,107,257	3,107,257	-
<i>Fund balance at end of year.</i>	\$ 2,966,757	\$ 2,969,226	\$ 2,469

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes.	\$ 645,200	\$ 645,236	\$ 36
Earnings on investments	32,000	32,185	185
Other local revenue.	14,600	14,598	(2)
Intergovernmental - state.	<u>117,000</u>	<u>117,300</u>	<u>300</u>
<i>Total revenues.</i>	<u>808,800</u>	<u>809,319</u>	<u>519</u>
 Expenditures:			
Current:			
Support services-fiscal			
Dues and fees	<u>13,200</u>	<u>13,009</u>	<u>191</u>
Total support services-fiscal	<u>13,200</u>	<u>13,009</u>	<u>191</u>
 Facilities acquisition and construction:			
Capital outlay	<u>5,759,034</u>	<u>5,724,822</u>	<u>34,212</u>
Total facilities acquisition and construction.	<u>5,759,034</u>	<u>5,724,822</u>	<u>34,212</u>
 <i>Total expenditures</i>	<u>5,772,234</u>	<u>5,737,831</u>	<u>34,403</u>
 <i>Excess of expenditures over revenues.</i>	<u>(4,963,434)</u>	<u>(4,928,512)</u>	<u>34,922</u>
 Other financing sources:			
Transfers in.	<u>3,250,000</u>	<u>3,300,000</u>	<u>50,000</u>
<i>Total other financing sources.</i>	<u>3,250,000</u>	<u>3,300,000</u>	<u>50,000</u>
 <i>Net change in fund balance</i>	(1,713,434)	(1,628,512)	84,922
 <i>Fund balance at beginning of year</i>	5,169,913	5,169,913	-
<i>Prior year encumbrances appropriated.</i>	<u>1,658,234</u>	<u>1,658,234</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 5,114,713</u>	<u>\$ 5,199,635</u>	<u>\$ 84,922</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Program fees	\$ 1,735,381	\$ 1,780,827	\$ 45,446
Sales/charges for services.	46,573	50,869	4,296
Other	<u>63,246</u>	<u>39,148</u>	<u>(24,098)</u>
<i>Total operating revenues</i>	<u>1,845,200</u>	<u>1,870,844</u>	<u>25,644</u>
Operating expenses:			
Salaries.	1,367,327	1,220,916	146,411
Fringe benefits	533,017	434,325	98,692
Purchased services	858,479	537,456	321,023
Materials and supplies	164,225	111,891	52,334
Capital outlay.	61,151	20,681	40,470
Other.	<u>51,500</u>	<u>44,024</u>	<u>7,476</u>
<i>Total operating expenses</i>	<u>3,035,699</u>	<u>2,369,293</u>	<u>666,406</u>
<i>Operating loss</i>	<u>(1,190,499)</u>	<u>(498,449)</u>	<u>692,050</u>
Nonoperating revenues:			
Investment earnings	28,100	28,758	658
Property taxes	817,630	811,413	(6,217)
Grants and subsidies	129,500	117,952	(11,548)
Refund of prior year's expense.	<u>-</u>	<u>12</u>	<u>12</u>
<i>Total nonoperating revenues</i>	<u>975,230</u>	<u>958,135</u>	<u>(17,095)</u>
<i>Net change in fund equity</i>	(215,269)	459,686	674,955
<i>Fund equity at beginning of year</i>	4,171,436	4,171,436	-
<i>Prior year encumbrances appropriated.</i>	<u>10,695</u>	<u>10,695</u>	<u>-</u>
<i>Fund equity at end of year.</i>	<u>\$ 3,966,862</u>	<u>\$ 4,641,817</u>	<u>\$ 674,955</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Building Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 469,205	\$ 160,548	\$ 629,753
Receivables:			
Accrued interest	384	210	594
Intergovernmental	172,111	-	172,111
Inventory held for resale	6,237	-	6,237
	<u>\$ 647,937</u>	<u>\$ 160,758</u>	<u>\$ 808,695</u>
<i>Total assets</i>	<u>\$ 647,937</u>	<u>\$ 160,758</u>	<u>\$ 808,695</u>
Liabilities:			
Accounts payable	\$ 1,169	\$ -	\$ 1,169
Accrued wages payable	103,166	-	103,166
Compensated absences payable	36,866	-	36,866
Intergovernmental payable	1,135	-	1,135
Pension obligation payable	12,890	-	12,890
	<u>155,226</u>	<u>-</u>	<u>155,226</u>
<i>Total liabilities</i>	<u>155,226</u>	<u>-</u>	<u>155,226</u>
Deferred inflows of resources:			
Accrued interest not available	285	156	441
Other nonexchange transactions not available	60,064	-	60,064
	<u>60,349</u>	<u>156</u>	<u>60,505</u>
<i>Total deferred inflows of resources</i>	<u>60,349</u>	<u>156</u>	<u>60,505</u>
Fund Balances:			
Restricted:			
Capital improvements	-	160,602	160,602
Food service operations	195,634	-	195,634
Non-public schools	10,528	-	10,528
Special education	22,223	-	22,223
Target academic assistance	2,825	-	2,825
Other local, state and federal grants	41,147	-	41,147
Extracurricular	124,178	-	124,178
Committed:			
Memorial	36,572	-	36,572
Unassigned (deficit)	(745)	-	(745)
	<u>432,362</u>	<u>160,602</u>	<u>592,964</u>
<i>Total fund balances</i>	<u>432,362</u>	<u>160,602</u>	<u>592,964</u>
<i>Total liabilities, deferred inflows and fund balances</i>	<u>\$ 647,937</u>	<u>\$ 160,758</u>	<u>\$ 808,695</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund - Building Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 2,387	\$ 1,276	\$ 3,663
Charges for services	505,523	-	505,523
Extracurricular activities	305,942	-	305,942
Contributions and donations	45,271	-	45,271
Other local revenues	10,481	-	10,481
Intergovernmental - intermediate.	57,309	-	57,309
Intergovernmental - state	568,230	-	568,230
Intergovernmental - federal	848,909	-	848,909
Decrease in fair value of investments	1,871	1,343	3,214
<i>Total revenues</i>	<u>2,345,923</u>	<u>2,619</u>	<u>2,348,542</u>
Expenditures:			
Current:			
Instruction:			
Regular	85,943	-	85,943
Special	432,079	-	432,079
Support services:			
Pupil	167,596	-	167,596
Instructional staff.	17,940	-	17,940
Administration	14,671	-	14,671
Central	9,000	-	9,000
Operation of non-instructional services:			
Other non-instructional services	584,830	33,820	618,650
Food service operations	624,186	-	624,186
Extracurricular activities	496,701	-	496,701
<i>Total expenditures</i>	<u>2,432,946</u>	<u>33,820</u>	<u>2,466,766</u>
<i>Excess of expenditures over revenues</i>	<u>(87,023)</u>	<u>(31,201)</u>	<u>(118,224)</u>
Other financing sources:			
Transfers in	110,000	-	110,000
<i>Total other financing sources</i>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
<i>Net change in fund balances</i>	22,977	(31,201)	(8,224)
<i>Fund balances at beginning of year</i>	<u>409,385</u>	<u>191,803</u>	<u>601,188</u>
<i>Fund balances at end of year</i>	<u>\$ 432,362</u>	<u>\$ 160,602</u>	<u>\$ 592,964</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the District's special revenue funds follows:

Local Grants Fund

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

District Managed Activity Fund

A fund provided to account for monies that are restricted to those student activity programs which have student participation in the activity but do not have student management of the programs.

Auxiliary Services Fund

A fund provided to account for monies which are restricted to provide services and materials to pupils attending non-public schools within the District.

Education Management Information System Fund

A fund provided to account for monies that are restricted for hardware and software development, or other costs associated with the requirements of the management information system.

Ohio K-12 Network Connectivity Fund

A fund to account for money that is restricted for expenditures related to the Ohio Educational Computer Network Connections.

Miscellaneous State Grants Fund

A fund to account for monies restricted from state agencies which are not classified elsewhere.

Race to the Top Fund

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

Title VI-B Fund

A fund provided to account for federal monies that are restricted to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III Fund

A fund provided to account for federal monies that are restricted to assist the District in meeting the special needs of children of limited English proficiency.

Title I Fund

A fund provided to account for federal monies that are restricted to assist the District in meeting the special needs of educationally deprived children.

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Preschool Disability Fund

A fund to account for monies received that are restricted for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A Fund

A fund to account for grant monies that are restricted for the hiring of additional teachers in grades 1-3.

Food Service Fund

To account for monies received that are restricted to the food service operations of the District.

Memorial Fund

A fund to account for monies that are committed for the purchase of library books or other materials for the District.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Unclaimed Monies Fund

To account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

Uniform School Supplies Fund

To account for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Special Education Fund

To account for tuition revenues and other resources received from other school districts that are used on for the District's special education programs.

Public School Support Fund

A fund provided to account for specific local revenue sources (i.e. profits from vending machines, sales of pictures, etc.) that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Electric Holding Fund

A fund provided to account for resources and expenditures related to the electric consumption of the District.

Termination Benefits Fund

A fund provided to account for money committed for paying termination benefits.

Nonmajor Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the District's nonmajor capital projects fund follows:

Building Improvement Fund

A fund provided to account for all transactions related to the acquiring, construction, or improving of such building improvements.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014*

	Local Grants	District Managed Activity	Auxiliary Services	Race to the Top
Assets:				
Equity in pooled cash and investments	\$ 38,844	\$ 124,178	\$ 47,378	\$ 5
Receivables:				
Accrued interest	-	-	62	-
Intergovernmental	-	-	-	-
Inventory held for resale.	-	-	-	-
<i>Total assets</i>	<u>\$ 38,844</u>	<u>\$ 124,178</u>	<u>\$ 47,440</u>	<u>\$ 5</u>
Liabilities:				
Accounts payable	\$ 393	\$ -	\$ -	\$ -
Accrued wages payable	-	-	-	-
Compensated absences payable.	-	-	36,866	-
Intergovernmental payable.	-	-	-	-
Pension obligation payable.	-	-	-	-
<i>Total liabilities.</i>	<u>393</u>	<u>-</u>	<u>36,866</u>	<u>-</u>
Deferred inflows of resources:				
Accrued interest not available	-	-	46	-
Intergovernmental revenues not available.	-	-	-	-
<i>Total deferred inflows of resources.</i>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>
Fund Balances:				
Restricted:				
Food service operations	-	-	-	-
Non-public schools.	-	-	10,528	-
Special education.	-	-	-	-
Target academic assistance.	-	-	-	-
Other local, state and federal grants	38,451	-	-	5
Extracurricular	-	124,178	-	-
Committed:				
Memorial	-	-	-	-
Unassigned (deficit)	-	-	-	-
<i>Total fund balances</i>	<u>38,451</u>	<u>124,178</u>	<u>10,528</u>	<u>5</u>
<i>Total liabilities, deferred inflows and fund balances</i>	<u>\$ 38,844</u>	<u>\$ 124,178</u>	<u>\$ 47,440</u>	<u>\$ 5</u>

<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Preschool Disability</u>	<u>Title II-A</u>
\$ 8,669	\$ 2,691	\$ 1,405	\$ 16	\$ 59
-	-	-	-	-
128,271	-	31,553	2,494	9,793
-	-	-	-	-
<u>\$ 136,940</u>	<u>\$ 2,691</u>	<u>\$ 32,958</u>	<u>\$ 2,510</u>	<u>\$ 9,852</u>
\$ -	\$ -	\$ -	\$ -	\$ -
51,066	-	26,671	1,165	6,921
-	-	-	-	-
615	-	324	17	83
<u>6,844</u>	<u>-</u>	<u>3,138</u>	<u>249</u>	<u>800</u>
<u>58,525</u>	<u>-</u>	<u>30,133</u>	<u>1,431</u>	<u>7,804</u>
-	-	-	-	-
<u>57,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
<u>57,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
-	-	-	-	-
-	-	-	-	-
21,144	-	-	1,079	-
-	-	2,825	-	-
-	2,691	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(745)</u>
<u>21,144</u>	<u>2,691</u>	<u>2,825</u>	<u>1,079</u>	<u>(745)</u>
<u>\$ 136,940</u>	<u>\$ 2,691</u>	<u>\$ 32,958</u>	<u>\$ 2,510</u>	<u>\$ 9,852</u>

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2014*

	Food Service	Memorial	Total Nonmajor Special Revenue Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and investments	\$ 209,400	\$ 36,560	\$ 469,205
Receivables:			
Accrued interest	274	48	384
Intergovernmental	-	-	172,111
Inventory held for resale.	6,237	-	6,237
	<u> </u>	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ 215,911</u>	<u>\$ 36,608</u>	<u>\$ 647,937</u>
Liabilities:			
Accounts payable	\$ 776	\$ -	\$ 1,169
Accrued wages payable	17,343	-	103,166
Compensated absences payable.	-	-	36,866
Intergovernmental payable.	96	-	1,135
Pension obligation payable.	1,859	-	12,890
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities.</i>	<u>20,074</u>	<u>-</u>	<u>155,226</u>
Deferred inflows of resources:			
Accrued interest not available	203	36	285
Intergovernmental revenues not available.	-	-	60,064
	<u> </u>	<u> </u>	<u> </u>
<i>Total deferred inflows of resources.</i>	<u>203</u>	<u>36</u>	<u>60,349</u>
Fund Balances:			
Restricted:			
Food service operations	195,634	-	195,634
Non-public schools.	-	-	10,528
Special education.	-	-	22,223
Target academic assistance.	-	-	2,825
Other local, state and federal grants	-	-	41,147
Extracurricular	-	-	124,178
Committed:			
Memorial	-	36,572	36,572
Unassigned (deficit)	-	-	(745)
	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balances</i>	<u>195,634</u>	<u>36,572</u>	<u>432,362</u>
<i>Total liabilities, deferred inflows and fund balances</i>	<u>\$ 215,911</u>	<u>\$ 36,608</u>	<u>\$ 647,937</u>

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Local Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Ohio K-12 Network Connectivity</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 871	\$ -
Charges for services	-	-	-	-
Extracurricular activities	-	305,942	-	-
Contributions and donations	-	45,271	-	-
Other local revenues	-	10,481	-	-
Intergovernmental - intermediate	57,309	-	-	-
Intergovernmental - state	-	-	556,856	9,000
Intergovernmental - federal	-	-	-	-
Decrease in fair value of investments	-	-	395	-
<i>Total revenues</i>	<u>57,309</u>	<u>361,694</u>	<u>558,122</u>	<u>9,000</u>
Expenditures:				
Current:				
Instruction:				
Regular	32,932	-	-	-
Special	2,821	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Central	-	-	-	9,000
Operation of non-instructional services:				
Other non-instructional services	-	-	584,830	-
Food service operations	-	-	-	-
Extracurricular activities	-	496,701	-	-
<i>Total expenditures</i>	<u>35,753</u>	<u>496,701</u>	<u>584,830</u>	<u>9,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>21,556</u>	<u>(135,007)</u>	<u>(26,708)</u>	<u>-</u>
Other financing sources:				
Transfers in	-	110,000	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	21,556	(25,007)	(26,708)	-
<i>Fund balances at beginning of year</i>	16,895	149,185	37,236	-
<i>Fund balances (deficit) at end of year</i>	<u>\$ 38,451</u>	<u>\$ 124,178</u>	<u>\$ 10,528</u>	<u>\$ -</u>

<u>Race to the Top</u>	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Preschool Disability</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,900	421,478	6,591	202,192	17,209
-	-	-	-	-
<u>4,900</u>	<u>421,478</u>	<u>6,591</u>	<u>202,192</u>	<u>17,209</u>
4,895	-	1,822	-	-
-	236,371	8,578	181,947	2,362
-	167,596	-	-	-
-	-	-	17,626	150
-	-	-	-	14,671
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,895</u>	<u>403,967</u>	<u>10,400</u>	<u>199,573</u>	<u>17,183</u>
<u>5</u>	<u>17,511</u>	<u>(3,809)</u>	<u>2,619</u>	<u>26</u>
-	-	-	-	-
-	-	-	-	-
5	17,511	(3,809)	2,619	26
-	3,633	6,500	206	1,053
<u>\$ 5</u>	<u>\$ 21,144</u>	<u>\$ 2,691</u>	<u>\$ 2,825</u>	<u>\$ 1,079</u>

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Title II-A	Food Service	Memorial	Total Nonmajor Special Revenue Funds
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ 1,316	\$ 200	\$ 2,387
Charges for services	-	505,523	-	505,523
Extracurricular activities	-	-	-	305,942
Contributions and donations	-	-	-	45,271
Other local revenues	-	-	-	10,481
Intergovernmental - intermediate	-	-	-	57,309
Intergovernmental - state	-	2,374	-	568,230
Intergovernmental - federal	45,540	150,999	-	848,909
Decrease in fair value of investments	-	1,281	195	1,871
<i>Total revenues</i>	<u>45,540</u>	<u>661,493</u>	<u>395</u>	<u>2,345,923</u>
Expenditures:				
Current:				
Instruction:				
Regular	46,294	-	-	85,943
Special	-	-	-	432,079
Support services:				
Pupil	-	-	-	167,596
Instructional staff	-	-	164	17,940
Administration	-	-	-	14,671
Central	-	-	-	9,000
Operation of non-instructional services:				
Other non-instructional services	-	-	-	584,830
Food service operations	-	624,186	-	624,186
Extracurricular activities	-	-	-	496,701
<i>Total expenditures</i>	<u>46,294</u>	<u>624,186</u>	<u>164</u>	<u>2,432,946</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(754)</u>	<u>37,307</u>	<u>231</u>	<u>(87,023)</u>
Other financing sources:				
Transfers in	-	-	-	110,000
Total other financing sources	-	-	-	110,000
<i>Net change in fund balances</i>	<u>(754)</u>	<u>37,307</u>	<u>231</u>	<u>22,977</u>
<i>Fund balances at beginning of year</i>	<u>9</u>	<u>158,327</u>	<u>36,341</u>	<u>409,385</u>
<i>Fund balances (deficit) at end of year</i>	<u>\$ (745)</u>	<u>\$ 195,634</u>	<u>\$ 36,572</u>	<u>\$ 432,362</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - intermediate	\$ 58,852	\$ 57,309	\$ (1,543)
<i>Total revenues.</i>	58,852	57,309	(1,543)
Expenditures:			
Current:			
Instruction-regular			
Purchased services	20,390	18,619	1,771
Materials and supplies.	29,573	12,006	17,567
Capital outlay	8,523	4,513	4,010
Total instruction-regular.	58,486	35,138	23,348
Instruction-special:			
Purchased services	2,000	1,704	296
Materials and supplies.	1,409	1,118	291
Total instruction-special	3,409	2,822	587
<i>Total expenditures</i>	61,895	37,960	23,935
<i>Excess (deficiency) of revenues over (under) expenditures.</i>	(3,043)	19,349	22,392
Other financing sources (uses):			
Transfers in	248	248	-
Transfers (out).	(248)	(248)	-
<i>Total other financing sources (uses).</i>	-	-	-
<i>Net change in fund balance</i>	(3,043)	19,349	22,392
<i>Fund balance at beginning of year</i>	16,895	16,895	-
<i>Fund balance at end of year.</i>	\$ 13,852	\$ 36,244	\$ 22,392

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular activities	\$ 383,700	\$ 305,942	\$ (77,758)
Contributions and donations	56,300	45,271	(11,029)
Other local revenues.	-	<u>10,481</u>	<u>10,481</u>
<i>Total revenues.</i>	<u>440,000</u>	<u>361,694</u>	<u>(78,306)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	18,000	14,545	3,455
Fringe benefits	2,850	2,312	538
Purchased services	439,036	365,480	73,556
Materials and supplies.	103,544	77,817	25,727
Capital outlay	<u>58,506</u>	<u>37,898</u>	<u>20,608</u>
Total extracurricular activities.	<u>621,936</u>	<u>498,052</u>	<u>123,884</u>
<i>Total expenditures</i>	<u>621,936</u>	<u>498,052</u>	<u>123,884</u>
<i>Excess of expenditures over revenues</i>	<u>(181,936)</u>	<u>(136,358)</u>	<u>45,578</u>
Other financing sources:			
Transfers in	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<i>Total other financing sources</i>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<i>Net change in fund balance</i>	(71,936)	(26,358)	45,578
<i>Fund balance at beginning of year</i>	149,946	149,946	-
<i>Prior year encumbrances appropriated.</i>	590	590	-
<i>Fund balance at end of year.</i>	<u>\$ 78,600</u>	<u>\$ 124,178</u>	<u>\$ 45,578</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 850	\$ 872	\$ 22
Intergovernmental - state	592,150	592,964	814
<i>Total revenues.</i>	593,000	593,836	836
Expenditures:			
Current:			
Other non-instructional services:			
Salaries and wages	94,037	92,083	1,954
Fringe benefits	31,386	26,784	4,602
Purchased services	276,565	289,762	(13,197)
Materials and supplies	35,266	19,785	15,481
Capital outlay	148,960	141,722	7,238
Total other non-instructional services	586,214	570,136	16,078
<i>Total expenditures</i>	586,214	570,136	16,078
<i>Excess of revenues over expenditures</i>	6,786	23,700	16,914
Other financing uses:			
Refund of prior year's receipts	(36,496)	(36,108)	388
Total other financing uses	(36,496)	(36,108)	388
<i>Net change in fund balance</i>	(29,710)	(12,408)	17,302
<i>Fund balance at beginning of year</i>	48,837	48,837	-
<i>Prior year encumbrances appropriated.</i>	8,110	8,110	-
<i>Fund balance at end of year.</i>	\$ 27,237	\$ 44,539	\$ 17,302

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state.	\$ 2,000	\$ -	\$ (2,000)
<i>Total revenues.</i>	2,000	-	(2,000)
 <i>Net change in fund balance</i>	 2,000	 -	 (2,000)
 <i>Fund balance at beginning of year</i>	 -	 -	 -
<i>Fund balance at end of year.</i>	\$ 2,000	\$ -	\$ (2,000)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO K-12 NETWORK CONNECTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 10,000	\$ 9,000	\$ (1,000)
<i>Total revenues.</i>	10,000	9,000	(1,000)
 Expenditures:			
Current:			
Support services-central:			
Purchased services	9,000	9,000	-
Total support services-central	9,000	9,000	-
<i>Total expenditures</i>	9,000	9,000	-
 <i>Net change in fund balance</i>	1,000	-	(1,000)
 <i>Fund balance at beginning of year</i>	-	-	-
<i>Fund balance at end of year.</i>	\$ 1,000	\$ -	\$ (1,000)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - state	\$ 2,000	\$ -	\$ (2,000)
<i>Total revenues.</i>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
 <i>Net change in fund balance</i>	2,000	-	(2,000)
 <i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ (2,000)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RACE TO THE TOP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 4,900	\$ 4,900	\$ -
<i>Total revenues.</i>	4,900	4,900	-
Expenditures:			
Current:			
Support services-instructional staff:			
Salaries and wages	4,208	4,208	-
Fringe benefits	692	687	5
Total support services-instructional staff	4,900	4,895	5
<i>Total expenditures</i>	4,900	4,895	5
<i>Net change in fund balance</i>	-	5	5
<i>Fund balance at beginning of year</i>	-	-	-
<i>Fund balance at end of year.</i>	\$ -	\$ 5	\$ 5

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 530,000	\$ 416,158	\$ (113,842)
<i>Total revenues.</i>	<u>530,000</u>	<u>416,158</u>	<u>(113,842)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	196,256	156,791	39,465
Fringe benefits	<u>86,989</u>	<u>58,698</u>	<u>28,291</u>
Total instruction-special	<u>283,245</u>	<u>215,489</u>	<u>67,756</u>
Support services-pupil:			
Salaries and wages	135,745	115,950	19,795
Fringe benefits	40,812	34,911	5,901
Purchased services	<u>61,758</u>	<u>40,960</u>	<u>20,798</u>
Total support services-pupil.	<u>238,315</u>	<u>191,821</u>	<u>46,494</u>
Total expenditures	<u>521,560</u>	<u>407,310</u>	<u>114,250</u>
<i>Excess of revenues over expenditures</i>	<u>8,440</u>	<u>8,848</u>	<u>408</u>
Other financing uses:			
Advances out.	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
Total other financing uses	<u>(11,000)</u>	<u>(11,000)</u>	<u>-</u>
<i>Net change in fund balance</i>	(2,560)	(2,152)	408
<i>Fund balance at beginning of year</i>	2,821	2,821	-
<i>Fund balance at end of year</i>	<u>\$ 261</u>	<u>\$ 669</u>	<u>\$ 408</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 8,000	\$ 6,591	\$ (1,409)
<i>Total revenues</i>	8,000	6,591	(1,409)
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies	1,822	1,822	-
<i>Total instruction-regular</i>	1,822	1,822	-
Instruction-special:			
Purchased services	6,520	4,667	1,853
Materials and supplies	4,308	3,911	397
<i>Total instruction-special</i>	10,828	8,578	2,250
<i>Total expenditures</i>	12,650	10,400	2,250
<i>Net change in fund balance</i>	(4,650)	(3,809)	841
<i>Fund balance at beginning of year</i>	6,500	6,500	-
<i>Fund balance at end of year</i>	\$ 1,850	\$ 2,691	\$ 841

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 235,000	\$ 203,206	\$ (31,794)
<i>Total revenues.</i>	235,000	203,206	(31,794)
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	158,339	135,936	22,403
Fringe benefits	52,529	44,862	7,667
Materials and supplies.	3,047	2,890	157
<i>Total instruction-special.</i>	213,915	183,688	30,227
Support services-instructional staff:			
Purchased services	8,445	5,634	2,811
Supplies	12,000	11,992	8
<i>Total support services-instructional staff.</i>	20,445	17,626	2,819
<i>Total expenditures.</i>	234,360	201,314	33,046
<i>Excess of revenues over expenditures.</i>	640	1,892	1,252
Other financing uses:			
Advances out.	(7,000)	(7,000)	-
<i>Total other financing uses.</i>	(7,000)	(7,000)	-
<i>Net change in fund balance.</i>	(6,360)	(5,108)	1,252
<i>Fund balance at beginning of year.</i>	6,513	6,513	-
<i>Fund balance at end of year.</i>	\$ 153	\$ 1,405	\$ 1,252

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 19,300	\$ 16,765	\$ (2,535)
<i>Total revenues.</i>	<u>19,300</u>	<u>16,765</u>	<u>(2,535)</u>
Expenditures:			
Current:			
Instruction-special:			
Purchased services	2,362	2,362	-
<i>Total instruction-special.</i>	<u>2,362</u>	<u>2,362</u>	<u>-</u>
Support services-administration			
Salaries and wages	11,283	9,663	1,620
Fringe benefits	5,955	5,071	884
<i>Total support services-administration.</i> . .	<u>17,238</u>	<u>14,734</u>	<u>2,504</u>
<i>Total expenditures</i>	<u>19,600</u>	<u>17,096</u>	<u>2,504</u>
<i>Net change in fund balance</i>	(300)	(331)	(31)
<i>Fund balance at beginning of year</i>	347	347	-
<i>Fund balance at end of year.</i>	<u>\$ 47</u>	<u>\$ 16</u>	<u>\$ (31)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 57,400	\$ 46,615	\$ (10,785)
<i>Total revenues</i>	57,400	46,615	(10,785)
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	39,748	34,025	5,723
Fringe benefits	14,118	12,057	2,061
Purchased services	2,684	-	2,684
Total instruction-regular	56,550	46,082	10,468
Operation of non-instructional services:			
Purchased services	200	-	200
Materials and supplies	100	-	100
Total operation of non-instructional services	300	-	300
<i>Total expenditures</i>	56,850	46,082	10,768
<i>Excess of revenues over expenditures</i>	550	533	(17)
Other financing uses:			
Advances (out)	(2,500)	(2,500)	-
<i>Total other financing uses</i>	(2,500)	(2,500)	-
<i>Net change in fund balance</i>	(1,950)	(1,967)	(17)
<i>Fund balance at beginning of year</i>	2,026	2,026	-
<i>Fund balance at end of year</i>	\$ 76	\$ 59	\$ (17)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Charges for services	\$ 501,800	\$ 505,523	\$ 3,723
Earnings on investments	1,300	1,303	3
Intergovernmental - state	2,400	2,374	(26)
Intergovernmental - federal	125,000	117,773	(7,227)
<i>Total revenues</i>	630,500	626,973	(3,527)
Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	254,800	243,249	11,551
Fringe benefits	146,200	115,202	30,998
Purchased services	2,750	2,746	4
Materials and supplies	252,725	246,215	6,510
Capital outlay	3,525	3,420	105
<i>Total food service operations</i>	660,000	610,832	49,168
<i>Total expenditures</i>	660,000	610,832	49,168
<i>Net change in fund balance</i>	(29,500)	16,141	45,641
<i>Fund balance at beginning of year</i>	193,075	193,075	-
<i>Fund balance at end of year</i>	\$ 163,575	\$ 209,216	\$ 45,641

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEMORIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 190	\$ 197	\$ 7
<i>Total revenues</i>	190	197	7
 Expenditures:			
Current:			
Support services-instructional staff:			
Purchased services	200	164	36
Total support services-instructional staff	200	164	36
<i>Total expenditures</i>	200	164	36
 <i>Net change in fund balance</i>	(10)	33	43
 <i>Fund balance at beginning of year</i>	36,571	36,571	-
<i>Fund balance at end of year</i>	\$ 36,561	\$ 36,604	\$ 43

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Other revenue	\$ 6,000	\$ 5,901	\$ (99)
Total revenues	<u>6,000</u>	<u>5,901</u>	<u>(99)</u>
 <i>Excess of revenues over expenditures</i>	 <u>6,000</u>	 <u>5,901</u>	 <u>(99)</u>
 Other financing uses:			
Miscellaneous use of funds	(18,800)	(18,888)	(88)
Total other financing uses	<u>(18,800)</u>	<u>(18,888)</u>	<u>(88)</u>
 <i>Net change in fund balance</i>	 \$ (12,800)	 \$ (12,987)	 \$ (187)
 <i>Fund balance at beginning of year</i>	 <u>29,894</u>	 <u>29,894</u>	 <u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 17,094</u>	<u>\$ 16,907</u>	<u>\$ (187)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Classroom materials and fees	\$ 65,204	\$ 64,457	\$ (747)
<i>Total revenues.</i>	<u>65,204</u>	<u>64,457</u>	<u>(747)</u>
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	12,490	12,424	66
Materials and supplies.	89,010	64,953	24,057
Total instruction-regular.	<u>101,500</u>	<u>77,377</u>	<u>24,123</u>
Instruction-vocational:			
Materials and supplies.	2,660	2,639	21
Total instruction-vocational	<u>2,660</u>	<u>2,639</u>	<u>21</u>
<i>Total expenditures</i>	<u>104,160</u>	<u>80,016</u>	<u>24,144</u>
<i>Net change in fund balance</i>	(38,956)	(15,559)	23,397
<i>Fund balance at beginning of year</i>	80,208	80,208	-
<i>Fund balance at end of year.</i>	<u>\$ 41,252</u>	<u>\$ 64,649</u>	<u>\$ 23,397</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS,
SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ 3,225,317	\$ 3,224,886	\$ (431)
Earnings on investments.	1,000	1,244	244
<i>Total revenues.</i>	<u>3,226,317</u>	<u>3,226,130</u>	<u>(187)</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	387,100	384,722	2,378
Fringe benefits	119,290	111,795	7,495
Purchased services	70,700	68,301	2,399
Materials and supplies.	7,537	5,803	1,734
Capital outlay	15,500	15,376	124
<i>Total instruction-regular.</i>	<u>600,127</u>	<u>585,997</u>	<u>14,130</u>
Instruction-special			
Salaries and wages	1,644,200	1,652,955	(8,755)
Fringe benefits	568,258	569,946	(1,688)
Purchased services	169,353	159,624	9,729
Materials and supplies.	16,520	15,880	640
Capital outlay	39,375	39,374	1
<i>Total instruction-special</i>	<u>2,437,706</u>	<u>2,437,779</u>	<u>(73)</u>
Support services-pupil			
Salaries and wages	88,600	83,899	4,701
Fringe benefits	31,920	23,557	8,363
<i>Total support services-pupil.</i>	<u>120,520</u>	<u>107,456</u>	<u>13,064</u>
Support services-instructional staff:			
Salaries and wages	5,800	5,662	138
Fringe benefits	2,050	1,531	519
<i>Total support services-instructional staff</i>	<u>7,850</u>	<u>7,193</u>	<u>657</u>
Support services-administration			
Salaries and wages	155,400	155,205	195
Fringe benefits	68,200	68,166	34
<i>Total support services-administration.</i>	<u>223,600</u>	<u>223,371</u>	<u>229</u>
<i>Total expenditures</i>	<u>3,389,803</u>	<u>3,361,796</u>	<u>28,007</u>
<i>Excess of expenditures over revenues.</i>	<u>(163,486)</u>	<u>(135,666)</u>	<u>27,820</u>
Other financing sources (uses):			
Advances in	-	700,000	700,000
Advances (out)	-	(500,000)	(500,000)
<i>Total other financing sources (uses).</i>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<i>Net change in fund balance</i>	<u>(163,486)</u>	<u>64,334</u>	<u>227,820</u>
<i>Fund balance at beginning of year</i>	362,819	362,819	-
<i>Prior year encumbrances appropriated.</i>	337	337	-
<i>Fund balance at end of year.</i>	<u>\$ 199,670</u>	<u>\$ 427,490</u>	<u>\$ 227,820</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 126,488	\$ 121,536	\$ (4,952)
Classroom materials and fees	-	5,888	5,888
Contributions and donations	17,350	13,154	(4,196)
Other local revenues	3,600	2,933	(667)
<i>Total revenues.</i>	147,438	143,511	(3,927)
Expenditures:			
Current:			
Instruction-special:			
Purchased services	3,900	3,045	855
Materials and supplies	3,900	1,598	2,302
Total instruction-special	7,800	4,643	3,157
Support services-pupil:			
Purchased services	62,700	50,175	12,525
Materials and supplies	1,105	368	737
Other	700	220	480
Total support services-pupil	64,505	50,763	13,742
Support services-instructional staff:			
Purchased services	2,200	1,000	1,200
Materials and supplies	5,601	2,138	3,463
Total support services-instructional staff	7,801	3,138	4,663
Extracurricular activities:			
Purchased services	67,505	55,021	12,484
Materials and supplies	20,230	14,459	5,771
Capital outlay	12,500	700	11,800
Total extracurricular activities	100,235	70,180	30,055
<i>Total expenditures</i>	180,341	128,724	51,617
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(32,903)	14,787	47,690
Other financing uses:			
Transfers (out)	(650)	-	650
<i>Total other financing uses</i>	(650)	-	650
<i>Net change in fund balance</i>	(32,903)	14,787	48,340
<i>Fund balance at beginning of year</i>	75,113	75,113	-
<i>Prior year encumbrances appropriated.</i>	91	91	-
<i>Fund balance at end of year.</i>	\$ 42,301	\$ 89,991	\$ 48,340

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELECTRIC HOLDING BALANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
<i>Fund balance at beginning of year</i>	<u>\$ 163</u>	<u>\$ 163</u>	<u>\$ -</u>
<i>Fund balance at end of year.</i>	<u>\$ 163</u>	<u>\$ 163</u>	<u>\$ -</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TERMINATION BENEFITS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction-other			
Salaries and wages	\$ 448,000	\$ 398,895	\$ 49,105
Fringe benefits	8,000	4,944	3,056
Total instruction-vocational	<u>456,000</u>	<u>403,839</u>	<u>52,161</u>
Support services-central			
Salaries and wages	40,000	16,428	23,572
Fringe benefits	4,000	355	3,645
Total support services-operations and maintenance	<u>44,000</u>	<u>16,783</u>	<u>27,217</u>
Total expenditures	<u>500,000</u>	<u>420,622</u>	<u>79,378</u>
Excess expenditures over revenues	<u>(500,000)</u>	<u>(420,622)</u>	<u>79,378</u>
Other financing sources:			
Transfers in	400,000	400,000	-
Total other financing sources	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Net change in fund balance	(100,000)	(20,622)	79,378
Fund balance at beginning of year	1,060,452	1,060,452	-
Fund balance at end of year	<u>\$ 960,452</u>	<u>\$ 1,039,830</u>	<u>\$ 79,378</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 1,200	\$ 1,280	\$ 80
<i>Total revenues.</i>	<u>1,200</u>	<u>1,280</u>	<u>80</u>
 Expenditures:			
Current:			
Operation of non-instructional services:			
Capital outlay	50,000	33,820	16,180
Total operation of non-instructional services	<u>50,000</u>	<u>33,820</u>	<u>16,180</u>
Facilities acquisition and construction:			
Capital outlay	120,000	-	120,000
Total facilities acquisition and construction.	<u>120,000</u>	<u>-</u>	<u>120,000</u>
<i>Total expenditures</i>	<u>170,000</u>	<u>33,820</u>	<u>136,180</u>
 <i>Net change in fund balance</i>	(168,800)	(32,540)	136,260
 <i>Fund balance at beginning of year</i>	<u>193,283</u>	<u>193,283</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 24,483</u>	<u>\$ 160,743</u>	<u>\$ 136,260</u>

ORANGE CITY SCHOOL DISTRICT

PROPRIETARY FUND DESCRIPTION

INTERNAL SERVICE FUND

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Internal Service Fund

A fund used to account for a self-insurance program for workers' compensation activities.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Charges for services	\$ 288,000	\$ 288,716	\$ 716
<i>Total operating revenues</i>	<u>288,000</u>	<u>288,716</u>	<u>716</u>
 Operating expenses:			
Support services-central			
Purchased services	61,200	81,297	(20,097)
Claims	<u>115,383</u>	<u>87,084</u>	<u>28,299</u>
Total support services-central	<u>176,583</u>	<u>168,381</u>	<u>8,202</u>
 <i>Total expenses</i>	<u>176,583</u>	<u>168,381</u>	<u>8,202</u>
 <i>Operating income</i>	<u>111,417</u>	<u>120,335</u>	<u>8,918</u>
 Nonoperating revenues:			
Earnings on investments.	3,500	3,643	143
Refund of prior year's expense	<u>78,500</u>	<u>78,390</u>	<u>(110)</u>
<i>Total nonoperating revenues</i>	<u>82,000</u>	<u>82,033</u>	<u>33</u>
 <i>Net change in fund equity</i>	193,417	202,368	8,951
 <i>Fund equity at beginning of year</i>	475,962	475,962	-
<i>Prior year encumbrances appropriated</i>	<u>1,583</u>	<u>1,583</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 670,962</u>	<u>\$ 679,913</u>	<u>\$ 8,951</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - FIDUCIARY FUNDS

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. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

PRIVATE-PURPOSE TRUST FUND

Scholarship Fund

This fund accounts for monies to be set aside for college scholarships for students enrolled in the District. The income from such a fund may be expended, but the principal must remain intact.

AGENCY FUNDS

District Agency Fund

This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities. This fund also accounts for the school resource officer.

Employee Benefits Fund

This fund accounts for monies withheld from employees' paychecks for the pre-tax reimbursement of childcare and health services purchased by the employee.

Student Managed Activities Fund

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

Suburban Health Consortium

The fund accounts for the activity of the Suburban Health Consortium.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating expenses:			
Scholarships awarded	\$ 4,200	\$ 800	\$ 3,400
<i>Total operating expenses</i>	4,200	800	3,400
<i>Operating loss</i>	(4,200)	(800)	3,400
Nonoperating revenues:			
Earnings on investments	140	506	366
<i>Total nonoperating revenues</i>	140	506	366
<i>Net change in fund equity</i>	(4,060)	(294)	3,766
<i>Fund equity at beginning of year</i>	76,390	76,390	-
<i>Fund equity at end of year</i>	\$ 72,330	\$ 76,096	\$ 3,766

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

	Beginning Balance July 1, 2013	Additions	Deletions	Ending Balance June 30, 2014
District Agency				
Assets:				
Equity in pooled cash and investments	\$ 14,279	\$ 31,809	\$ 30,398	\$ 15,690
Liabilities:				
Undistributed monies.	\$ 14,279	\$ 31,809	\$ 30,398	\$ 15,690
Employee Benefits				
Assets:				
Equity in pooled cash and investments	\$ 9,289	\$ 60,869	\$ 65,186	\$ 4,972
Liabilities:				
Undistributed monies.	\$ 9,289	\$ 60,869	\$ 65,186	\$ 4,972
Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 102,085	\$ 132,218	\$ 151,763	\$ 82,540
Liabilities:				
Accounts payable	\$ 75	\$ -	\$ 75	\$ -
Due to students	102,010	132,218	151,688	82,540
Total liabilities.	\$ 102,085	\$ 132,218	\$ 151,763	\$ 82,540
Suburban Health Consortium				
Assets:				
Cash and investments in segregated accounts	\$ 15,624,846	\$ 75,486,954	\$ 71,931,715	\$ 19,180,085
Receivables				
Accounts.	-	6,563	-	6,563
Total assets	\$ 15,624,846	\$ 75,493,517	\$ 71,931,715	\$ 19,186,648
Liabilities:				
Accounts payable.	\$ 5,154	\$ -	\$ 5,154	\$ -
Intergovernmental payable	15,619,692	75,493,517	71,926,561	19,186,648
Total liabilities.	\$ 15,624,846	\$ 75,493,517	\$ 71,931,715	\$ 19,186,648
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 125,653	\$ 224,896	\$ 247,347	\$ 103,202
Cash and investments in segregated accounts	15,624,846	75,486,954	71,931,715	19,180,085
Receivables				
Accounts	-	6,563	-	6,563
Total assets	\$ 15,750,499	\$ 75,718,413	\$ 72,179,062	\$ 19,289,850
Liabilities:				
Accounts payable.	\$ 5,229	\$ -	\$ 5,229	\$ -
Intergovernmental payable	15,619,692	75,493,517	71,926,561	19,186,648
Due to students	102,010	132,218	151,688	82,540
Undistributed monies.	23,568	92,678	95,584	20,662
Total liabilities.	\$ 15,750,499	\$ 75,718,413	\$ 72,179,062	\$ 19,289,850

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2014

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Statistical Section

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	118-131
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	132-137
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	138-141
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	142-143
Operating Information These schedules contain service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	144-152

Sources: Sources are noted on the individual schedules.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 21,803,232	\$ 20,334,609	\$ 20,295,850	\$ 19,204,562
Restricted	8,712,389	7,851,186	9,537,894	9,821,326
Unrestricted	28,745,467	28,750,345	24,358,710	24,726,686
Total governmental activities net position	<u>\$ 59,261,088</u>	<u>\$ 56,936,140</u>	<u>\$ 54,192,454</u>	<u>\$ 53,752,574</u>
Business-type activities				
Net investment in capital assets	\$ 3,342,225	\$ 3,512,524	\$ 3,687,280	\$ 3,822,784
Unrestricted	4,645,509	4,070,807	3,625,114	4,003,097
Total business-type activities net position	<u>\$ 7,987,734</u>	<u>\$ 7,583,331</u>	<u>\$ 7,312,394</u>	<u>\$ 7,825,881</u>
Primary government				
Net investment in capital assets	\$ 25,145,457	\$ 23,847,133	\$ 23,983,130	\$ 23,027,346
Restricted	8,712,389	7,851,186	9,537,894	9,821,326
Unrestricted	33,390,976	32,821,152	27,983,824	28,729,783
Total primary government net position	<u>\$ 67,248,822</u>	<u>\$ 64,519,471</u>	<u>\$ 61,504,848</u>	<u>\$ 61,578,455</u>

Source: School District financial records.

- (1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.
- (2) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

2010	2009	2008	2007	2006 (1)	2005
\$ 19,302,630	\$ 17,564,014	\$ 15,940,380	\$ 15,338,264	\$ 13,729,107	\$ 13,879,066
9,431,851	8,180,016	6,410,493	5,782,995	4,129,749	4,258,217
25,162,121	29,114,358	30,863,616	25,515,875	23,274,232	20,781,033
<u>\$ 53,896,602</u>	<u>\$ 54,858,388</u>	<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>	<u>\$ 38,918,316</u>
\$ 2,629,480	\$ 2,107,003	\$ 2,217,609	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295
4,893,793	5,124,892	4,690,495	4,150,252	3,581,815	2,624,723
<u>\$ 7,523,273</u>	<u>\$ 7,231,895</u>	<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>	<u>\$ 5,127,018</u>
\$ 21,932,110	\$ 19,671,017	\$ 18,157,989	\$ 17,606,124	\$ 16,106,322	\$ 16,381,361
9,431,851	8,180,016	6,410,493	5,782,995	4,129,749	4,258,217
30,055,914	34,239,250	35,554,111	29,666,127	26,856,047	23,405,756
<u>\$ 61,419,875</u>	<u>\$ 62,090,283</u>	<u>\$ 60,122,593</u>	<u>\$ 53,055,246</u>	<u>\$ 47,092,118</u>	<u>\$ 44,045,334</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 20,311,007	\$ 18,837,598	\$ 19,743,967	\$ 20,300,444
Special	10,248,934	6,493,403	6,766,002	6,615,112
Vocational	287,690	365,421	449,711	373,396
Other instructional	208,427	683,802	-	-
Support services:				
Pupil	3,601,927	3,598,659	3,754,396	3,816,962
Instructional staff	976,339	4,003,460	4,010,079	4,202,438
Board of Education	78,226	69,029	78,336	167,112
Administration	3,665,874	3,428,020	3,483,041	3,070,697
Fiscal	1,327,247	1,344,401	1,359,152	1,217,573
Business	605,040	625,460	597,555	630,083
Operations and maintenance	5,088,454	5,256,521	4,628,231	4,941,387
Pupil transportation	3,786,870	3,641,934	3,696,464	3,668,804
Central	954,363	992,787	1,073,422	1,201,191
Operation of non-instructional services:				
Other non-instructional services	625,874	575,953	702,122	755,071
Food service operations	683,835	737,225	742,646	692,679
Extracurricular activities	1,954,690	1,665,913	1,674,468	1,737,345
Interest and fiscal charges	1,186,489	1,277,694	1,573,604	1,350,545
Total governmental activities expenses	<u>55,591,286</u>	<u>53,597,280</u>	<u>54,333,196</u>	<u>54,740,839</u>
Business-type activities:				
Recreation	2,462,120	2,493,790	2,423,611	2,274,813
Total business-type activities expenses	<u>2,462,120</u>	<u>2,493,790</u>	<u>2,423,611</u>	<u>2,274,813</u>
 Total primary government expenses	 <u>\$ 58,053,406</u>	 <u>\$ 56,091,070</u>	 <u>\$ 56,756,807</u>	 <u>\$ 57,015,652</u>

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	19,466,209	\$ 19,320,888	\$ 18,238,270	\$ 17,962,128	\$ 17,066,373	\$ 16,379,861
	6,583,687	6,374,462	5,832,538	5,475,417	6,310,151	6,202,166
	286,099	338,162	293,462	324,513	296,866	253,802
	-	-	-	2,828	-	-
	3,769,072	3,336,127	3,471,580	3,337,866	2,799,441	2,648,841
	4,210,809	4,081,959	3,670,822	3,499,573	2,864,820	2,681,775
	82,545	160,757	110,200	143,355	181,753	163,202
	3,163,324	2,968,787	2,926,908	2,849,409	2,827,023	2,603,395
	1,266,752	1,169,115	1,176,289	1,126,029	1,129,981	1,115,331
	579,625	598,414	549,721	509,048	545,223	443,553
	5,384,475	5,284,630	5,118,866	5,096,407	5,318,201	4,441,976
	3,885,576	3,485,290	3,367,878	3,366,186	3,228,108	3,029,567
	1,358,741	1,189,474	1,202,049	1,114,698	1,223,883	924,539
	590,397	714,550	635,808	535,361	411,843	403,198
	654,881	672,018	589,901	603,470	569,200	633,098
	1,838,362	1,608,333	1,617,987	1,584,091	1,683,450	1,469,294
	1,263,512	1,286,551	1,296,998	1,165,809	1,401,244	1,452,048
	<u>54,384,066</u>	<u>52,589,517</u>	<u>50,099,277</u>	<u>48,696,188</u>	<u>47,857,560</u>	<u>44,845,646</u>
	<u>2,314,252</u>	<u>2,300,268</u>	<u>2,257,947</u>	<u>2,155,699</u>	<u>2,236,723</u>	<u>2,311,856</u>
	<u>2,314,252</u>	<u>2,300,268</u>	<u>2,257,947</u>	<u>2,155,699</u>	<u>2,236,723</u>	<u>2,311,856</u>
	<u>\$ 56,698,318</u>	<u>\$ 54,889,785</u>	<u>\$ 52,357,224</u>	<u>\$ 50,851,887</u>	<u>\$ 50,094,283</u>	<u>\$ 47,157,502</u>

(Continued)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

Program Revenues	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 710,686	\$ 591,176	\$ 608,650	\$ 730,204
Special	2,920,085	2,704,572	2,499,386	3,340,595
Vocational	128,762	190,208	166,943	154,053
Support services:				
Pupil	49,955	55,420	47,882	47,202
Instructional staff	3,088	3,600	4,888	1,536
Operations and maintenance	15,290	3,120	5,540	7,760
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	540	
Food service operations	505,523	498,277	546,196	534,975
Extracurricular activities	375,754	191,692	170,086	194,293
Operating grants and contributions:				
Instruction:				
Regular	107,175	97,238	104,438	195,350
Special	602,465	273,940	486,835	520,430
Vocational	1,978	-	-	936
Support services:				
Pupil	204,407	142,994	135,002	127,222
Instructional staff	18,568	227,874	179,819	259,985
Administration	14,693	13,337	-	135,610
Operations and maintenance of plant	-	-	26,354	-
Pupil transportation	115,512	97,242	143,695	120,584
Central	9,000	9,000	25,176	122,906
Operation of non-instructional services:				
Other non-instructional services	557,650	563,376	532,455	575,340
Food service operations	154,474	131,722	156,140	136,717
Extracurricular activities	64,566	66,235	30,266	19,033
Interest and fiscal charges	116,937	120,542	126,024	94,518
Capital grants and contributions:				
Instruction:				
Regular	14,598	-	-	-
Fiscal	-	20,060	-	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Total governmental program revenues	<u>6,691,166</u>	<u>6,001,625</u>	<u>5,996,315</u>	<u>7,319,249</u>
Business-type activities:				
Charges for services:				
Recreation	1,831,696	1,761,216	1,566,267	1,549,601
Operating grants and contributions	117,952	120,128	129,180	138,208
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>1,949,648</u>	<u>1,881,344</u>	<u>1,695,447</u>	<u>1,687,809</u>
Total primary government program revenue	<u>\$ 8,640,814</u>	<u>\$ 7,882,969</u>	<u>\$ 7,691,762</u>	<u>\$ 9,007,058</u>
Net (Expense)/Revenue				
Governmental activities	(48,900,120)	(47,595,655)	(48,336,881)	(47,421,590)
Business-type activities	(512,472)	(612,446)	(728,164)	(587,004)
Total primary government net expense	<u>\$ (49,412,592)</u>	<u>\$ (48,208,101)</u>	<u>\$ (49,065,045)</u>	<u>\$ (48,008,594)</u>

2010	2009	2008	2007	2006	2005
\$ 635,837	\$ 178,963	\$ 397,212	\$ 701,197	\$ 3,477,083	\$ 1,856,569
2,575,470	3,574,000	3,118,760	2,770,390	4,823	3,773
177,370	180,131	220,075	78,262	-	-
45,594	29,565	32,923	38,767	41,945	44,702
1,260	1,685	4,493	2,180	419	2,425
7,210	6,685	7,230	7,140	4,750	6,692
-	-	-	14,772	10,391	19,416
524,298	509,306	491,963	466,038	480,615	441,373
284,534	172,384	166,586	173,603	337,025	171,189
104,413	113,669	139,151	89,485	84,881	93,586
519,558	304,796	269,230	242,760	281,127	284,739
-	171	4,035	-	227	-
150,968	158,142	294,489	333,655	308,004	310,124
265,488	227,773	112,347	105,450	114,446	70,685
182,261	-	2,218	3,258	11,788	6,688
-	-	10,050	2,310	-	2,315
133,796	154,525	157,809	163,705	-	-
102,294	33,376	33,187	23,346	22,713	19,613
633,821	625,771	611,585	498,362	402,668	389,743
108,903	114,223	116,631	92,126	61,784	67,179
31,064	9,400	6,335	4,761	25,967	10,223
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,500	-	127,713	11,211	43,794
-	39,909	32,744	35,008	-	-
-	-	13,366	-	-	18,270
<u>6,484,139</u>	<u>6,441,974</u>	<u>6,242,419</u>	<u>5,974,288</u>	<u>5,681,867</u>	<u>3,863,098</u>
1,474,411	1,474,791	1,536,303	1,451,743	1,459,405	1,453,400
147,076	143,608	139,754	124,138	106,552	138,219
-	-	-	-	-	11,000
<u>1,621,487</u>	<u>1,618,399</u>	<u>1,676,057</u>	<u>1,575,881</u>	<u>1,565,957</u>	<u>1,602,619</u>
<u>\$ 8,105,626</u>	<u>\$ 8,060,373</u>	<u>\$ 7,918,476</u>	<u>\$ 7,550,169</u>	<u>\$ 7,247,824</u>	<u>\$ 5,465,717</u>
(47,899,927)	(46,147,543)	(43,856,858)	(42,721,900)	(42,175,693)	(40,982,548)
(692,765)	(681,869)	(581,890)	(579,818)	(670,766)	(709,237)
<u>\$ (48,592,692)</u>	<u>\$ (46,829,412)</u>	<u>\$ (44,438,748)</u>	<u>\$ (43,301,718)</u>	<u>\$ (42,846,459)</u>	<u>\$ (41,691,785)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

**General Revenues and Other
Changes in Net Position**

	2014	2013	2012 (1)	2011
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 39,749,378	\$ 39,691,542	\$ 37,410,095	\$ 34,734,232
Debt service	2,301,562	2,359,811	2,178,259	2,339,709
Capital projects	655,556	608,515	707,148	620,845
Grants and entitlements not restricted to specific programs	7,941,897	7,707,534	8,146,313	9,217,121
Investment earnings	244,346	258,742	317,792	296,638
Increase (decrease) in fair value of investments	266,476	(332,887)	-	-
Miscellaneous	65,853	46,084	17,154	69,017
Transfers	-	-	-	-
Total governmental activities	51,225,068	50,339,341	48,776,761	47,277,562
Business-type activities:				
Property taxes levied for:				
Recreation	825,721	824,640	795,490	805,392
Investment earnings	24,545	26,278	25,620	20,859
Increase (decrease) in fair value of investments	27,461	(36,564)	-	-
Miscellaneous	39,148	69,029	70,110	63,361
Transfers	-	-	-	-
Total business-type activities	916,875	883,383	891,220	889,612
Total primary government	\$ 52,141,943	\$ 51,222,724	\$ 49,667,981	\$ 48,167,174
Change in Net Position				
Governmental activities	2,324,948	2,743,686	439,880	(144,028)
Business-type activities	404,403	270,937	163,056	302,608
Total primary government	\$ 2,729,351	\$ 3,014,623	\$ 602,936	\$ 158,580

Source: School District financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

2010	2009	2008	2007	2006	2005
\$ 34,226,326	\$ 34,720,303	\$ 37,569,616	\$ 36,302,829	\$ 34,123,527	\$ 34,448,820
2,064,534	2,098,013	2,258,971	2,102,099	1,986,733	2,021,985
791,373	794,196	849,401	807,873	769,922	775,449
9,169,178	8,608,261	7,789,074	7,000,298	6,748,771	6,581,853
557,239	1,511,999	1,956,626	1,990,147	1,196,647	575,766
-	-	-	-	-	-
129,491	58,670	69,056	22,700	8,816	46,550
-	-	(58,531)	-	-	(5,500)
<u>46,938,141</u>	<u>47,791,442</u>	<u>50,434,213</u>	<u>48,225,946</u>	<u>44,834,416</u>	<u>44,444,923</u>
856,473	794,607	783,212	815,148	1,362,258	230,367
59,677	139,220	191,095	193,580	120,835	65,348
-	-	-	-	-	-
67,993	71,833	39,044	30,172	32,960	13,372
-	-	58,531	-	-	5,500
<u>984,143</u>	<u>1,005,660</u>	<u>1,071,882</u>	<u>1,038,900</u>	<u>1,516,053</u>	<u>314,587</u>
<u>\$ 47,922,284</u>	<u>\$ 48,797,102</u>	<u>\$ 51,506,095</u>	<u>\$ 49,264,846</u>	<u>\$ 46,350,469</u>	<u>\$ 44,759,510</u>
(961,786)	1,643,899	6,577,355	5,504,046	2,658,723	3,462,375
291,378	323,791	489,992	459,082	845,287	(394,650)
<u>\$ (670,408)</u>	<u>\$ 1,967,690</u>	<u>\$ 7,067,347</u>	<u>\$ 5,963,128</u>	<u>\$ 3,504,010</u>	<u>\$ 3,067,725</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:				
Nonspendable	\$ 115,562	\$ 137,957	\$ 139,411	\$ 226,453
Committed	881,426	683,619	-	-
Assigned	2,515,877	3,851,512	3,405,003	2,870,700
Unassigned	25,950,263	24,805,537	25,694,026	24,606,148
Reserved	-	-	-	-
Unreserved	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund	<u>29,463,128</u>	<u>29,478,625</u>	<u>29,238,440</u>	<u>27,703,301</u>
All Other Governmental Funds:				
Nonspendable	-	-	5,572	6,646
Restricted	9,986,832	9,700,263	9,505,152	10,923,564
Committed	2,110,726	1,728,501	51,446	61,668
Unassigned (deficit)	(745)	-	(63,290)	(815)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total all other governmental funds	<u>12,096,813</u>	<u>11,428,764</u>	<u>9,498,880</u>	<u>10,991,063</u>
Total governmental funds	<u>\$ 41,559,941</u>	<u>\$ 40,907,389</u>	<u>\$ 38,737,320</u>	<u>\$ 38,694,364</u>

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

Note: The District implemented GASB 54 in fiscal year 2011.

<u>2010 (1)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,509,530	6,056,237	5,148,703	4,806,799	4,419,363	6,405,735
23,818,349	25,289,018	26,035,339	22,494,931	19,852,597	15,513,098
<u>28,327,879</u>	<u>31,345,255</u>	<u>31,184,042</u>	<u>27,301,730</u>	<u>24,271,960</u>	<u>21,918,833</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,355,107	4,436,359	2,757,346	2,595,005	3,386,156	1,622,627
386,082	488,701	521,337	472,190	496,295	447,072
3,147,047	3,246,177	3,282,849	2,834,842	85,739	2,147,760
<u>8,888,236</u>	<u>8,171,237</u>	<u>6,561,532</u>	<u>5,902,037</u>	<u>3,968,190</u>	<u>4,217,459</u>
<u>\$ 37,216,115</u>	<u>\$ 39,516,492</u>	<u>\$ 37,745,574</u>	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</u>	<u>\$ 26,136,292</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues				
From local sources:				
Property taxes	\$ 42,706,426	\$ 42,765,503	\$ 40,698,349	\$ 37,568,424
Tuition	3,592,886	3,432,486	3,716,625	3,983,971
Earnings on investments	284,392	217,844	343,606	323,414
Charges for services	505,523	498,277	546,196	534,975
Extracurricular	427,478	248,088	221,695	242,272
Classroom materials and fees	72,847	68,499	60,919	79,681
Rental income	15,290	3,120	5,540	7,760
Contributions and donations	58,435	67,021	18,886	7,389
Contract services	41,450	27,761	40,815	41,621
Other local revenues	93,855	74,430	33,558	85,049
Intergovernmental	9,776,606	9,373,306	10,081,139	11,607,573
Increase (decrease) in fair value of investments	266,476	(332,887)	-	-
Total revenues	<u>57,841,664</u>	<u>56,443,448</u>	<u>55,767,328</u>	<u>54,482,129</u>
Expenditures				
Current:				
Instruction:				
Regular	18,561,146	17,961,767	18,675,485	19,391,253
Special	9,678,921	6,305,746	6,300,173	6,510,388
Vocational	254,227	337,679	420,324	343,264
Other	207,366	685,834	-	-
Support services:				
Pupil	3,465,007	3,545,909	3,702,792	3,708,056
Instructional staff	1,184,272	3,988,800	3,989,498	4,124,229
Board of education	78,372	69,126	78,336	167,112
Administration	3,458,087	3,332,557	3,359,159	2,988,770
Fiscal	1,312,083	1,338,823	1,357,424	1,214,690
Business	589,603	593,970	545,458	581,137
Operations and maintenance	4,576,331	4,522,117	4,347,981	4,634,784
Pupil transportation	3,664,747	3,714,548	3,637,659	3,679,320
Central	930,580	1,034,998	1,033,121	1,166,158
Operation of non-instructional services:				
Other non-instructional services	618,650	462,770	640,367	686,326
Food service operations	624,186	675,203	682,617	660,242
Extracurricular activities	1,820,502	1,556,513	1,566,991	1,626,184
Facilities acquisitions and construction	3,661,442	1,622,291	2,491,781	1,770,222
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,626,488	1,633,920	1,536,508	1,401,117
Interest and fiscal charges	882,357	895,174	936,879	968,001
Bond issuance costs	-	-	-	52,627
Total expenditures	<u>57,194,367</u>	<u>54,277,745</u>	<u>55,302,553</u>	<u>55,673,880</u>
Excess (deficiency) of revenues over (under) expenditures	647,297	2,165,703	464,775	(1,191,751)

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 36,258,491	\$ 38,961,368	\$ 39,879,562	\$ 39,797,661	\$ 36,917,405	\$ 36,671,073
3,706,766	3,465,610	2,820,356	3,701,388	3,004,688	2,476,688
650,832	1,745,195	1,782,271	1,963,335	1,031,383	575,766
524,298	509,306	491,963	466,038	480,615	441,373
334,765	202,404	202,607	216,845	378,972	217,569
85,028	79,482	77,844	86,046	84,173	91,794
7,210	6,685	7,230	7,140	4,750	6,692
14,643	14,270	-	-	-	-
43,909	57,101	-	-	-	-
153,446	63,958	107,769	190,711	86,873	148,003
11,222,623	10,366,538	9,538,474	8,588,456	8,007,852	7,849,318
-	-	-	-	-	-
<u>53,002,011</u>	<u>55,471,917</u>	<u>54,908,076</u>	<u>55,017,620</u>	<u>49,996,711</u>	<u>48,478,276</u>
18,440,370	18,365,083	17,385,174	17,305,337	16,173,320	15,563,319
6,402,902	6,205,744	5,725,646	5,289,978	6,157,219	6,033,382
262,377	315,725	272,615	303,665	276,743	231,760
-	-	-	37,728	-	314,102
3,691,059	3,250,828	3,471,402	3,299,577	2,721,090	2,604,010
4,194,566	4,019,019	3,649,596	3,511,311	2,780,562	2,650,240
82,545	160,757	110,200	143,355	181,589	163,202
2,992,936	2,837,225	2,872,172	2,787,210	2,754,691	2,541,739
1,232,620	1,157,298	1,171,481	1,151,052	1,107,658	1,114,715
547,326	555,661	537,479	510,033	509,897	418,029
4,755,829	4,771,091	4,608,092	4,278,812	4,563,040	3,938,245
3,897,232	3,539,067	3,424,859	3,511,181	3,286,647	3,072,781
1,317,455	1,153,880	1,200,502	1,085,252	1,154,066	854,049
528,768	660,266	578,947	513,872	389,599	419,754
638,399	660,210	585,191	618,018	527,599	589,150
1,734,254	1,526,210	1,500,950	1,490,130	1,589,738	1,376,799
2,321,136	2,290,812	1,003,471	2,326,830	1,632,519	573,202
30,255	-	294,690	-	-	-
1,331,956	1,246,794	1,247,432	881,536	799,104	5,568,582
931,582	986,089	1,024,672	1,009,126	1,287,772	1,415,766
-	-	-	183,859	-	-
<u>55,333,567</u>	<u>53,701,759</u>	<u>50,664,571</u>	<u>50,237,862</u>	<u>47,892,853</u>	<u>49,442,826</u>
(2,331,556)	1,770,158	4,243,505	4,779,758	2,103,858	(964,550)

(Continued)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	2,670,000
Issuance of notes	-	-	-	-
Transfers in	3,410,000	2,610,000	110,000	110,000
Transfers (out)	(3,410,000)	(2,610,000)	(531,819)	(110,000)
Sale of capital assets	5,255	4,366	-	-
Capital lease transaction	-	-	-	-
Sale of refunding bonds	-	-	-	-
Premium on refunding bonds sold	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bonds	-	-	-	-
Accrued interest on bonds	-	-	-	-
Total other financing sources (uses)	<u>5,255</u>	<u>4,366</u>	<u>(421,819)</u>	<u>2,670,000</u>
Extraordinary item				
Reimbursement for storm damage	-	-	-	-
Net change in fund balances	<u>\$ 652,552</u>	<u>\$ 2,170,069</u>	<u>\$ 42,956</u>	<u>\$ 1,478,249</u>
Capital expenditures	\$ 2,950,324	\$ 1,792,403	\$ 2,928,806	\$ 2,172,785
Debt service as a percentage of total noncapital expenditures	4.63%	4.82%	4.72%	4.43%

Source: School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,115,000	2,659,000	260,319	2,706,700	268,370	156,000
(2,115,000)	(2,659,000)	(260,319)	(2,706,700)	(268,370)	(156,000)
924	760	3,612	-	-	217
30,255	-	294,690	-	-	-
-	-	-	18,354,970	-	-
-	-	-	841,741	-	-
-	-	-	(19,012,852)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>31,179</u>	<u>760</u>	<u>298,302</u>	<u>183,859</u>	<u>-</u>	<u>217</u>
-	-	-	-	-	-
<u>\$ (2,300,377)</u>	<u>\$ 1,770,918</u>	<u>\$ 4,541,807</u>	<u>\$ 4,963,617</u>	<u>\$ 2,103,858</u>	<u>\$ (964,333)</u>
\$ 2,384,310	\$ 2,420,224	\$ 1,422,166	\$ 2,208,765	\$ 1,531,231	\$ 639,192
4.27%	4.35%	4.61%	3.94%	4.50%	14.31%

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS*

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2014	\$ 1,001,559,470	\$ 2,861,598,486	\$ -	\$ -	\$ 10,236,390	\$ 11,632,261
2013	995,704,210	2,844,869,171	-	-	9,282,780	10,548,614
2012	996,924,660	2,848,356,171	-	-	8,555,210	9,721,830
2011	997,502,800	2,850,008,000	348,980	5,583,680	8,224,500	9,346,023
2010	992,089,220	2,834,540,629	760,410	12,166,560	8,029,100	9,123,977
2009	1,028,000,490	2,937,144,257	13,781,055	220,496,880	7,496,850	8,519,148
2008	1,023,957,100	2,925,591,714	26,514,560	424,232,960	7,086,100	8,052,386
2007	1,017,969,380	2,908,483,943	31,382,118	251,056,944	9,449,280	10,737,818
2006	921,968,860	2,634,196,743	38,351,782	166,746,878	9,984,050	11,345,511
2005	916,393,060	2,618,265,886	37,692,694	163,881,278	12,473,120	14,174,000

Source: Cuyahoga County Auditor's Office

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.
- (2) Tangible personal property is assessed at various percentages of actual value.
- (3) Public utility personal property is assessed at various percentages of actual value.
- (4) This amount represents the gross millage.

Total			
Assessed Value	Estimated Actual Value	Percentage of Assessed Value to Estimated Actual Value	Total Direct Rate (4)
\$ 1,011,795,860	\$ 2,873,230,747	35.21%	\$ 91.10
1,004,986,990	2,855,417,785	35.20%	91.10
1,005,479,870	2,858,078,001	35.18%	91.10
1,006,076,280	2,864,937,703	35.12%	86.10
1,000,878,730	2,855,831,166	35.05%	86.00
1,049,278,395	3,166,160,285	33.14%	86.00
1,057,557,760	3,357,877,060	31.49%	86.00
1,058,800,778	3,170,278,705	33.40%	86.00
970,304,692	2,812,289,132	34.50%	86.10
966,558,874	2,796,321,164	34.57%	86.10

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS*

Tax Year/ Collection	Overlapping Rates			Direct Rates					
	Year	County	City	Library	General	Bond	Voted		Unvoted
Permanent Improvement							Recreation		
2013/2014	\$ 20.03	\$ 9.50	\$ 2.50	\$ 81.55	\$ 2.40	\$ 1.00	\$ 0.95	\$ 5.20	\$ 91.10
2012/2013	18.30	9.50	2.50	81.55	2.40	1.00	0.95	5.20	91.10
2011/2012	18.30	9.50	2.50	81.55	2.40	1.00	0.95	5.20	91.10
2010/2011	18.40	9.50	2.50	76.55	2.40	1.00	0.95	5.20	86.10
2009/2010	18.40	9.50	2.50	76.55	2.30	1.00	0.95	5.20	86.00
2008/2009	18.10	9.50	2.50	76.55	2.30	1.00	0.95	5.20	86.00
2007/2008	18.20	9.50	2.00	76.55	2.30	1.00	0.95	5.20	86.00
2006/2007	18.20	9.50	2.00	76.55	2.30	1.00	0.95	5.20	86.00
2005/2006	18.30	9.50	2.00	76.55	2.40	1.00	0.95	5.20	86.10
2004/2005	18.30	7.10	2.00	76.55	2.40	1.00	0.95	5.20	86.10

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2013 AND DECEMBER 31, 2004*

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail, LLC.	\$ 17,975,240	1	1.79%
Village Chagrin Partners	6,449,910	2	0.64%
HRP Nom L.P.	4,470,120	3	0.45%
LSREF2 OREO 2, LLC.	4,293,070	4	0.43%
Lander Circle Co.	3,783,070	5	0.38%
Olympic Steel Inc.	3,571,020	6	0.36%
Landerwood Crossing, LLC.	3,500,000	7	0.35%
Lowe's Home Center, Inc.	3,114,340	8	0.31%
CY Beachwood Owner, LLC.	3,086,580	9	0.31%
H V Holdings, Inc.	3,064,430	10	0.31%
Total	\$ 53,307,780		5.33%
Total Assessed Values	\$ 1,001,559,470		

December 31, 2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail L.L.C.	\$ 17,160,960	1	1.87%
Hallwood 95, L.P.	6,705,090	2	0.73%
Village Chagrin Partners	5,949,410	3	0.65%
Miles Road L.L.C.	4,765,330	4	0.52%
Duke Realty Ltd. Partnership	4,406,850	5	0.48%
AM Castle and Company	3,933,450	6	0.43%
Lander Circle Company	3,327,050	7	0.36%
Marotta-Glazer Realty Company	3,056,280	8	0.33%
Olympic Steel	3,005,840	9	0.33%
Park Synagogue	2,813,300	10	0.31%
Total	\$ 55,123,560		6.01%
Total Assessed Values	\$ 916,393,060		

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2013 AND DECEMBER 31, 2004*

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 8,643,490	1	84.44%
East Ohio Gas Co.	913,800	2	8.93%
American Transmission System	658,000	3	6.43%
Cleveland Commercial Railroad	14,800	4	0.14%
Columbia Gas of Ohio Inc.	5,060	5	0.05%
Norfolk Southern Combined	590	6	0.01%
Total	\$ 10,235,740		100.00%
Total Assessed Values	\$ 10,236,390		

December 31, 2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 5,227,210	1	41.91%
Ohio Bell Telephone Company	2,013,660	2	16.14%
AT&T Wireless PCS of Cleveland L.L.C.	1,743,300	3	13.98%
New Cingular Wireless PCS L.L.C.	696,320	4	5.58%
East Ohio Gas	690,910	5	5.54%
Total	\$ 10,371,400		83.15%
Total Assessed Values	\$ 12,473,120		

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Tax Year/ Collection Year	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection (2)	Total Collection	Total Collection As a Percent of Total Levy (2)	Outstanding Delinquent Taxes (1)	Total Delinquent Taxes As a Percent of Total Levy
2013/2014	\$ 49,115,107	\$ 46,933,918	95.56%	\$ 1,321,499	\$ 48,255,417	98.25%	\$ 2,266,057	4.61%
2012/2013	49,115,107	46,933,918	95.56%	1,325,819	48,259,737	98.26%	2,266,057	4.61%
2011/2012	48,471,730	46,663,798	96.27%	1,549,229	48,213,027	99.47%	2,533,593	5.23%
2010/2011	43,265,150	41,477,690	95.87%	1,661,999	43,139,689	99.71%	2,374,780	5.49%
2009/2010	43,039,829	41,677,187	96.83%	1,423,661	43,100,848	100.14%	2,792,126	6.49%
2008/2009	46,312,377	41,844,144	90.35%	1,200,055	43,044,199	92.94%	1,636,581	3.53%
2007/2008	44,567,977	42,867,026	96.18%	1,575,408	44,442,434	99.72%	3,199,238	7.18%
2006/2007	45,354,998	42,835,059	94.44%	1,645,469	44,480,528	98.07%	2,331,806	5.14%
2005/2006	41,499,416	39,341,393	94.80%	1,373,393	40,714,786	98.11%	1,987,957	4.79%
2004/2005	41,103,795	37,140,146	90.36%	1,215,109	38,355,255	93.31%	2,480,347	6.03%

Source: Cuyahoga County Auditor's Office

(1) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

(2) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the County to get this information in the future.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS*

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>General Obligation Bonds (4)</u>	<u>Capital Leases</u>	<u>(1) Total Primary Government</u>	<u>(2) Per Capita</u>	<u>(2) Per Enrollment</u>	<u>(2) Total Debt as a Percentage of Personal Income</u>
2014	\$ 23,530,963	\$ 5,730	\$ 23,536,693	(2)	\$ 10,621	(3)
2013	24,877,957	12,218	24,890,175	1,748	11,197	(3)
2012	26,117,290	56,138	26,173,428	1,838	11,659	1.69%
2011	27,228,004	127,646	27,355,650	1,928	11,946	1.87%
2010	25,578,611	193,763	25,772,374	1,814	11,394	2.16%
2009	26,574,579	220,464	26,795,043	1,986	11,595	1.81%
2008	27,522,004	272,258	27,794,262	2,068	11,639	1.62%
2007	28,527,516	-	28,527,516	2,115	12,022	1.73%
2006	28,394,639	31,536	28,426,175	2,085	12,076	1.79%
2005	29,054,046	60,640	29,114,686	2,113	12,347	1.99%

Sources: School District Financial Records

- (1) See notes to the financial statements regarding the District's outstanding debt information.
- (2) See schedule " Demographic and Economic Statistics, Last Ten Years" for population, personal income and enrollment information
- (3) Information not readily available for this fiscal year.
- (4) General obligation bonds are reported net of premiums, discounts and other adjustments.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS*

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita (2)
	General Obligation Bonds (1)	Less: Restricted for Debt Service	Net General Bonded Debt Outstanding		
2014	\$ 23,530,963	\$ 2,828,644	\$ 20,702,319	0.72%	(2)
2013	24,877,957	1,831,512	23,046,445	0.81%	1,619
2012	26,117,290	3,728,136	22,389,154	0.78%	1,572
2011	27,228,004	3,342,046	23,885,958	0.83%	1,683
2010	25,578,611	3,029,772	22,548,839	0.79%	1,587
2009	26,574,579	2,763,181	23,811,398	0.75%	1,765
2008	27,522,004	2,478,446	25,043,558	0.75%	1,864
2007	27,535,222	2,099,607	25,435,615	0.80%	1,886
2006	28,216,092	1,515,818	26,700,274	0.95%	1,959
2005	29,054,046	1,288,147	27,765,899	0.99%	2,015

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) See notes to the financial statements regarding the District's outstanding debt information.

(2) Personal income information can be found on the Demographic and Economic Statistics table. The information for 2014 was not readily available.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 24,890,175	100.00%	\$ 24,890,175
Total direct debt	<u>24,890,175</u>		<u>24,890,175</u>
Overlapping debt:			
Cuyahoga County	314,245,000	3.65%	11,480,542
Village of Orange	3,685,000	92.88%	3,422,602
City of Bedford Heights	1,840,000	12.95%	238,192
Village of Moreland Hills	395,000	80.04%	316,162
City of Pepper Pike	7,245,475	99.04%	7,175,916
City of Solon	4,320,000	2.12%	91,460
City of Warrensville Heights	13,899,250	0.00%	532,575
Village of Woodmere	1,153,000	100.00%	1,153,000
Greater Cleveland Regional Transit Authority	116,450,000	3.65%	4,254,353
Total overlapping debt	<u>463,232,725</u>		<u>28,664,802</u>
 Total direct and overlapping debt	 <u>\$ 488,122,900</u>		 <u>\$ 53,554,977</u>

Source: Cuyahoga County Auditor's Office

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2013 collection year.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS*

Fiscal Year	Assessed Value (2)	Voted Debt Limit (1)	Total Debt Applicable to Limit (3)	Debt Service Available Balance	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit	Unvoted Legal Debt Margin (1)
2014	\$ 1,011,795,860	\$ 91,061,627	\$ 21,522,696	\$ 4,129,608	\$ 73,668,539	19.10%	\$ 1,011,796
2013	1,004,986,990	90,448,829	22,121,029	3,933,451	72,261,251	20.11%	1,004,987
2012	1,005,479,870	90,493,188	22,918,189	3,711,201	71,286,200	21.22%	1,005,480
2011 (2)	1,005,727,300	90,515,457	24,383,189	3,287,546	69,419,814	23.31%	1,005,727
2010 (2)	1,000,118,320	90,010,649	23,048,189	2,871,393	69,833,853	22.42%	1,000,118
2009 (2)	1,035,497,340	93,194,761	24,323,189	2,751,041	71,622,613	23.15%	1,035,497
2008 (2)	1,031,043,200	92,793,888	25,518,189	2,377,383	69,653,082	24.94%	1,031,043
2007 (2)	1,027,418,660	92,467,679	26,743,189	2,065,087	67,789,577	26.69%	1,027,419
2006 (2)	931,952,910	83,875,762	27,593,219	1,455,700	57,738,243	31.16%	931,953
2005	966,558,874	86,990,299	28,363,219	1,249,761	59,876,841	31.17%	966,559

Source: Cuyahoga County Auditor, Ohio Department of Taxation and School District financial records

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

(2) The District's total assessed valuation for the respective collection year is not utilized as the base for determining current direct debt limitations. Consistent with House Bill 530, adjustments are made to exclude substantially all tangible personal property values from this calculation. Adjusted values were obtained from the Ohio Department of Taxation.

(3) Total Debt applicable to limit excludes accreted interest on capital appreciation bonds.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Average Income by Return (5)</u>	<u>Personal Income (5)</u>	<u>Per Capita Income</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (4)</u>		
							<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2014	(2)	(2)	(2)	(2)	51.1	2,216	7.9%	5.5%	6.1%
2013	14,239	\$ 307,155	\$ 2,903,570,821	\$ 203,917	49.2	2,223	8.0%	7.2%	7.6%
2012	14,239	230,528	1,552,833,536	109,055	49.2	2,245	7.5%	7.2%	8.2%
2011	14,190	224,370	1,461,094,740	102,967	40.2	2,290	7.9%	8.8%	9.1%
2010	14,211	183,625	1,191,176,755	83,821	41.5	2,262	9.7%	10.5%	9.5%
2009	13,493	218,640	1,477,129,812	109,474	41.5	2,311	10.2%	11.1%	9.5%
2008	13,437	218,640	1,718,478,448	127,892	41.5	2,388	8.1%	6.7%	5.7%
2007	13,490	237,468	1,646,839,811	122,079	41.5	2,373	6.5%	5.8%	4.7%
2006	13,633	228,402	1,587,394,302	116,438	41.5	2,354	5.9%	5.5%	4.8%
2005	13,778	215,294	1,464,863,024	106,319	41.5	2,358	6.3%	6.1%	5.2%

(1) Information obtained from the U.S. Census Bureau website (www.census.gov).
City of Pepper Pike Geographic Area.

(2) Information not readily available for this calendar year.

(3) Obtained from District Records.

(4) Obtained from the Ohio Department of Job and Family Services.

(5) Obtained from the Ohio Department of Taxation.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*PRINCIPAL EMPLOYERS
DECEMBER 31, 2013 AND EIGHT YEARS AGO*

December 31, 2013

Employer	Employees	Rank
Orange City School District	632	1
Ursuline College	588	2
GMR Inc.	326	3
Country Club Inc.	284	4
Heinens Inc.	251	5
Bravo Brio Restaurant Group Inc.	189	6
Chagrin Valley Country Club	170	7
Whole Foods Market Group Inc.	143	8
YOS Concept LLC	127	9
Majestic Steel USA Inc.	110	10
Total	<u>2,820</u>	

December 31, 2005

Employer	Employees	Rank
Orange City School District (1)	623	1
Ursuline College	358	2
Beech Brook	179	3
Sky Financial Group	121	4
City of Pepper Pike	100	5
Stern Advertising	81	6
Merrill Lynch Pierce Fenner	63	7
Chagrin Valley Country Club	60	8
National City Corporation	48	9
Wachovia Shared Resources	42	10
Total	<u>1,675</u>	

Source: Regional Income Tax Agency

(1) Includes substitute and seasonal employees. Information prior to 2005 is unavailable.

Note: The Regional Income Tax Agency was unable to provide statistics on total employment within the District such that the above totals by employer could be expressed as a percentage of total employment. The District's boundaries cover 25 square miles and includes all or a portion of 8 different political subdivisions.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS*

Type	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Professional Staff:										
Teaching Staff:										
Elementary	82.3	82.3	82.3	85.8	85.0	84.6	84.6	84.1	80.1	81.2
Middle	49.5	49.5	47.9	50.9	50.9	50.9	49.5	48.5	46.5	46.1
High	69.6	67.6	67.0	68.0	67.0	67.0	66.9	66.9	66.7	62.3
Others	19.3	18.9	17.9	18.9	18.7	18.7	17.7	17.7	16.7	16.7
Administration:										
District	20.0	21.0	20.0	21.0	21.0	20.0	20.0	20.0	21.0	19.0
Auxiliary Positions:										
Counselors	6.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Nurses	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.5
Speech	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.6
Mental Health Specialists	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.4	3.4
Others	8.6	8.6	8.6	9.6	9.6	9.6	9.6	9.6	9.6	8.1
Support Staff:										
Supervisors	10.0	10.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Secretarial	33.0	33.4	33.4	33.4	32.5	32.5	33.5	33.5	32.0	32.0
Aides	59.0	59.0	58.0	60.0	60.0	60.0	57.5	53.5	54.0	49.5
Hall monitor/Security					-	-	-	1.0	-	-
Technical	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Cooks	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.6	8.5	9.0
Custodial	26.0	26.0	26.0	25.3	25.3	25.3	25.3	25.3	25.3	25.3
Maintenance	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Bus Driver	31.6	31.6	31.6	32.9	32.9	32.9	32.9	32.1	33.6	33.1
Bus Aides	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	450.9	449.9	445.7	460.8	457.9	456.5	452.5	447.7	439.7	428.3
Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular	159.2	156.8	154.6	161.6	161.1	160.7	160.2	159.2	152.9	152.2
Special	50.6	50.6	49.6	51.1	49.6	49.6	47.6	47.1	45.1	43.1
Vocational	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	36.9	36.9	35.9	36.4	36.4	36.4	36.4	36.5	35.8	34.1
Instructional staff	64.0	64.0	64.0	67.0	67.0	67.0	65.0	62.0	62.5	58.0
Administration	22.0	23.0	22.0	23.0	23.0	22.0	22.5	22.5	23.5	21.0
Fiscal	5.6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Business	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operations and maintenance	44.0	44.0	45.0	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Pupil transportation	39.1	39.1	39.1	40.9	40.9	40.9	40.9	40.6	40.6	40.1
Central	10.9	10.9	10.9	10.9	10.0	10.0	10.0	10.0	9.0	9.0
Food Service Operations	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.0	9.5	10.0
Extracurricular activities	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Total Governmental Activities	450.9	449.9	445.7	460.8	457.9	456.5	452.5	447.7	439.7	428.3

Source: School District records

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS*

Function	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:										
Regular and Special										
Enrollment (students)	2,216	2,223	2,245	2,290	2,199	2,311	2,388	2,373	2,354	2,358
Graduates	185	190	181	172	150	201	187	180	195	177
Support services:										
Board of education										
Regular meetings per year	18	23	22	22	21	24	24	24	22	21
Special meetings per year	20	16	12	12	17	11	22	21	24	14
Administration										
Student attendance rate	95.0%	95.6%	95.6%	95.7%	95.8%	96.0%	96.5%	95.9%	96.1%	95.9%
Fiscal										
Nonpayroll checks issued	5,511	5,538	5,389	6,018	6,636	6,588	6,619	6,424	6,800	6,368
Operations and maintenance										
Work orders completed	390	573	438	629	416	500	500	500	500	(1)
Square footage maintained	548,700	548,700	548,700	534,881	534,881	534,881	534,881	534,881	534,881	534,881
Pupil transportation										
Avg. students transported daily (2)	1,391	1,391	1,381	1,525	1,440	2,242	2,462	2,592	2,637	2,724
Food service operations										
Meals served to students	182,556	182,590	184,677	170,930	195,915	188,754	207,577	192,466	187,274	156,191
Number of students with free or reduced lunches	278	251	282	203	224	222	218	174	144	124

Source: District records

(1) Information not readily available for this fiscal year.

(2) Figure includes public and nonpublic riders.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS*

Governmental Activities					
	2014	2013	2012	2011	2010
Land	\$ 6,315,782	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	1,148,798	330,459	80,263	1,724,343	1,431,742
Land improvements	4,379,666	3,881,682	4,138,845	4,052,380	4,338,252
Buildings	28,916,233	29,429,013	30,349,086	28,014,968	27,973,225
Equipment	1,233,820	1,390,872	914,936	927,018	1,005,328
Vehicles	1,545,465	1,580,642	1,665,297	1,723,068	1,714,578
Total Governmental Activities Capital Assets, net	\$ 43,539,764	\$ 42,982,818	\$ 43,518,577	\$ 42,811,927	\$ 42,833,275

Governmental Activities					
	2009	2008	2007	2006 (1)	2005
Land	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	1,424,838	55,103	7,657	832,438	-
Land improvements	4,603,316	4,925,063	5,213,189	5,467,298	5,878,294
Buildings	27,231,377	27,698,365	28,168,267	26,739,762	27,547,417
Equipment	1,101,286	1,181,011	869,790	878,323	1,245,813
Vehicles	1,685,540	1,585,559	1,541,672	1,353,127	1,261,251
Total Governmental Activities Capital Assets, net	\$ 42,416,507	\$ 41,815,251	\$ 42,170,725	\$ 41,641,098	\$ 42,302,925

Business-Type Activities					
	2014	2013	2012	2011	2010
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ 631,180
Land improvements	24,956	27,769	30,582	33,395	36,632
Buildings	3,317,269	3,484,755	3,654,394	3,783,272	1,949,230
Equipment	-	-	2,304	3,610	4,916
Vehicles	-	-	-	2,507	7,522
Total Business-Type Activities Capital Assets, net	\$ 3,342,225	\$ 3,512,524	\$ 3,687,280	\$ 3,822,784	\$ 2,629,480

Business-Type Activities					
	2009	2008	2007	2006	2005
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	44,728	44,728	49,292	54,760	60,228
Buildings	2,131,584	2,131,584	2,170,785	2,261,559	2,366,379
Equipment	17,696	17,696	18,066	25,065	33,743
Vehicles	23,601	23,601	29,717	35,831	41,945
Total Business-Type Activities Capital Assets, net	\$ 2,217,609	\$ 2,217,609	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS*

	2014	2013	2012	2011	2010
Orange High School (1973)					
Square feet	215,886	215,886	215,886	215,886	215,886
Capacity (All)	960	960	960	960	960
Enrollment	698	712	701	765	719
Brady Middle School (1965)					
Square feet	99,760	99,760	99,760	86,138	86,138
Capacity (All)	720	720	720	720	720
Enrollment	498	473	516	484	496
Moreland Hills Elementary (2001)					
Square feet	124,875	124,875	124,875	124,875	124,875
Capacity (All)	1,440	1,440	1,440	1,440	1,440
Enrollment	917	943	947	957	881
Gund School (1978)					
Square feet	6,000	6,000	6,000	6,000	6,000
Capacity (All)	84	84	84	84	84
Enrollment	70	67	60	58	68
New Directions (1989)					
Square feet	26,400	26,400	26,400	26,400	26,400
Capacity (All)	38	38	38	38	38
Enrollment	33	28	21	26	35

Source: District records

Note: Year of original construction is in parentheses. Increases in square footage and capacity are the result of renovations and additions.

2009	2008	2007	2006	2005
215,886	215,886	215,886	215,886	215,886
960	960	960	960	960
688	715	737	764	787
86,138	86,138	86,138	86,138	86,138
720	720	720	720	720
521	570	532	509	501
124,875	124,875	124,875	124,875	124,875
1,440	1,440	1,440	1,440	1,440
997	1,006	1,023	992	980
6,000	6,000	6,000	6,000	6,000
84	84	84	84	84
79	68	53	66	64
26,400	1,800	1,800	1,800	1,800
38	30	30	30	30
26	29	28	23	26

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*OPERATING STATISTICS
LAST TEN FISCAL YEARS*

Fiscal Year	Total Governmental Funds		Governmental Activities		Enrollment (2)	Percent Change of Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2014	\$ 54,685,522	\$ 24,678	\$ 54,404,797	\$ 24,551	2,216	-0.31%
2013	51,748,651	23,279	52,319,586	23,536	2,223	-0.98%
2012	52,829,166	23,532	52,759,592	23,501	2,245	-1.97%
2011	53,252,135	23,254	53,390,294	23,315	2,290	1.24%
2010	53,070,029	23,462	53,120,554	23,484	2,262	-2.12%
2009	51,468,876	22,271	51,302,966	22,199	2,311	-3.22%
2008	48,392,467	20,265	48,802,279	20,436	2,388	0.63%
2007	48,163,341	20,296	47,530,379	20,030	2,373	0.81%
2006	45,805,977	19,459	46,456,316	19,735	2,354	-0.17%
2005	42,458,478	18,006	43,393,598	18,403	2,358	-1.38%

Source: District records

- (1) Debt Service totals have been excluded.
- (2) Enrollment derived from District attendance records.
- (3) Teaching staff headcount represents full-time equivalents.

Teaching Staff (3)	Pupil/Teacher Ratio	Student Attendance Percentage
220.7	10.04	95.6%
239.0	9.30	95.6%
227.3	9.88	95.6%
240.5	9.52	95.7%
221.6	10.21	95.8%
221.2	10.45	96.0%
218.7	10.92	96.5%
217.2	10.93	95.9%
210.0	11.21	96.1%
206.3	11.43	95.9%

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*TEACHER STATISTICS
JUNE 30, 2014*

Degree	Number of Teachers	Percentage of Total	Pay Range
Associate's Degree	(1)	n/a	(1)
Bachelor's Degree	32.00	13.17%	\$43,152 - \$83,135
Master's Degree	206.00	84.76%	\$47,876 - \$102,385
Ph.D.	5.00	2.06%	\$50,876 - \$103,385
	<u>243.00</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	46.00	18.93%
6 - 10	40.00	16.46%
11 and over	157.00	64.61%
	<u>243.00</u>	<u>100.00%</u>

Source: School District Personnel Records

(1) The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.



Dave Yost • Auditor of State

ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 30, 2014**