



Dave Yost • Auditor of State

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

<u>Federal Grantor</u> <i>Pass Through Grantor</i> Program Title	Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Agriculture</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
National School Breakfast Program	2014	10.553	\$ 137,679		\$ 137,679	
National School Lunch Program	2014	10.555	589,062	\$ 66,581	589,062	\$ 66,581
Summer Food Service Program	2014	10.559	71,790		71,790	
Total Child Nutrition Cluster			<u>798,531</u>	<u>66,581</u>	<u>798,531</u>	<u>66,581</u>
State Administrative Expenses for Child Nutrition	2014	10.560	11,050		10,710	
Total U.S. Department of Agriculture			<u>809,581</u>	<u>66,581</u>	<u>809,241</u>	<u>66,581</u>
<u>U.S. Department of Education</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster (IDEA):						
Special Education Grants to States, IDEA Part B	2013	84.027	235,445		120,537	
	2014	84.027	684,814		749,986	
			<u>920,259</u>		<u>870,523</u>	
Special Education Preschool Grants	2013	84.173	2,624		1,264	
	2014	84.173	21,326		20,399	
			<u>23,950</u>		<u>21,663</u>	
Total Special Education Cluster (IDEA)			<u>944,209</u>		<u>892,186</u>	
Title I, Part A Cluster:						
Title I Grants to Local Educational Agencies	2013	84.010	236,648		162,054	
	2014	84.010	614,896		616,656	
Total Title I, Part A Cluster			<u>851,544</u>		<u>778,710</u>	
Improving Teacher Quality, Title II, Part A	2013	84.367	12,400		50	
	2014	84.367	70,219		64,519	
			<u>82,619</u>		<u>64,569</u>	
English Language Acquisition Grant	2013	84.365	7,298		6,079	
	2014	84.365	41,152		42,108	
Total English Language Acquisition Grant			<u>48,450</u>		<u>48,187</u>	
ARRA Race to the Top	2013	84.395	1,186			
	2014	84.395	53,857		53,992	
Total ARRA Race to the Top			<u>55,043</u>		<u>53,992</u>	
Total U.S. Department of Education			<u>2,791,446</u>	<u>66,581</u>	<u>2,646,885</u>	<u>66,581</u>
Total Federal Financial Assistance			<u>\$2,791,446</u>	<u>\$ 66,581</u>	<u>\$ 2,646,885</u>	<u>\$ 66,581</u>

The accompanying notes are an integral part of this schedule.

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

North Olmsted City School District
Cuyahoga County
27425 Butternut Ridge Road
North Olmsted, Ohio 44070

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, each major fund, and the aggregate remaining fund information of the North Olmsted 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 26, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 26, 2014



Dave Yost • Auditor of State

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

North Olmsted City School District
Cuyahoga County
27425 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the North Olmsted 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 each of the North Olmsted City School District's major federal programs 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 programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require 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 programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the North Olmsted City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs 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 Receipts and Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Olmsted 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 26, 2014. We conducted our audit to opine on the District's' 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 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.



Dave Yost
Auditor of State
Columbus, Ohio

December 26, 2014

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**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	<u>Child Nutrition Cluster:</u> National School Lunch Program – CFDA #10.555; National School Breakfast Program – CFDA #10.553; Summer Food Service Program – CFDA #10.559 <u>Special Education Cluster:</u> Special Education, Grants to States – CFDA #84.027; Special Education Preschool – CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Comprehensive Annual Financial Report

BUILDING OUR FUTURE TOGETHER



Conceptual New North Olmsted Middle & High School Facility

Images Are Conceptual in Nature and Subject to Change



North Olmsted City School District

For the Fiscal Year Ended June 30, 2014
North Olmsted, Ohio

Back of cover.

NORTH OLMSTED
CITY SCHOOL DISTRICT
North Olmsted, Ohio

Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Prepared by
Treasurer's Office
Robert J. Matson CPA
Treasurer

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INTRODUCTORY SECTION

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North Olmsted City School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2014
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*North Olmsted City School District
Administrative Offices
27425 Butternut Ridge Road
North Olmsted, Ohio 44070*



December 26, 2014

Members of the North Olmsted Board of Education and
Residents of North Olmsted City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the North Olmsted City School District for the year ended June 30, 2014. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles 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 the School 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 School District. This report will provide the taxpayers of the North Olmsted City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Olmsted Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

THE REPORTING ENTITY

North Olmsted City School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) 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". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Olmsted City School District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of North Olmsted, the Cuyahoga County Public Library and the Parent Teacher Association. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

The School District is a member of the North Coast Council, the Polaris Career Center, the North Olmsted City Schools Education Foundation and the Ohio Schools Council Association. The relationship of these jointly governed organizations with the School District is described in more detail in Note 15 of the basic financial statements.

ORGANIZATIONAL STRUCTURE

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide

educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer. The District is one of over 876 public school districts and community schools in the State of Ohio. The District provides education services to 4,046 students in kindergarten through twelfth grade. The District also provides a wide range of services preschool-aged children, special education and vocational type academic programs.

SCHOOL DISTRICT

The North Olmsted City School District is located in western Cuyahoga County, approximately 17 miles southwest of downtown Cleveland. The School District encompasses the entire City of North Olmsted, a community with a population of approximately 32,000. The City is primarily residential with a significant commercial tax base of retail businesses.

The School District was chartered in 1831 by the Ohio State legislature two years after the name "Olmstead" was assigned to the area. The region was named after Aaron Olmstead, an investor and Revolutionary War soldier who purchased land in the area in 1794. The exact time and reason for changing to the current spelling is unclear from the historical records. In 1837, under the auspices of the Office of the State Superintendent of Common School Education, Township Trustees were authorized to levy compulsory taxes for the support of public education. In 1853 State laws were enacted to create locally elected boards of education to govern local school districts. Today, the North Olmsted Board of Education is comprised of five members, elected at large, with staggered four year terms.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in Section 3301.07(D) of the Ohio Revised Code, to provide educational services authorized by charter and further mandated by State and Federal agencies. Under Ohio law, the School District is a separate and distinct unit of government with its own taxing authority.

ECONOMIC CONDITION AND OUTLOOK

North Olmsted City Schools, like most school districts in Ohio, was facing a serious decline in operating revenues due to the nationwide economic recession, the housing foreclosure crisis and cutbacks in state funding. The anticipated loss in operating revenue threatened to financially destabilize the District. The problem was so enormous; the Board of Education recognized that the only way to fix the problem was through a combination of budget cuts, staff concessions, and community support of a new operating levy.

The Board of Education set a goal of reducing operating expenses by \$4.5 million annually. This goal was exceeded when \$2.9 million in budgetary cuts were realized and \$2.8 million in salary concessions were obtained from employees. The majority of the budgetary cuts were obtained with the elimination of 39 staff positions during the 2010-11 school year and an additional 10 positions for the 2011-12 school year.

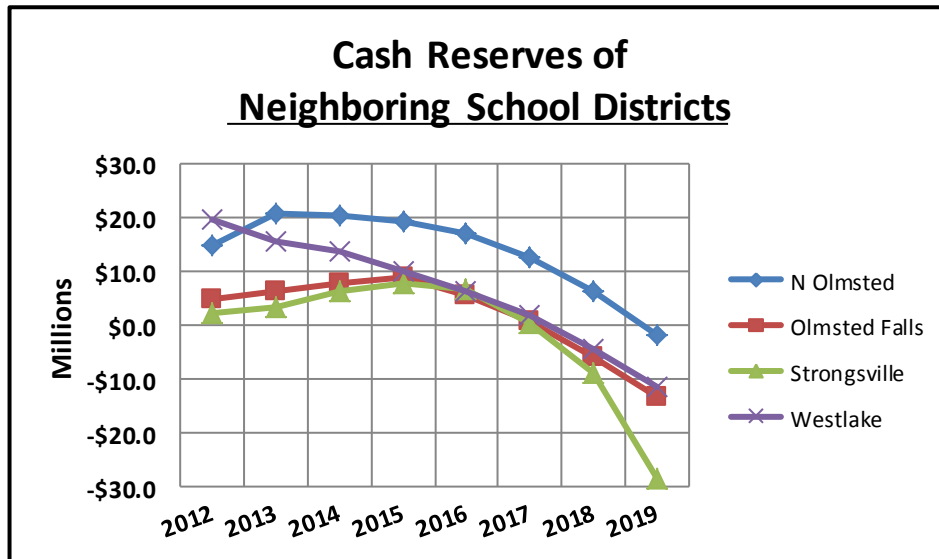
The labor unions contributed to the cost reduction plan by agreeing to accept \$2.8 million in salary and fringe benefit concessions. Both unions voluntarily reopened their contracts and did not accept a 2.55% base salary increase they were legally entitled to receive during the 2010-11 school year. The unions also agreed to a base salary freeze for the 2011-12 school year.

The School District's financial position was further stabilized with the passage of a 7.9 mill operating levy in November 2010. This levy was phased in over a period of two years and generated an additional \$6.5 million of real estate tax revenue annually. Approximately 33.0% of

the taxes from this levy will be paid by commercial property owners.

The combination of the above budgetary cuts, employee concessions, and community support of a new operating levy has allowed the School District to accumulate an unencumbered General Fund cash balance of \$20.3 million at June 30, 2014.

Based upon the District's "October 2014 Five Year Financial Forecast", operating expenditures have started to exceed operating revenue. These future operating deficits can be temporarily funded with the District's cash reserves until the reserves are exhausted and the Board of Education will have to place a property tax levy before the voters. In Ohio, inflationary growth in the property tax collections is severely restricted through legislative actions. Most school districts in Ohio are required to periodically seek additional funding through new tax levies to off-set increase operating costs caused by inflation, unfunded state mandates, and the adoption of new academic programs. The Administration at North Olmsted has been proactive in controlling costs and extending the life cycle of its levy as indicated is the following graph of projected future cash reserves of neighboring school district obtained from the Ohio Department of Education.



On November 4, 2014, the Community approved an \$80.6 million construction bond levy. Proceeds from the sale of the bonds will be used to construct a sixth through twelfth grade state of the art educational campus, a performing arts center, and a new high school athletic complex. Principal and interest accrued on the bonds will be paid with the real estate taxes collected from the new 5.4 mill bond levy. The School District will receive approximately \$9.0 million in matching funds from the State of Ohio.

MAJOR INITIATIVES - FISCAL YEAR 2014

Excellence in Academics

The Gifted Program grades K-12 is ranked in the top 10% of all school districts in the State of Ohio.

The High School offers 34 different Honors or Advanced Placement classes for students. North Olmsted Middle School recorded the highest value added increase in the State of Ohio for the progress students made on the State Report Card.

Our partnership with Polaris Career Center is expanding and we have developed satellite programs in Biomedical Science, Video Game Design and Computer Networking Technology. Students can earn a 3-year Computer Networking Technology certificate in Microsoft Technology, CompTIAA+ and Cisco Certified Network Associate. Students also can earn college credit through the Post-Secondary Options Program (PSOP.)

The District formally joined in a partnership with Lorain County Community College (LCCC) and the MyUniversity Program to allow students to earn college credit for free while still in high school by offering college level classes at the high school. The program started by offering two Chemistry courses and two Spanish courses with plans to expand in the next few years and build on the strength of the AP programs at the high school.

U.S. News and World Report reviewed 31,242 public high schools for their annual rankings. In Ohio, 244 High Schools earned rankings out of 832 High Schools in 611 districts. North Olmsted High School earned a Bronze Award – one of only 129 in the state to earn Bronze.

The North Olmsted High School Class of 2014 earned over \$8 million in scholarship offers to universities and colleges across the country to further their studies.

The community groups in North Olmsted awarded scholarship awards totaling over \$77,000.

The North Olmsted Kiwanis awarded eleven scholarships totaling \$10,500 and the North Olmsted City Schools Education Foundation administered and awarded nineteen different scholarships totaling \$17,000.

Sixty-eight seniors were awarded the Presidential Award of Educational Excellence and seventy-eight earned Honors diplomas. One student was named a Finalist in the 2014 National Merit Scholarship competition, and three were Commended Students.

Excellence in the Arts

North Olmsted High School art students supplied original artwork for a community calendar called the Town Planner which is distributed to every home and business in North Olmsted. Students also participated in an Arts Festival at Frostville Museum in conjunction with the City of North Olmsted Cultural Arts Commission.

The Education Foundation supports and promotes the arts and invites the students to display their original artwork at their annual fundraiser at Springvale Ballroom. Students are allowed to sell their artwork to community members and retain the proceeds.

The Special Edition Vocal Ensemble performed across the community, including a trip to New York City. The ensemble produces an annual CD of their music and it is well received by the community.

The annual spring musical is well attended by the community and performers are looking forward to being able to one day have a true Performing Arts Center instead of performing in the High School cafeteria.

Excellence in Community Service

Students in the SITES (Social Involvement Through Education and Service) perform thousands of hours of volunteer service to the community locally and in the poorest sections of Appalachia in southeastern Ohio.

The SITES program, Link Crew and WEB programs have been nationally recognized as best practices for service and efforts to have older students mentor younger students to support students as they transition from Middle School to High School.

Students give back to the community all year, with extra efforts in December on a district-wide Day of Giving to help stock the food pantry and adopt needy families to provide Christmas gifts and necessities.

Excellence in Athletics

The Varsity Swim Team broke a number of school records for both girls and boys, including setting a new school record for freestyle and backstroke and competing in the state swim meet and placing 7th in the 50 meter freestyle.

The Gymnastics team had two state qualifiers in the State Gymnastics meet.

School records were also broken in baseball, including a no-hitter by one graduating senior.

Six graduates were honored as All Ohio by the OHSSA.

Over 500 students participate in the sports program at the High School each year, and approximately 300 at the Middle School. There are opportunities for all students to participate in athletics other than football and basketball. North Olmsted's athletic program includes ice hockey, wrestling, boys and girls softball and cross-country, and boys and girls golf.

Robert Morris of Morris Cadillac-Buick-GMC in North Olmsted generously donated \$250,000 to the North Olmsted Stadium Foundation, earning naming rights for his support.

There is a growing sense of eagle pride each year in the district as the athletic program encourages the younger students to attend varsity events with special promotions. New this year is the addition of a Spirit Bus that is now the envy of the conference.



Other Accomplishments

The District completed their updated Strategic Plan in January 2014 titled: ***The 2020 Initiative: Building Our Future Together.*** The plan was developed by a cross section of members from the community, city, and the schools. One of the major focus areas as a goal was addressing our facility needs across the district.

The Strategic Plan included the development of a new Facilities Master Plan. A Community Facilities Task Force was assembled in February 2014 to conduct research, collect data, and analyze options for upgrading and consolidating buildings. The Task Force looked at a number of options and proposed a combined 6-12 educational campus that includes a Performing Arts Center and new Athletic Complex.



The Board of Education placed an \$80.6 million bond levy on the November 2014 ballot and the issue passed on the first attempt with a solid 10% margin. The issue passed in all 24 precincts, including the absentee ballot vote. The successful passage enables the District to create a new gateway to North Olmsted on Butternut Ridge Rd. with a Western Reserve style campus that will complement the public library and respect the historic district. Community members of all ages came together to address the long-standing issue of an aging and inefficient middle school and expanded the plans to include a new high school as a proactive part of the facilities plan.

During the summer of 2013, the School District continued its partnership with the North Olmsted City Recreation Department and Horizon Activity Centers to serve as host sites for an USDA sponsored Summer Meals Program. The program provides no cost breakfasts, lunches and snacks to children ages 1 through 18 during the months of June, July and August. During the first three years of its operations, over 110,000 meals and snacks have been served.

LONG-TERM FINANCIAL PLANNING

As part of the District's long-term planning, the Treasurer prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expenses over the

next five years and is accompanied by financial assumptions. The Board of Education reviews this document on a quarterly basis for changes that might impact their district financial decisions. The School District's five year financial forecast and the assumptions used in its preparation can be found on the District's website "www.northholmstedschools.org".

FINANCIAL POLICIES IMPACTING THE FINANCIAL STATEMENTS

The Board of Education has adopted guidelines to maintain a prudent level of financial resources to protect the School District against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. To achieve this goal, the Board of Education has established a budget stabilization fund, a medical claims reserve fund, and a contingency fund to finance the next 27th pay period scheduled to occur during the 2015-16 fiscal year. A detailed discussion of these funds is provided in Notes 10.C and 17 to the basic financial statements.

The Board of Education has also adopted administrative procedures to compare actual expenditures to budget monthly and quarterly for the purpose of taking appropriate actions to bring the budget into balance.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control

In developing the School 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.

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure. A permanent appropriation measure is subsequently adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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. The legal level of appropriations is at the fund/object level for the General Fund, fund/special cost center for Miscellaneous State and Federal Grants, and at the fund level for all other funds. All budgets are maintained at the object account level within a function and fund. All purchase order requests must be approved by either the Superintendent or Assistant Superintendent 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 School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. The basis of accounting and the various funds utilized by the North Olmsted City Schools are fully described in Note 1 of the Notes to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Note 1.

Financial Presentation

The School District has prepared its financial statements following the guidelines of GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". GASB 34 creates basic financial statements for reporting on the School District's financial activities 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 businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The District has no 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.

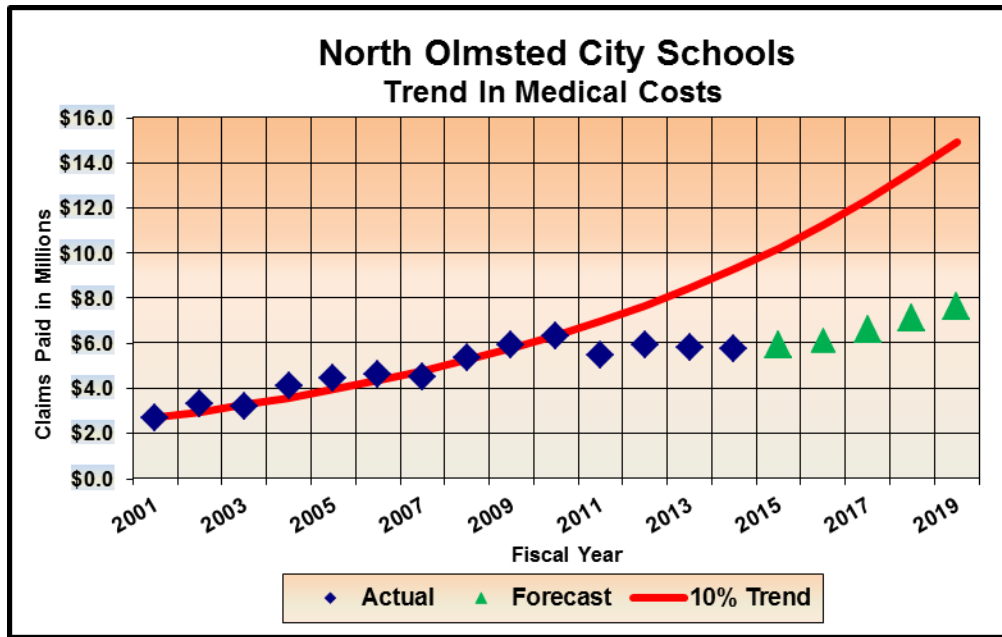
Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report and provides an assessment of the School District's finances for fiscal year 2014 and a discussion of current issues affecting the School District in the future. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter of transmittal.

Financial Highlight - Internal Service Fund

During fiscal year 2014, only one activity, the Self-Insurance Fund, is reported as an internal service fund. The Self-Insurance Fund accounts for the revenue and expenses associated with the School District's medical, prescription drug and dental benefits provided to its employees. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss insurance policy with a maximum threshold of \$125,000.

As of June 30, 2014, the Self-Insurance Fund had net position of \$1,073,661. To help off-set rising health care costs, the Unions agreed to pay the following percent of the cost of the monthly insurance premiums: 10.0% in fiscal year 2012-13, 12.5% in fiscal year 2013-14, and 15.0% in fiscal 2014-15. The Unions also agreed to double the co-pays for prescription drugs and enroll their spouses in a coordination of benefit program.

These changes are projected to reduce District's medical expenditures approximately \$14.5 million during the next five years and are clearly illustrated in the enclosed graph.



Financial Highlight - Agency Fund

Included in this category are student managed activities assets held by the School District in a trustee capacity. Total assets in these funds at June 30, 2014 were \$133,800.

INDEPENDENT AUDIT

State statutes and federal regulations require the School District to be subjected to periodical examinations by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements for the year ended June 30, 2014. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. North Olmsted City School District adopted and has been in conformance with this system beginning with its financial report for the 1979 year.

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 North Olmsted City School District for its Comprehensive Annual Financial Report for the year ended June 30, 2013. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for (29) twenty-nine consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO International Certificate of Excellence

The School District received the Association of School Business Officials (ASBO) International Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2013. The Certificate of Excellence in Financial Reporting Program was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting.

Since its inception in 1972, the program has gained the distinction of being a prestigious national award recognized by: accounting professionals; underwriters; securities analysts; bond rating agencies; state and federal agencies. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to ASBO.

Ohio Auditor of State Award with Distinction

In September 2014, the School District was recognized by Auditor of State Dave Yost with the presentation of his Ohio Auditor of State Award with District for excellence in financial reporting for the fiscal year ended June 30, 2013.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the School District to the taxpayers of North Olmsted City School District. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office, administrators and employees of the School District. Assistance from the County Auditor's office staff and outside agencies made possible the fair presentation of statistical data. In addition, special appreciation is expressed to Robbie Cerney from the firm of Costin & Company, CPA, Inc. for the advice and guidance rendered to the production of this report.

Respectfully submitted,



*Robert J. Matson, CPA
Chief Financial Officer*



*Dr. Michael E. Zalar
Superintendent of Schools*

North Olmsted City School District
Principal Officials
June 30, 2014

Board of Education



Thomas Herbster

Linda Cleary

John J. Lasko, Jr.

Joanne DiCarlo

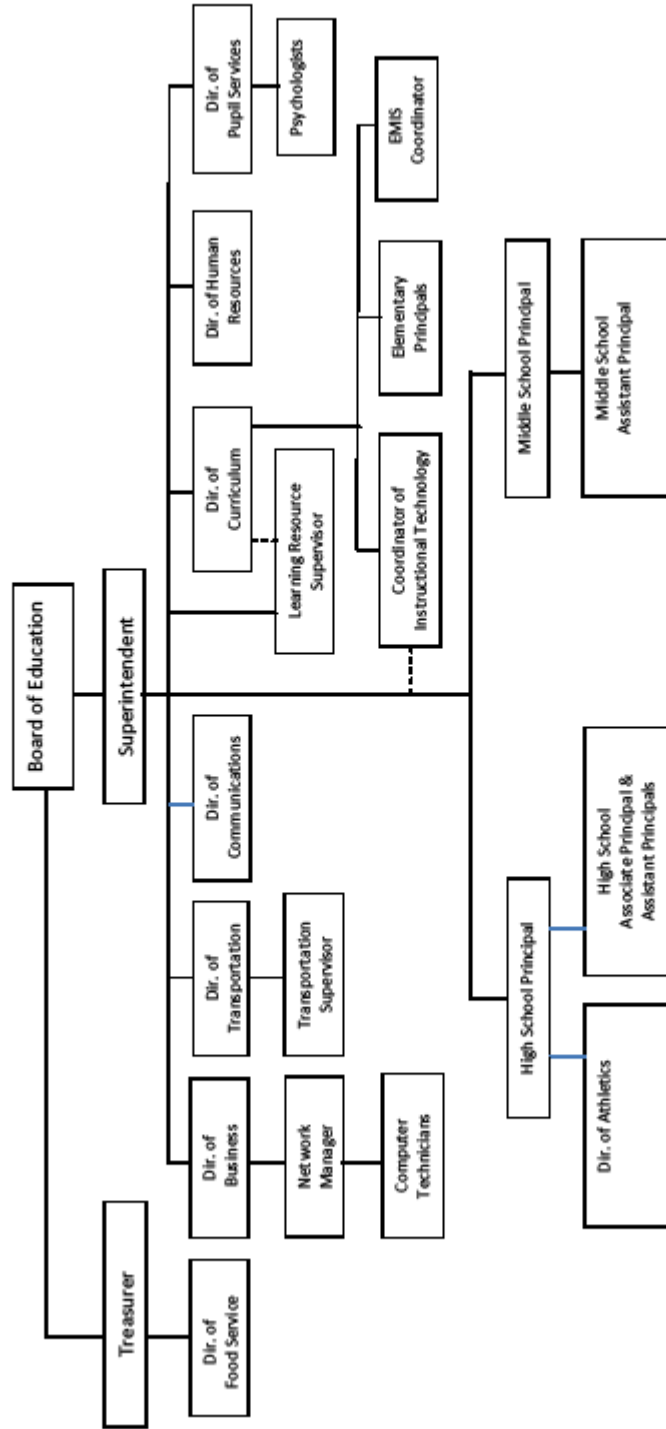
Terry Groden

Administration

Dr. Michael E. Zalar
Mr. Robert J. Matson, CPA
Ms. Mary Kurtz
Mr. Michael Diamond
Mr. Larry Orrach
Ms. Lisa Ryan-Curtin
Ms. Vera Brewer

Superintendent
Treasurer
Assistant to the Treasurer
Director of Human Resources
Director of Curriculum & Instruction
Director of Pupil Services
Communications Manager

North Olmsted School District Organizational Chart





Government Finance Officers Association

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

Presented to

**North Olmsted 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*

North Olmsted 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

FINANCIAL SECTION

Back of Divider Page



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

North Olmsted City School District
Cuyahoga County
27425 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Olmsted 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, each major fund, and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General Fund 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 statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 26, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 26, 2014

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North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

The management discussion and analysis of North Olmsted City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this management discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2014 are as follows:

Net position increased \$ 1,455,817 from the previous year.

The General Fund maintains a strong unrestricted cash balance of \$ 22.8 million at June 30, 2014.

Revenues for governmental activities totaled \$ 60.7 million in fiscal year 2014 as compared to \$ 58.9 million in fiscal year 2013.

In fiscal year 2014, 92.6 percent of total revenue consisted of general revenues while program revenues accounted for the remaining balance of 7.4 percent.

In fiscal year 2014, total program expenses increased 6.3 percent from the previous year to \$ 59.2 million. Instructional expenses made up 58.3 percent of this total while support services accounted for 35.7 percent. Other expenses rounded out the remaining 6.0 percent.

Using this Annual Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the North Olmsted City Schools District, the General Fund is by far the most significant fund.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities have been prepared using the accrual basis of accounting, similar to the method used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School 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 School 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 School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Position and the Statement of Activities, the School District is classified as governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service operation and extracurricular activities.

Reporting the School District's Most Significant Funds

Governmental Fund Financial Statements

The governmental fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these governmental fund financial statements focus on the School District's most significant funds. The School District has only one major governmental fund, the General Fund.

Governmental Funds

The School District's activities are reported as governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are 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 School 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 School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2014 compared to 2013.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

TABLE I
Total Net Position

	2014	2013
Assets		
Current and other assets	\$ 68,176,098	\$ 69,268,811
Total capital assets, net	15,112,672	14,821,986
Total assets	83,288,770	84,090,797
Liabilities		
Current liabilities	9,206,488	8,766,532
Long term liabilities		
Due within one year	749,575	1,118,795
Due in more than one year	5,778,574	5,884,652
Total liabilities	15,734,637	15,769,979
Deferred inflows of resources	31,860,328	34,082,830
Net position		
Net investment in capital assets	11,972,672	11,336,986
Restricted	3,045,558	2,296,182
Unrestricted	20,675,575	20,604,820
Total net position	\$ 35,693,805	\$ 34,237,988

Total assets decreased by \$ 802,027. The majority of this decrease can be attributed to decreases of \$ 1,266,196 in equity in pooled cash and \$ 215,919 in intergovernmental receivables which were offset with an increase of \$ 442,168 in taxes receivable. The School District's pooled cash was used to pay principal and interest payments on its general obligation bonds, which payments increased in 2014. Additionally the School District used pooled cash for the purchase of land and facility improvements and to pay down accounts payable.

Total liabilities decreased by \$ 35,342. Accounts and contracts payable decreased \$ 339,844 and long term liabilities decreased \$ 475,298. Accrued salaries, wages and benefits increased \$ 525,607 primarily due to the implementation of an all-day kindergarten. The School District also had an increase in claims payable of \$ 226,300.

To determine the overall financial performance of the School District one must consider the relative changes in net position. By comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources, one can see that the overall position of the School District has improved as evidenced by the increase in net position of \$ 1,455,817. A change in net position indicates how an entity is providing for future generations.

Governmental Activities

The vast majority of revenues supporting all Governmental Activities are general revenues. General revenue totaled \$ 56.2 million or 92.6 percent of the total revenue. The most significant portion of the general revenues is local property tax. Property tax revenue in fiscal year 2014 increased \$ 2,271,016 from the previous year. The increase in tax revenue is due primarily to an increase in the amount of property taxes available for advance from the Cuyahoga County Auditor.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

The remaining amount of revenue received is in the form of program revenues amounting to \$ 4.5 million or only 7.4 percent of total revenue. Program revenues are derived from fees for services, sales from fund raising activities, operating grants, interest and contributions.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

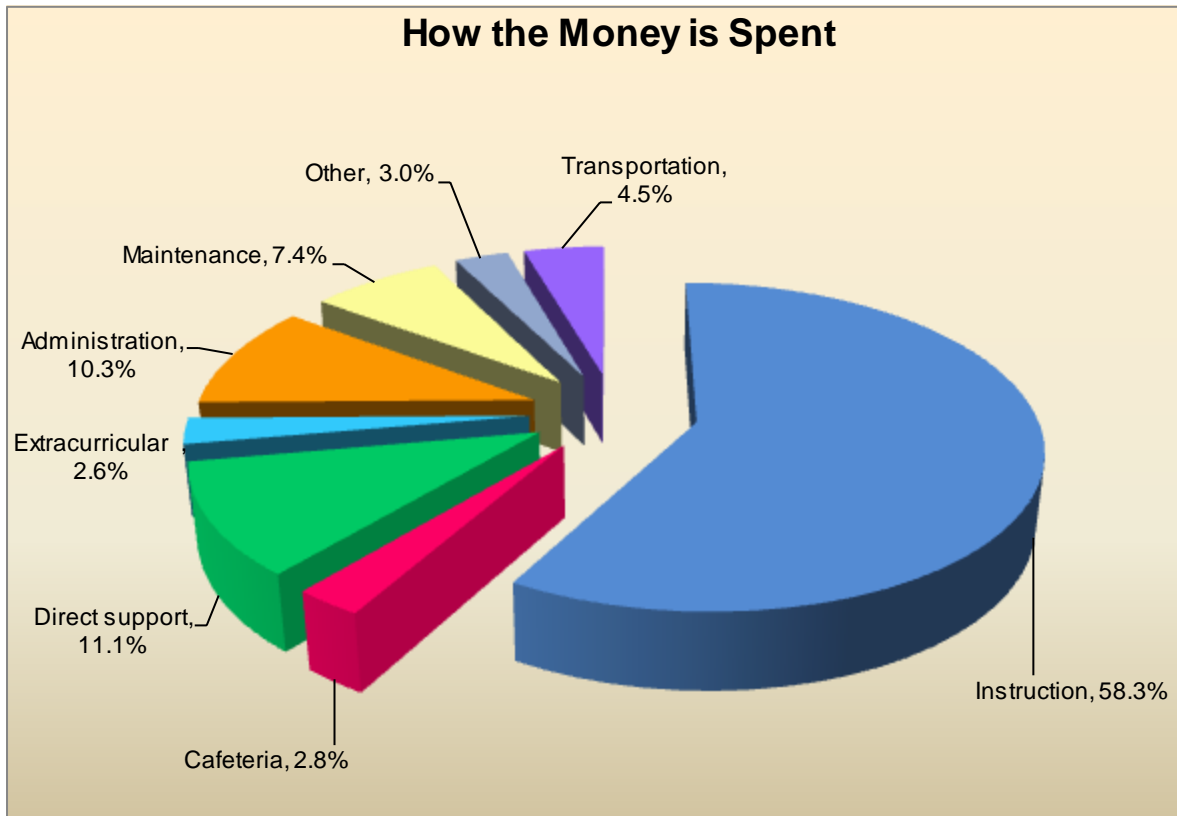
Table 2 summarizes the revenue, expenses and changes in net position for fiscal years 2014 compared to 2013.

Table 2
Changes in Net Position

	<u>2014</u>	<u>2013</u>
Revenues		
Program revenues		
Charges for services and sales	\$ 1,666,861	\$ 1,994,224
Operating grants, interest and contributions	2,777,684	3,139,788
Capital grants, interest and contributions	16,200	-
Total program revenues	<u>4,460,745</u>	<u>5,134,012</u>
General revenues		
Property taxes	42,106,190	39,835,174
Grants and entitlements not restricted to specific purposes	13,417,197	13,332,467
Investment earnings	37,478	35,853
Miscellaneous	649,250	590,392
Total general revenues	<u>56,210,115</u>	<u>53,793,886</u>
Total revenues	<u>60,670,860</u>	<u>58,927,898</u>
Program expenses		
Instruction	34,525,912	32,933,807
Supporting services		
Pupil and instructional staff	6,587,526	5,661,168
Board of education, administration, fiscal services and business	6,089,873	5,693,455
Operation and maintenance	4,349,599	4,288,849
Pupil transportation	2,683,649	2,487,445
Central services	1,414,700	1,152,590
Operation of non-instructional services		
Food service operation	1,686,162	1,637,811
Community services	183,482	282,029
Extracurricular activities	1,515,518	1,532,448
Interest and fiscal charges	178,622	28,218
Total expenses	<u>59,215,043</u>	<u>55,697,820</u>
Increase in net position	1,455,817	3,230,078
Net position at beginning of year	34,237,988	31,007,910
Net position at end of year	<u>\$ 35,693,805</u>	<u>\$ 34,237,988</u>

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Approximately 69.4 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 10.3 percent of the budget is spent on administrative expenses. The remaining 20.3 percent of the budget is used to maintain the facilities, transport students, providing school lunches, offering sport and extracurricular programs to students. The relationship of these expenses is illustrated in the graph below.



The Administration continues to develop and implement cost containment and revenue enhancement programs to manage the School District's funds in an efficient and economic manner. During fiscal year 2014, the Administration implemented a Medicaid Reimbursement Program. Once fully matured, the program is projected to generate \$400,000 annually which will be used to enhance special education services.

One method to evaluate the effective use of funds is to compare our cost per pupil with those of neighboring school districts. Based upon the Ohio Department of Education "2013 District Profile Report (Cupp Report)", (the most recent data available), the North Olmsted City School's cost per pupil was ranked the 18th lowest among the 31 school districts in Cuyahoga County. A comparison of some of the neighboring school districts' cost per pupil can be found in Table 3.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Table 3
 Cost per Pupil as of June 30, 2013
 (the most recent data available)

<u>School District</u>	<u>Cost per Pupil</u>	<u>Ranking in Cuyahoga County</u>
Bay Village	\$ 11,573	6
Berea	12,956	14
Fairview Park	10,505	4
Lakewood	12,575	10
North Olmsted	13,483	18
Olmsted Falls	10,420	2
Rocky River	13,413	17
Strongsville	11,597	7
Westlake	13,267	16
Source: Ohio Department of Education		

The Statement of Activities shows the total net cost of program services. Table 4 shows the total cost of services for governmental activities and the net cost of those services. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 4
 Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Program expenses				
Instruction	\$ 34,525,912	32,933,807	\$(32,761,412)	\$(30,785,492)
Supporting services				
Pupil and instructional staff	6,587,526	5,661,168	(5,804,598)	(4,762,388)
Board of education, administration, fiscal services and business	6,089,873	5,693,455	(6,078,767)	(5,575,155)
Operation and maintenance	4,349,599	4,288,849	(4,316,994)	(4,202,304)
Pupil transportation	2,683,649	2,487,445	(2,597,713)	(2,358,778)
Central services	1,414,700	1,152,590	(1,398,500)	(1,136,390)
Operation of non-instructional services				
Food service operation	1,686,162	1,637,811	(236,537)	(196,965)
Community services	183,482	282,029	(152,645)	(259,785)
Extracurricular activities	1,515,518	1,532,448	(1,228,510)	(1,258,333)
Interest and fiscal charges	178,622	28,218	(178,622)	(28,218)
Total expenses	<u>\$ 59,215,043</u>	<u>\$ 55,697,820</u>	<u>\$(54,754,298)</u>	<u>\$(50,563,808)</u>

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax funded approximately 71.1 percent of the total expenses in 2014, compared to 71.5 percent in 2013. Grants and entitlements not restricted to specific programs funded 22.7 percent of expenses, while program revenues funded only 7.5 percent.

The primary source of general revenue is property taxes levied. In fiscal years 2014 and 2013, property taxes accounted for 74.9 and 74.1 percent, respectively, of general revenue. Clearly, the North Olmsted community is by far the greatest source of financial support for the students of the North Olmsted City Schools.

School District Funds

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

As of June 30, 2014, the School District's governmental funds reported combined ending fund balances of \$ 24,396,046, an increase of \$ 1,384,917 in comparison with the prior year. Of that amount \$ 18,812,008 constitutes unassigned fund balances, which is available for spending at the School District's discretion.

The School District's major fund is accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 60.7 million and expenditures of \$ 59.4 million, excluding other financing sources (uses). The net change in fund balance for the year was most significant in the General Fund, an increase of \$ 1.7 million as compared to an increase of \$ 5.7 million in the prior year. The \$ 5.7 million increase in fund balance last year was due primarily to the receipt of \$3.3 million from the sales on general obligation bonds to finance the School District's energy conservation measures implemented at each of its buildings.

Total revenues reported in fiscal year 2014 increased \$ 1,870,535 or 3.2 percent from the previous year. This increase in revenue is primarily due to an increase of \$ 2,345,616 in taxes revenue. All other revenue sources had a net decrease of \$ 475,081.

Total expenditures reported in fiscal year 2014 increased \$ 3,327,611 or 5.9 percent from the previous year. The increase is due to net increases in expenditures of \$ 1,567,960 for instruction, \$ 1,156,963 for supporting services, \$ 444,904 in debt service and \$ 157,784 in the aggregate of non-instructional services, extracurricular and capital outlay. The increase in expenditures for instruction and supporting services was due primarily to the implementation of all-day kindergarten classes.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund unrestricted cash balance of \$ 22.8 million at June 30, 2014. This cash reserve allows the School District to insulate itself from the effects of fluctuations in revenue due to adverse economic conditions and prevents the need to make dramatic cuts in programs and services.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant fund to be budgeted is the main operating fund of the School District, the General Fund.

During fiscal year 2014, the School District amended its General Fund Budget several times. For the General Fund, the final budget basis revenue estimate was \$ 51,887,500, which was the same as the original estimate and \$ 719,367 less than actual. The final budget basis expenditures estimate totaled \$ 54,945,347 which was \$ 545,294 above the original budget estimate. Actual expenditures were \$ 1,339,101 less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 20,605,157.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. At the end of fiscal 2014, the School District had \$ 15.1 million invested in net capital assets. Table 5 shows fiscal 2014 values compared to fiscal 2013.

Table 4
 Capital Assets
 (Net of Accumulated Depreciation)

	2014	2013
Land	\$ 1,374,279	\$ 1,172,491
Construction in progress	-	61,142
Land improvements	748,210	807,017
Buildings and improvements	11,032,075	10,758,507
Furniture and equipment	983,024	872,164
Vehicles	975,084	1,150,665
Total capital assets	\$ 15,112,672	\$ 14,821,986

During fiscal 2014, the School District purchased \$ 1,385,355 of capital assets. More information on capital assets is presented in Note 8 of the notes to the basic financial statements.

Debt Administration

At June 30, 2014, the School District had outstanding bonds payable of \$ 3,140,000. Proceeds from the bonds were used for building, facility and energy conservation improvements. The projected saving in utilities, maintenance and operational expenditures from the energy conservation program will be used to pay the annual principal and interest payments on these bonds. Energy savings realized in the first year of the program was \$283,000 which is 11.9% higher than original engineering estimates.

The School District's overall legal debt margin was \$ 67,330,066, which included an unvoted debt margin of \$ 695,881.

More information on debt is presented in Note 13 of the notes to the basic financial statements.

School District Outlook

The North Olmsted City Schools, like most school districts in Ohio, faced a serious decline in operating revenues due to the nationwide economic recession, the real estate foreclosure crisis, and cutbacks in state funding. The Board of Education was able to stabilize the District's finances through a combination of budgetary cuts, employee concessions, and community support of a new operating levy. These measures have allowed the School District to build its General Fund unrestricted cash balance to \$20.6 million as of June 30, 2014, and accumulated another \$3.2 million in other various budgetary reserves.

The District is starting to realize a significant increase in state funding. On June 30, 2013, Governor Kasich signed into law, H.B. 59, the State's new biennium budget. The Budget Bill introduced a new funding formula to distribute basic state aid throughout Ohio and froze the phase-out of Tangible Personal Property Tax reimbursements. Based upon the new formula, the North Olmsted City School District

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

received a 3.77% increase in basic state aid in fiscal year 2014, and is projected to receive a 9.88% increase in fiscal 2015 for a total increase in state funding of \$1.1 million during the biennium period. For comparison purposes the District received a \$3.8 million reduction in state aid during the previous biennium period.

The District is now on the downside of the current operating levy life cycle. Expenditures have started to exceed operating revenues. The operating deficit will get progressively larger over the next five years because of stagnant growth in operating revenues while expenditures continue to increase due to inflation, the addition of new programs and the introduction of new unfunded state mandates. These future operating deficits will be temporarily funded with the District's cash reserves until they are exhausted.

The District has a unique opportunity next year to realize a significant reduction in personnel costs. It is anticipated that 12 to 15 teachers will retire at the end of the school year because of significant benefit changes in the State Teacher Retirement System (STRS). The potential annual savings could be as high as \$500,000 to \$1,350,000. It will be critical for the Administration to control the growth in future expenditures to minimize the size and date of the next operating levy. Barring any significant reductions in funding from the State of Ohio, it is anticipated the Board of Education will not have to consider placing a levy to the voters before calendar year 2018. A copy of the District's Financial Forecast and the major assumptions used in its preparation are posted on the District's website at www.northolmstedschools.org/treasurer.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. The North Olmsted City School District has committed itself to financial excellence for many years. The School District was the first school district in Ohio to receive the Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting in 1985 and has received the award for twenty-nine consecutive years. The District has also received the Association of School Business Officials (ASBO) Certificate of Achievement for Excellence in Financial Reporting for the past twenty-six years. In September 2014, the School District was recognized by Auditor of State Dave Yost with the presentation of his Ohio Auditor of State Award with Distinction.

If you have any questions about this report or need additional financial information, contact Robert J. Matson, CPA, and Treasurer at North Olmsted City School District, 27425 Butternut Ridge Road, North Olmsted, Ohio 44070, by telephone at 440-779-3551 or by email at Robert.matson@nocseagles.org.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Activities</u>
Assets and deferred outflow s of resources	
Assets	
Equity in pooled cash	\$ 27,179,283
Accounts receivable and other	42,432
Intergovernmental receivables	239,774
Inventories and supplies	27,527
Taxes receivable	40,687,082
Capital assets	
Nondepreciable capital assets	1,374,279
Depreciable capital assets	<u>13,738,393</u>
Total assets	<u>83,288,770</u>
Total assets and deferred outflow s of resources	<u>\$ 83,288,770</u>
Liabilities, deferred inflow s of resources and fund liabilities	
Liabilities	
Accounts and contracts payable	\$ 481,636
Accrued salaries, w ages and benefits	6,684,241
Accrued interest payable	5,000
Claims payable	819,300
Intergovernmental payable	1,216,311
Long-term liabilities	
Due w ithin one year	749,575
Due in more than one year	<u>5,778,574</u>
Total liabilities	<u>15,734,637</u>
Deferred inflow s of resources	
Property taxes levied for next year	<u>31,860,328</u>
Total deferred inflow s of resources	<u>31,860,328</u>
Net position	
Net investment in capital assets	11,972,672
Restricted for:	
Debt service	100,820
Capital projects	1,357,306
Set-asides	223,073
Food service	73,267
Extracurricular activities	141,967
State grants	74,912
Federal grants	552
Self insurance	1,073,661
Unrestricted	<u>20,675,575</u>
Total net position	<u>\$ 35,693,805</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction					
Regular	\$ 26,051,597	\$ 392,866	\$ 1,050,294	\$ -	\$ (24,608,437)
Special	7,847,660	321,340	-	-	(7,526,320)
Vocational	401,691	-	-	-	(401,691)
Other instruction	224,964	-	-	-	(224,964)
Supporting services					
Pupil	5,458,960	-	775,952	-	(4,683,008)
Instructional staff	1,128,566	-	6,976	-	(1,121,590)
Board of education	280,277	-	-	-	(280,277)
Administration	4,238,024	-	4,381	-	(4,233,643)
Fiscal services	1,362,183	6,725	-	-	(1,355,458)
Business	209,389	-	-	-	(209,389)
Operation and maintenance	4,349,599	19,655	12,950	-	(4,316,994)
Pupil transportation	2,683,649	57,745	28,191	-	(2,597,713)
Central services	1,414,700	-	-	16,200	(1,398,500)
Operation of non-instructional services					
Food service operation	1,686,162	581,522	868,103	-	(236,537)
Community services	183,482	-	30,837	-	(152,645)
Extracurricular activities	1,515,518	287,008	-	-	(1,228,510)
Interest and fiscal charges	178,622	-	-	-	(178,622)
Total	\$ 59,215,043	\$ 1,666,861	\$ 2,777,684	\$ 16,200	(54,754,298)

General revenues

Property taxes levied for:

General purposes

41,065,651

Capital improvements

1,040,539

Grants and entitlements not

restricted to specific purposes

13,417,197

Investment earnings

37,478

Miscellaneous

649,250

Total general revenues

56,210,115

Change in net position

1,455,817

Net position at beginning of year

34,237,988

Net position at end of year

\$ 35,693,805

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2014

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets and deferred outflow s of resources			
Assets			
Equity in pooled cash	\$ 22,835,174	\$ 2,228,075	\$ 25,063,249
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	38,466,948	990,134	39,457,082
Taxes, delinquent	1,199,200	30,800	1,230,000
Accounts and other	9,651	32,781	42,432
Intergovernmental receivables	219,885	19,889	239,774
Interfund receivables	547,318	-	547,318
Inventories and supplies	-	27,527	27,527
Total assets	<u>63,501,249</u>	<u>3,329,206</u>	<u>66,830,455</u>
Total assets and deferred outflow s of resources	<u>\$ 63,501,249</u>	<u>\$ 3,329,206</u>	<u>\$ 66,830,455</u>
Liabilities, deferred inflow s of resources and fund liabilities			
Liabilities			
Accounts and contracts payable	\$ 356,277	\$ 125,359	\$ 481,636
Accrued salaries, wages and benefits	6,424,320	259,921	6,684,241
Intergovernmental payable	1,136,206	80,105	1,216,311
Interfund payable	-	547,318	547,318
Matured compensated absences	411,993	2,582	414,575
Total liabilities	<u>8,328,796</u>	<u>1,015,285</u>	<u>9,344,081</u>
Deferred inflow s of resources			
Property taxes levied for next year and unavailable resources	32,269,356	820,972	33,090,328
Total deferred inflow s of resources	<u>32,269,356</u>	<u>820,972</u>	<u>33,090,328</u>
Fund balances			
Nonspendable	-	27,527	27,527
Restricted	-	1,721,020	1,721,020
Committed	1,735,073	-	1,735,073
Assigned	2,100,418	-	2,100,418
Unassigned	19,067,606	(255,598)	18,812,008
Total fund balances	<u>22,903,097</u>	<u>1,492,949</u>	<u>24,396,046</u>
Total liabilities, deferred inflow s of resources and fund balances	<u>\$ 63,501,249</u>	<u>\$ 3,329,206</u>	<u>\$ 66,830,455</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2014

Total governmental fund balances	\$ 24,396,046
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	15,112,672
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes, charges for services and accrued interest income.	1,230,000
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,073,661
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(2,973,574)
Bonds payable	(3,140,000)
Accrued interest payable	<u>(5,000)</u>
Net position of governmental activities	<u>\$ 35,693,805</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue			
Taxes	\$ 41,065,651	\$ 1,040,539	\$ 42,106,190
Tuition and fees	649,801	-	649,801
Interest	37,263	215	37,478
Intergovernmental	13,157,719	3,118,306	16,276,025
Charges for services	17,150	545,959	563,109
Extracurricular	118,594	278,382	396,976
Other	662,036	44,189	706,225
Total revenues	<u>55,708,214</u>	<u>5,027,590</u>	<u>60,735,804</u>
Expenditures			
Current			
Instruction			
Regular	24,672,043	1,204,327	25,876,370
Special	7,814,657	-	7,814,657
Vocational	428,402	-	428,402
Other instruction	225,542	-	225,542
Supporting services			
Pupil	4,625,848	856,586	5,482,434
Instructional staff	1,176,664	6,325	1,182,989
Board of education	280,277	-	280,277
Administration	3,380,004	64,408	3,444,412
Fiscal services	1,310,947	-	1,310,947
Business	180,314	24,683	204,997
Operation and maintenance	3,858,580	1,113,877	4,972,457
Pupil transportation	2,485,868	69,493	2,555,361
Central services	1,421,948	16,200	1,438,148
Operation of non-instructional services			
Food service operation	94,135	1,580,209	1,674,344
Community services	20,143	164,428	184,571
Extracurricular activities	1,232,744	287,025	1,519,769
Capital outlay	216,488	-	216,488
Debt service			
Principal	260,000	85,000	345,000
Interest	188,430	5,292	193,722
Total expenditures	<u>53,873,034</u>	<u>5,477,853</u>	<u>59,350,887</u>
Excess (deficiency) of revenues over expenditures	<u>1,835,180</u>	<u>(450,263)</u>	<u>1,384,917</u>
Other financing sources (uses)			
Transfers-in	-	233,000	233,000
Transfers-out	(125,000)	(108,000)	(233,000)
Total other financing sources (uses)	<u>(125,000)</u>	<u>125,000</u>	<u>-</u>
Net change in fund balances	1,710,180	(325,263)	1,384,917
Fund balances, beginning of year	<u>21,192,917</u>	<u>1,818,212</u>	<u>23,011,129</u>
Fund balances, end of year	<u>\$ 22,903,097</u>	<u>\$ 1,492,949</u>	<u>\$ 24,396,046</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds		\$ 1,384,917
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which net capital outlay exceeded depreciation expense in the current period.		
	Capital outlay, net	\$ 1,367,856
	Depreciation expense	<u>(1,077,170)</u>
		290,686
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Intergovernmental receivables	(64,944)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities		
		345,000
Accrued interest expense on the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.		
		15,100
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(228,922)
The internal service fund used by management to charge the costs of insurance 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.		
		<u>(286,020)</u>
Change in net position of governmental activities		<u>\$ 1,455,817</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 37,688,000	\$ 37,688,000	\$ 38,471,144	\$ 783,144
Tuition and fees	774,000	774,000	707,499	(66,501)
Interest	40,000	40,000	31,263	(8,737)
Intergovernmental	13,135,000	13,135,000	13,104,122	(30,878)
Other	250,500	250,500	292,839	42,339
Total revenues	51,887,500	51,887,500	52,606,867	719,367
Expenditures				
Current				
Instruction				
Regular	24,426,553	24,419,942	24,092,224	327,718
Special	8,163,789	7,916,935	7,847,461	69,474
Vocational	472,825	449,936	447,444	2,492
Other instruction	382,874	352,800	225,476	127,324
Supporting services				
Pupil	4,125,875	4,576,441	4,518,517	57,924
Instructional staff	1,500,825	1,447,653	1,225,076	222,577
Board of education	400,049	430,453	373,775	56,678
Administration	3,422,418	3,516,395	3,464,636	51,759
Fiscal services	1,335,145	1,304,418	1,259,009	45,409
Business	203,016	205,800	176,056	29,744
Operation and maintenance	3,898,405	4,140,987	3,980,690	160,297
Pupil transportation	2,302,354	2,526,040	2,480,104	45,936
Central services	1,834,536	1,516,822	1,426,710	90,112
Operation of non-instructional				
Food service operation	85,763	94,700	93,076	1,624
Community services	27,250	23,475	20,257	3,218
Extracurricular activities	1,310,376	1,350,950	1,306,001	44,949
Capital outlay	-	221,600	221,304	296
Debt service				
Principal	392,000	339,000	338,894	106
Interest and fiscal charges	116,000	111,000	109,536	1,464
Total expenditures	54,400,053	54,945,347	53,606,246	1,339,101
Excess (deficiency) of revenues over expenditures	(2,512,553)	(3,057,847)	(999,379)	2,058,468
Other financing sources (uses)				
Advances-in	650,000	650,000	649,617	(383)
Refund prior year expenditure	170,500	170,500	162,297	(8,203)
Advances-out	(670,000)	(670,000)	(567,319)	102,681
Transfers-out	(316,000)	(351,217)	(351,217)	-
Total other financing sources (uses)	(165,500)	(200,717)	(106,622)	94,095
Net change in fund balance	(2,678,053)	(3,258,564)	(1,106,001)	2,152,563
Fund balance, beginning of year	20,906,103	20,906,103	20,906,103	-
Prior year encumbrances appropriated	805,055	805,055	805,055	-
Fund balance, end of year	\$ 19,033,105	\$ 18,452,594	\$ 20,605,157	\$ 2,152,563

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION -
INTERNAL SERVICE FUND
JUNE 30, 2014

	Self Insurance
Assets	
Current assets	
Equity in pooled cash	\$ 1,892,961
Total assets	1,892,961
Liabilities	
Current liabilities	
Claims payable	819,300
Total liabilities	819,300
Net position	
Unrestricted	\$ 1,073,661

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Self Insurance
Operating revenues	
Charges for services	\$ 6,659,072
Operating expenses	
Purchased services	865,637
Claims	6,079,455
Total operating expenses	6,945,092
Operating loss	(286,020)
Change in net position	(286,020)
Net position, beginning of year	1,359,681
Net position, end of year	\$ 1,073,661

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Self Insurance
Cash flows from operating activities	
Cash received from interfund services	\$ 6,659,072
Cash payments for claims	(5,853,155)
Cash payments for goods and services	(865,637)
Net cash used in operating activities	(59,720)
Net decrease in cash and cash equivalents	(59,720)
Cash and cash equivalents, beginning of year	1,952,681
Cash and cash equivalents, end of year	\$ 1,892,961
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	\$ (286,020)
Adjustments	
Increase in claims payable	226,300
Total adjustments	226,300
Net cash used in operating activities	\$ (59,720)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND
JUNE 30, 2014

	<u>Agency Fund</u>
Assets	
Equity in pooled cash and equivalents	\$ 133,800
Total assets	<u>\$ 133,800</u>
Liabilities	
Accounts payable	\$ 8,451
Due to students	125,349
Total liabilities	<u>\$ 133,800</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The North Olmsted City School District (the School District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the School District. Average daily membership on, or as of, October 1, 2013 was 4,046. The School District employs 334 certificated and 295 non-certificated employees.

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District.

Within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and, 1) the School District is able to significantly influence the programs or services performed or provided by the organization; or 2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District is associated with the North Coast Council, the Polaris Career Center, the North Olmsted City Schools Education Foundation, and the Ohio Schools Council, which are considered to be jointly governed organizations. The School District also participates in a public risk pool managed by the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations and their relationships with the School District are described in more detail in Notes 10 and 15 of these financial statements.

B. BASIS OF PRESENTATION

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

The School 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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. However, internal fund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 for the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School 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 School District at this more detailed level. The focus of governmental financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories 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 and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balance. The following is the School District's major governmental fund:

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

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

Proprietary Fund

The proprietary fund focuses on the determination of the changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund – The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental claims of School District employees.

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 School 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. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in the total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources 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, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and the fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is 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. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance year 2015 operations. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Expenditures/Expenses

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS

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 set 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/object level for the General Fund. The legal level of budgetary control is at the fund, special cost center level for the Miscellaneous State Grants Fund and Miscellaneous Federal Grants Fund. For all other funds the legal level of budgetary control is at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that were 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

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$ 37,263 which included \$ 6,145 assigned from other School District funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The School District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2014.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. INVENTORY

Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at the lower of cost or market.

I. RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. Restricted assets include the amount required by State statute to be set aside to create a reserve for budget stabilization.

J. 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 assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$ 2,500. The School 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 capitalized. The majority of capital outlay is made from the Permanent Improvements Fund. Actual amounts capitalized for reporting purposes may differ due to the capitalization policy.

All reported capital assets, other than land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Estimated useful life</u>
Land improvements	25 - 30 years
Buildings	60 - 80 years
Building improvements	25 years
Furniture and equipment	8 - 35 years
Vehicles	15 years

K. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental column of the statement of net assets.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. COMPENSATED ABSENCES

Vacation benefits are accrued as a liability in the government wide financial statements as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued in the government wide financial statements as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The liability includes employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. 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 and accrued liabilities from proprietary funds are reported on the proprietary fund statements.

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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes and capital leases are recognized as a liability on the governmental fund financial statements when due.

N. NET POSITION

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include money for scholarships and data communications support. The government-wide statement of net position reports \$ 3,045,558 of restricted net position, none of which are restricted by enabling legislation.

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. FUND BALANCE

Fund balance is divided into five classifications based primarily on the extent to which the School 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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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 School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or 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 the School District Board of Education.

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 used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of this fund. Revenues and expenses not meeting those definitions are reported as non-operating.

Q. INTERFUND TRANSACTIONS

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. ESTIMATES

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No.66, “Technical Corrections – 2012; an amendment of GASB Statements No. 10 and No. 62”. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the School District.

GASB Statement No.69, “Government Combinations and Disposals of Government Operations”. The objective of this Statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the School District.

GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. The statement provides accounting and financial reporting guidance to state and local governments that offer non-exchange financial guarantees to others and for governments that receive guarantees on their obligations. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the School District.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual 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 GAAP basis statements are the following:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

	Net Change in Fund Balance
Budget basis	General Fund \$ (1,106,001)
Adjustments, increase (decrease)	
Revenue accruals	1,931,977
Expenditure accruals	1,528,929
Funds budgeted elsewhere **	160,330
Encumbrances	(805,055)
GAAP basis, as reported	\$ 1,710,180

** As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", 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 Miscellaneous Local Projects Fund, Rotary Fund, Public Support Services Fund, and the Other Grants Fund.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on a fund for the major governmental funds and all other governmental funds are presented below:

<u>Fund balances</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable			
Inventory	\$ -	\$ 27,527	\$ 27,527
Restricted			
Food service operations	-	69,736	69,736
Athletics	-	141,967	141,967
Non-public schools	-	39,730	39,730
Data communications	-	36,675	36,675
Other purposes	-	586	586
Debt service	-	105,820	105,820
Capital improvements	-	1,326,506	1,326,506
Total restricted	-	1,721,020	1,721,020
Committed			
27th pay reserve	1,512,000		1,512,000
Other purposes	223,073		223,073
Total committed	1,735,073	-	1,735,073
Assigned			
Encumbrances	145,430		145,430
Other purposes	1,954,988		1,954,988
Total assigned	2,100,418	-	2,100,418
Unassigned (deficit)	19,067,606	(255,598)	18,812,008
Total fund balances	<u>\$ 22,903,097</u>	<u>\$ 1,492,949</u>	<u>\$ 24,396,046</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Protection of the School 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.

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the School District's deposits was \$ 23,751,713 and the bank balance was \$ 24,211,773. Of the bank balance, \$ 15,559,606 was covered by federal depository insurance and \$ 8,652,167 was uninsured. Of the remaining balance, \$ 8,652,167 was collateralized with securities held by the pledging institution's trust department not in the School District's name.

At fiscal year end, the School District had \$ 2,041 in cash on hand which is included on the balance sheet of the School District as part of "Equity in pooled cash".

C. INVESTMENTS

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

	Investment Maturities	Fair Value
Investment in State Treasurer's Investment Pool	n/a	\$ 3,559,329

D. INTEREST RATE RISK

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

E. CREDIT RISK

The School District follows the Ohio Revised Code that limits its investment choices as discussed in Note 5 - A above. STAR Ohio carries a rating of AAAM by Standard and Poor's and is an authorized investment under the Ohio Revised Code.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

F. CONCENTRATION OF CREDIT RISK

The School District places no limit on the amount that may be invested in any one issuer. The School District's total investments (100 percent) are in STAR Ohio.

G. CUSTODIAL CREDIT RISK

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the School 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 School 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.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected in 2013 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2014 (other than public utility property tax) represents the collection of 2014 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2014 were levied after October 1, 2013, on the value as of December 31, 2013. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30; however this year the settlement was late.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 6 - PROPERTY TAXES (continued)

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School 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 to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2014, was \$ 7,396,792 in the General Fund and \$ 199,962 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2013, \$ 4,802,285 in the General Fund and \$ 129,799 in the Permanent Improvements Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

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

	2013 Second Half Collections		2014 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 512,228,230	65.61 %	\$ 512,836,640	65.67 %
Other Commercial	254,942,350	32.66	252,997,020	32.40
Public Utility Tangible	13,514,210	1.73	15,046,850	1.93
	\$ 780,684,790	100.00 %	\$ 780,880,510	100.00 %
 Tax Rate per \$ 1,000 of Assessed Valuation:	\$ 91.40		\$ 91.40	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2014, consisted of property taxes, accounts, interfund and due from other governments. All receivables are considered substantially 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. All receivables are expected to be collected within one year.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,172,491	\$ 201,788	\$ -	\$ 1,374,279
Construction in progress	61,142	933,331	994,473	-
Total nondepreciable capital assets	<u>1,233,633</u>	<u>1,135,119</u>	<u>994,473</u>	<u>1,374,279</u>
Depreciable capital assets				
Land improvements	1,477,160	-	-	1,477,160
Buildings and improvements	24,057,405	994,473	171,059	24,880,819
Furniture and equipment	3,133,348	250,236	80,800	3,302,784
Vehicles	2,781,976	-	42,000	2,739,976
Total capital assets being depreciated	<u>31,449,889</u>	<u>1,244,709</u>	<u>293,859</u>	<u>32,400,739</u>
Less accumulated depreciation				
Land improvements	670,143	58,807	-	728,950
Buildings and improvements	13,298,898	711,910	162,064	13,848,744
Furniture and equipment	2,261,184	130,872	72,296	2,319,760
Vehicles	1,631,311	175,581	42,000	1,764,892
Total accumulated depreciation	<u>17,861,536</u>	<u>1,077,170</u>	<u>276,360</u>	<u>18,662,346</u>
Depreciable capital assets, net of accumulated depreciation	<u>13,588,353</u>	<u>167,539</u>	<u>17,499</u>	<u>13,738,393</u>
Governmental activities capital assets, net	<u>\$ 14,821,986</u>	<u>\$ 1,302,658</u>	<u>\$ 1,011,972</u>	<u>\$ 15,112,672</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 341,740
Special	53,531
Vocational	21,417
Supporting services	
Pupil	477
Instructional staff	30,864
Administration	45,105
Fiscal	4,729
Business	3,114
Operation and maintenance of plant	360,760
Pupil transportation	179,672
Central services	888
Operation of non-instructional services	
Food service	18,241
Auxiliary services	4,443
Extracurricular activities	12,189
Total depreciation expense	<u>\$ 1,077,170</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 9 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2014, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 547,318	\$ -
Nonmajor governmental funds	-	547,318
	\$ 547,318	\$ 547,318

These amounts are represented as "Interfund Receivable/Payable" on the balance sheet. The loans were made to support programs and projects in the Special Revenue Funds until permanent funding is received.

NOTE 10 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The School District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2014, the School District contracted with Liberty Mutual Insurance for property insurance. General liability is protected by Ohio Casualty Company with a \$ 1 million per occurrence, \$ 2 million aggregate with a \$ 5 million supplemental umbrella policy. Vehicles are covered by Ohio Casualty Company. Automobile liability coverage is \$ 1 million for each occurrence with a \$ 5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from prior years. Position bonds of \$ 30,000 are maintained for the Superintendent and Board President and \$ 100,000 for the Treasurer from Ohio Casualty. The School District provides life insurance, disability and accidental death and dismemberment insurance to its employees, through Fort Dearborn Life Insurance Company.

B. WORKERS' COMPENSATION

The School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The intent of the GRRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRRP. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRRP. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS

The School District provides employee medical, surgical, prescription drug and dental benefits through a self-insurance program administered by Medical Mutual of Ohio. The School District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of \$ 125,000.

The claim liability of \$ 819,300 reported at June 30, 2014 was estimated by Medical Mutual of Ohio and is based on the requirements of Governmental Standards Board Statements No. 10 and No. 30, which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liability during the year ended June 30, 2014 and 2013 are summarized below. Incurred claims and claims payments are not segregated between current and prior years claims due to the impracticability of obtaining such information.

	June 30, 2014	June 30, 2013
Unpaid claims, beginning of year	\$ 593,000	\$ 477,000
Incurred claims	6,079,455	5,840,107
Claims payments	(5,853,155)	(5,724,107)
Unpaid claims, end of year	\$ 819,300	\$ 593,000

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. SCHOOL EMPLOYEE RETIREMENT SYSTEM

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

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10%. The remaining .90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$ 1,135,390, \$ 933,416, and \$ 1,053,712 respectively; 100% has been contributed for fiscal years 2014, 2013 and 2012.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

New members have a choice of three retirement plans. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 % of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (continued)

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

Eligible faculty of Ohio's public colleges and university may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$ 1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$ 2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 14% for members and 14% for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11% of covered payroll for members and 14% for employers.

The School District's required contributions for pension obligations to STRS of the fiscal years ended June 30, 2014, 2013, and 2012 were \$ 3,400,109, \$ 3,167,973, and \$ 3,433,177, respectively; \$ 2,798,102 (82.3%) has been contributed for fiscal year 2014 and 100% has been contributed for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$ 106,391 made by the District and \$ 83,593 made by the plan members.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's 2013 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 4321-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

C. SOCIAL SECURITY SYSTEM

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2014, two member of the Board of Education has elected Social Security. The Board's liability is 6.2% of wages.

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEE RETIREMENT SYSTEM

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

The Medicare Part B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B 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. SERS' reimbursement to retirees was \$ 45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation is .76%. The School District's contributions for the years ended June 30, 2014, 2013 and 2012 were \$ 65,870 \$ 52,727, and \$ 57,202, respectively; 100% has been contributed for fiscal years 2014, 2013 and 2012.

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEE RETIREMENT SYSTEM (continued)

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2014, the health care allocation is .14%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$ 20,250. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$ 164,260, \$ 148,890, and \$ 91,823, respectively; 100% has been contributed for fiscal years 2014, 2013 and 2012.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at www.ohser.org under Employers/Audit Resources.

B. STATE TEACHERS RETIREMENT SYSTEM

Plan Description - STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2014, 2013, and 2012. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contribution for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$ 261,547, \$ 243,690, and \$ 245,227, respectively; \$ 215,253 (82.3%) has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 13 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issuance and date of maturity for each of the School District's bond obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General obligation bonds				
Building improvements	2004	4.15%	\$ 855,000	2015
Energy conservation	2013	1.95%	\$ 3,315,000	2025

The building improvement bonds issued in 2004 were for building and facility improvements. The energy conservation bonds issued in 2013 were for the installation, modification and remodeling of school buildings to conserve energy.

Changes in the School District's long-term obligations during fiscal year 2014 were as follows:

	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014	Amounts Due In One Year
General obligation bonds					
Building improvements	\$ 170,000	\$ -	\$ 85,000	\$ 85,000	\$ 85,000
Energy conservation	3,315,000	-	260,000	3,055,000	250,000
Compensated absences	3,518,447	643,497	773,795	3,388,149	414,575
	<u>\$ 7,003,447</u>	<u>\$ 643,497</u>	<u>\$ 1,118,795</u>	<u>\$ 6,528,149</u>	<u>\$ 749,575</u>

Principal and interest requirements to retire the bonds payable outstanding at June 30, 2014, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	\$ 335,000	\$ 58,899	\$ 393,899
2016	255,000	52,212	307,212
2017	260,000	47,191	307,191
2018	265,000	42,072	307,072
2019	270,000	36,855	306,855
2020 - 2024	1,445,000	101,840	1,546,840
2025	310,000	3,023	313,023
Totals	<u>\$ 3,140,000</u>	<u>\$ 342,092</u>	<u>\$ 3,482,092</u>

The School District's overall legal debt margin was \$ 67,330,066, which included an unvoted debt margin of \$ 695,881.

Bonds payable were repaid from the Debt Service Fund. Compensated absences will be repaid from the funds from which employees' salaries are paid, primarily the General Fund.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2014 consisted of the following:

	Transfer from:		
		Nonmajor Governmental Funds	Total Transfers-in
	General Fund		
Transfer to:			
Nonmajor			
governmental funds	\$ 125,000	\$ 108,000	\$ 233,000
Total transfers-out	\$ 125,000	\$ 108,000	\$ 233,000

Transfers from the General Fund were to provide for payment of expenditures. Transfers from nonmajor governmental funds included \$ 108,000 to the Debt Service Fund for payment of principal and interest.

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

A. NORTH COAST COUNCIL (NCC)

NCC is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents). NCC's current membership includes the Educational Service Center of Cuyahoga County, Educational Service Center of Lorain County and thirty two school districts in Cuyahoga, Huron, Lorain, and Medina counties.

The mission of the North Coast Council is to provide the support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions.

Financial information can be obtained by contacting the Executive Director, 5700 West Canal, Valley View, Ohio 44125. During the year ended June 30, 2014, the School District paid \$ 100,604 to NCC.

B. POLARIS CAREER CENTER

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special needs of the students. Its Board of Education consists of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. North Olmsted City School District students may attend the vocational school. Each school district's control is limited to its representation on the Board. Financial information can be obtained by contacting the Polaris Career Center, 7285 Old Oak Blvd., Middleburg Heights, Ohio 44130.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 15 - JOINTLY GOVERNED ORGANIZATION (continued)

C. NORTH OLMSTED CITY SCHOOLS EDUCATION FOUNDATION

The North Olmsted City Schools Education Foundation (Foundation) is a jointly governed organization established by the Ohio Revised Code to support and enhance educational opportunities for the youth of the North Olmsted Community. The trustees of the Foundation consist of five ex officio trustees and up to fifteen members selected by a nominating committee appointed by the ex officio trustees.

The ex officio trustees are composed of the following individuals: the Superintendent of the North Olmsted City School District, a member of the North Olmsted Board of Education, a member of the North Olmsted PTA Council, a member of the North Olmsted City Schools' Financial Advisory Board, and a member of the Community Education Advisory Board. All trustees are voting members. The Foundation is responsible for approving its own budgets, appointing personnel, creation of committees, and accounting and financial related activities. Financial information can be obtained by contacting Carrie Copfer, c/o The North Olmsted Board of Education, 27425 Butternut Ridge Road, North Olmsted, Ohio 44070.

D. OHIO SCHOOLS COUNCIL

The Ohio Schools' Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Associations. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting William Zelej, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd., # 377, Independence, Ohio 44131. During the year ended June 30, 2014, the School District paid \$ 2,486 the Council.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager through March 31, 2016. There are currently 143 participants in the program including the North Olmsted City School District. 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 beginning 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.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 16 - CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2014.

NOTE 17 - SET-ASIDES

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a 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 year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District has set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for capital improvements and budget stabilization during fiscal year 2014.

	Capital Maintenance	Budget Stabilization
Set-aside reserve balances as of June 30, 2013	\$ -	\$ 223,073
Set-aside balance carried forward	-	-
Current year set-aside requirement	681,248	-
Qualifying offsets and disbursements	(2,001,608)	-
Total	\$ (1,320,360)	\$ 223,073
Set-aside balance carried forward to future fiscal years	\$ -	\$ -
Set-aside reserve balance as of June 30, 2014	\$ -	\$ 223,073

Although the School District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero for capital maintenance set-aside, this amount may not be used to reduce the set-aside requirement for future years.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 18 – COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are the following deficit fund balances.

Special Revenue Funds:		
Limited English Proficiency	\$	7,158
Alternative Education	\$	5,617
Race to the Top	\$	1,320
Title VIB	\$	124,698
Title I	\$	108,605
Preschool	\$	8,200

These deficits resulted from adjustments for accrued liabilities. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

NOTE 19 – OPERATING LEASE

The School District was obligated under a certain lease accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations. During 2014, expenditures for the operating lease totaled \$ 10,721. The lease term expired during the year ended June 30, 2014.

NOTE 20 – SUBSEQUENT EVENTS

The School District entered into a new lease agreement effective September 1, 2014 for copiers.

On November 4, 2014, the community of North Olmsted approved an \$ 80,577,000 Facilities Improvement Bonds Levy. Proceeds from the sale of the bonds will be used to construct a grades 6 through 12 educational campus, a performing arts center, and a new high school athletic complex. Principal and interest on the bonds will be paid with the real estate taxes collected on a new 5.4 mill bond levy which will be assessed beginning in January 2015.

The School District will receive approximately \$ 9,000,000 in matching funds from the State of Ohio for the project. The School District will be required to earmark approximately \$ 400,000, annually, of taxes collected from the School District's current Permanent Improvement Fund for the purpose of paying the costs of maintaining the new classroom facilities of the project, as required by Chapter 3318 of the Ohio Revised Code.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Food Service - This fund accounts for all transactions related to the operations of the School District's food service program which provides lunches to students and the staff.

Athletics – This fund accounts for gate receipts and fund raising activities and all operating costs (except supplemental coaching contracts) of the District's Athletic Program.

Auxiliary Service – This fund accounts for State funds received for non-public schools located within the school district as provided by state law. Funds are used primarily for educational supplies, materials, and testing.

Data Communications – This fund provides support costs for data communication links to connect a school district electronically to the data acquisition site.

Alternative Education – This fund is used to account for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State Grants – This fund is used for various monies received from the State of Ohio to develop and support a parent mentoring program, a safe-school hotline, and school improvement incentive programs.

Race to the Top - To account for monies for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Title VI-B – This fund accounts for Federal revenues in support of program expenditures related to Special Education.

Limited English Proficiency – This fund provides support for programs designed to help immigrant children develop academic literacy in the English language.

Title I – This fund accounts for Federal monies to implement a variety of programs intended to provide supplemental instruction for children of low income families identified as educationally disadvantaged.

Preschool – This fund accounts for Federal monies supporting programs for handicapped services for children ages 2 through 5 to ready them for the school environment.

Title II-A – This fund accounts for Federal revenue used to hire additional teachers in grade 1 through 3 and provide professional development support.

Miscellaneous Federal Grants – This fund is used to account for various Federally funded programs under the Serve and Learn American Grant Program.

(continued)

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (concluded)

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Improvements – This fund accounts for monies raised through a tax levy and restricted in use for the acquisition, construction, or improvement of capital facilities and equipment.

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets and deferred outflow s of resources				
Assets				
Equity in pooled cash	\$ 949,382	\$ 105,820	\$ 1,172,873	\$ 2,228,075
Receivables, net of allowance				
Taxes, current	-	-	990,134	990,134
Taxes, delinquent	-	-	30,800	30,800
Accounts and other	32,781	-	-	32,781
Intergovernmental receivables	19,889	-	-	19,889
Inventories and supplies	27,527	-	-	27,527
Total assets	1,029,579	105,820	2,193,807	3,329,206
Total assets and deferred outflow s of resources	\$ 1,029,579	\$ 105,820	\$ 2,193,807	\$ 3,329,206
Liabilities, deferred inflow s of resources and fund liabilities				
Liabilities				
Accounts and contracts payable	\$ 79,030	\$ -	\$ 46,329	\$ 125,359
Accrued salaries, wages and benefits	259,921	-	-	259,921
Intergovernmental payable	80,105	-	-	80,105
Interfund payable	547,318	-	-	547,318
Matured compensated absences	2,582	-	-	2,582
Total liabilities	968,956	-	46,329	1,015,285
Deferred inflow s of resources				
Property taxes levied for next year and unavailable resources	-	-	820,972	820,972
Total deferred inflow s of resources	-	-	820,972	820,972
Fund balances				
Nonspendable	27,527	-	-	27,527
Restricted	288,694	105,820	1,326,506	1,721,020
Unassigned	(255,598)	-	-	(255,598)
Total fund balances	60,623	105,820	1,326,506	1,492,949
Total liabilities, deferred inflow s of resources and fund balances	\$ 1,029,579	\$ 105,820	\$ 2,193,807	\$ 3,329,206

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ -	\$ -	\$ 1,040,539	\$ 1,040,539
Interest	26	-	189	215
Intergovernmental	2,949,249	-	169,057	3,118,306
Charges for services	545,959	-	-	545,959
Extracurricular	278,382	-	-	278,382
Other	44,189	-	-	44,189
Total revenues	<u>3,817,805</u>	<u>-</u>	<u>1,209,785</u>	<u>5,027,590</u>
Expenditures				
Current				
Instruction				
Regular	947,425	-	256,902	1,204,327
Supporting services				
Pupil	856,586	-	-	856,586
Instructional staff	6,325	-	-	6,325
Administration	3,879	-	60,529	64,408
Business	-	-	24,683	24,683
Operation and maintenance	-	-	1,113,877	1,113,877
Pupil transportation	31,092	-	38,401	69,493
Central services	16,200	-	-	16,200
Operation of non-instructional services				
Food service operation	1,580,209	-	-	1,580,209
Community services	164,428	-	-	164,428
Extracurricular activities	287,025	-	-	287,025
Debt service				
Principal	-	85,000	-	85,000
Interest	-	5,292	-	5,292
Total expenditures	<u>3,893,169</u>	<u>90,292</u>	<u>1,494,392</u>	<u>5,477,853</u>
Excess (deficiency) of revenues over expenditures	<u>(75,364)</u>	<u>(90,292)</u>	<u>(284,607)</u>	<u>(450,263)</u>
Other financing sources (uses)				
Transfers-in	125,000	108,000	-	233,000
Transfers-out	-	-	(108,000)	(108,000)
Total other financing sources (uses)	<u>125,000</u>	<u>108,000</u>	<u>(108,000)</u>	<u>125,000</u>
Net change in fund balances	49,636	17,708	(392,607)	(325,263)
Fund balances, beginning of year	10,987	88,112	1,719,113	1,818,212
Fund balances, end of year	<u>\$ 60,623</u>	<u>\$ 105,820</u>	<u>\$ 1,326,506</u>	<u>\$ 1,492,949</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Food Service	Athletics	Auxiliary Service
Assets and deferred outflow s of resources			
Assets			
Equity in pooled cash	\$ 178,869	\$ 169,015	\$ 58,417
Receivables, net of allowance			
Accounts and other	25,244	7,537	-
Intergovernmental receivables	19,889	-	-
Inventories and supplies	27,527	-	-
Total assets	251,529	176,552	58,417
 Total assets and deferred outflow s of resources	 \$ 251,529	 \$ 176,552	 \$ 58,417
 Liabilities, deferred inflow s of resources and fund liabilities			
Liabilities			
Accounts and contracts payable	\$ 16,861	\$ 34,585	\$ 9,278
Accrued salaries, wages and benefits	85,418	-	7,581
Intergovernmental payable	49,405	-	1,828
Interfund payable	-	-	-
Matured compensated absences	2,582	-	-
Total liabilities	154,266	34,585	18,687
 Fund balances			
Nonspendable	27,527	-	-
Restricted	69,736	141,967	39,730
Unassigned	-	-	-
Total fund balances	97,263	141,967	39,730
 Total liabilities, deferred inflow s of resources and fund balances	 \$ 251,529	 \$ 176,552	 \$ 58,417

<u>Data Communications</u>	<u>Alternative Education</u>	<u>Miscellaneous State Grants</u>	<u>Race to the Top</u>	<u>Title VI-B</u>
\$ 36,675	\$ -	\$ 34	\$ 523	\$ 105,378
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>36,675</u>	<u>-</u>	<u>34</u>	<u>523</u>	<u>105,378</u>
<u>\$ 36,675</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 523</u>	<u>\$ 105,378</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,169
-	-	-	-	47,814
-	-	-	-	8,543
-	5,617	-	1,843	170,550
-	-	-	-	-
<u>-</u>	<u>5,617</u>	<u>-</u>	<u>1,843</u>	<u>230,076</u>
-	-	-	-	-
36,675	-	34	-	-
-	(5,617)	-	(1,320)	(124,698)
<u>36,675</u>	<u>(5,617)</u>	<u>34</u>	<u>(1,320)</u>	<u>(124,698)</u>
<u>\$ 36,675</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 523</u>	<u>\$ 105,378</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

(CONCLUDED)

	Limited English Proficiency	Title I	Preschool
Assets and deferred outflows of resources			
Assets			
Equity in pooled cash	\$ 24,642	\$ 313,433	\$ 2,060
Receivables, net of allowance			
Accounts and other	-	-	-
Intergovernmental receivables	-	-	-
Inventories and supplies	-	-	-
Total assets	24,642	313,433	2,060
Total assets and deferred outflows of resources	\$ 24,642	\$ 313,433	\$ 2,060
Liabilities, deferred inflows of resources and fund liabilities			
Liabilities			
Accounts and contracts payable	\$ -	\$ 9,737	\$ -
Accrued salaries, wages and benefits	5,360	105,950	7,798
Intergovernmental payable	841	18,158	1,330
Interfund payable	25,599	288,193	1,132
Matured compensated absences	-	-	-
Total liabilities	31,800	422,038	10,260
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	-
Unassigned	(7,158)	(108,605)	(8,200)
Total fund balances	(7,158)	(108,605)	(8,200)
Total liabilities, deferred inflows of resources and fund balances	\$ 24,642	\$ 313,433	\$ 2,060

Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 60,084	\$ 252	\$ 949,382
-	-	32,781
-	-	19,889
-	-	27,527
<u>60,084</u>	<u>252</u>	<u>1,029,579</u>
<u>\$ 60,084</u>	<u>\$ 252</u>	<u>\$ 1,029,579</u>
\$ 5,400	\$ -	\$ 79,030
-	-	259,921
-	-	80,105
54,384	-	547,318
-	-	2,582
<u>59,784</u>	<u>-</u>	<u>968,956</u>
-	-	27,527
300	252	288,694
-	-	(255,598)
<u>300</u>	<u>252</u>	<u>60,623</u>
<u>\$ 60,084</u>	<u>\$ 252</u>	<u>\$ 1,029,579</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Food Service	Athletics	Auxiliary Service
Revenue			
Interest	\$ 19	\$ -	\$ 7
Intergovernmental	868,103	-	168,315
Charges for services	545,959	-	-
Extracurricular	-	278,382	-
Other	35,563	8,626	-
Total revenues	<u>1,449,644</u>	<u>287,008</u>	<u>168,322</u>
Expenditures			
Current			
Instruction			
Regular	-	-	-
Supporting services			
Pupil	-	-	-
Instructional staff	-	-	-
Administration	-	-	-
Pupil transportation	-	-	-
Central services	-	-	-
Operation of non-instructional services			
Food service operation	1,580,209	-	-
Community services	-	-	132,820
Extracurricular activities	-	287,025	-
Total expenditures	<u>1,580,209</u>	<u>287,025</u>	<u>132,820</u>
Excess (deficiency) of revenues over expenditures	<u>(130,565)</u>	<u>(17)</u>	<u>35,502</u>
Other financing sources (uses)			
Transfers-in	125,000	-	-
Total other financing sources (uses)	<u>125,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,565)	(17)	35,502
Fund balances, beginning of year	<u>102,828</u>	<u>141,984</u>	<u>4,228</u>
Fund balances, end of year	<u>\$ 97,263</u>	<u>\$ 141,967</u>	<u>\$ 39,730</u>

Data Communications	Alternative Education	Miscellaneous State Grants	Race to the Top	Title VI-B
\$ -	\$ -	\$ -	\$ -	\$ -
16,200	70,428	-	53,857	755,352
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>16,200</u>	<u>70,428</u>	<u>-</u>	<u>53,857</u>	<u>755,352</u>
-	54,765	-	53,991	21,580
-	15,446	-	-	772,423
-	-	-	-	-
-	-	-	-	-
-	-	-	-	31,092
16,200	-	-	-	-
-	-	-	-	-
-	-	-	-	8,069
-	-	-	-	-
<u>16,200</u>	<u>70,211</u>	<u>-</u>	<u>53,991</u>	<u>833,164</u>
-	217	-	(134)	(77,812)
-	-	-	-	-
-	-	-	-	-
-	217	-	(134)	(77,812)
<u>36,675</u>	<u>(5,834)</u>	<u>34</u>	<u>(1,186)</u>	<u>(46,886)</u>
<u>\$ 36,675</u>	<u>\$ (5,617)</u>	<u>\$ 34</u>	<u>\$ (1,320)</u>	<u>\$ (124,698)</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

(CONCLUDED)

	Limited English Proficiency	Title I	Preschool
Revenue			
Interest	\$ -	\$ -	\$ -
Intergovernmental	44,231	878,544	23,950
Charges for services	-	-	-
Extracurricular	-	-	-
Other	-	-	-
Total revenues	<u>44,231</u>	<u>878,544</u>	<u>23,950</u>
Expenditures			
Current			
Instruction			
Regular	85	747,084	-
Supporting services			
Pupil	47,619	-	21,098
Instructional staff	770	5,555	-
Administration	-	3,879	-
Pupil transportation	-	-	-
Central services	-	-	-
Operation of non-instructional services			
Food service operation	-	-	-
Community services	-	14,434	9,105
Extracurricular activities	-	-	-
Total expenditures	<u>48,474</u>	<u>770,952</u>	<u>30,203</u>
Excess (deficiency) of revenues over expenditures	<u>(4,243)</u>	<u>107,592</u>	<u>(6,253)</u>
Other financing sources (uses)			
Transfers-in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,243)	107,592	(6,253)
Fund balances, beginning of year	<u>(2,915)</u>	<u>(216,197)</u>	<u>(1,947)</u>
Fund balances, end of year	<u>\$ (7,158)</u>	<u>\$ (108,605)</u>	<u>\$ (8,200)</u>

Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 26
70,269	-	2,949,249
-	-	545,959
-	-	278,382
-	-	44,189
<u>70,269</u>	<u>-</u>	<u>3,817,805</u>
69,920	-	947,425
-	-	856,586
-	-	6,325
-	-	3,879
-	-	31,092
-	-	16,200
-	-	1,580,209
-	-	164,428
-	-	287,025
<u>69,920</u>	<u>-</u>	<u>3,893,169</u>
<u>349</u>	<u>-</u>	<u>(75,364)</u>
-	-	125,000
-	-	125,000
349	-	49,636
(49)	252	10,987
<u>\$ 300</u>	<u>\$ 252</u>	<u>\$ 60,623</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Assets				
Equity in pooled cash and equivalents	\$ 126,899	\$ 191,236	\$ 184,335	\$ 133,800
Total assets	\$ 126,899	\$ 191,236	\$ 184,335	\$ 133,800
Liabilities				
Accounts payable	\$ 177	\$ 8,451	\$ 177	\$ 8,451
Due to students	126,722	182,785	184,158	125,349
Total liabilities	\$ 126,899	\$ 191,236	\$ 184,335	\$ 133,800

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 37,688,000	\$ 37,688,000	\$ 38,471,144	\$ 783,144
Tuition and fees	774,000	774,000	707,499	(66,501)
Interest	40,000	40,000	31,263	(8,737)
Intergovernmental	13,135,000	13,135,000	13,104,122	(30,878)
Other	250,500	250,500	292,839	42,339
Total revenues	<u>51,887,500</u>	<u>51,887,500</u>	<u>52,606,867</u>	<u>719,367</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	16,364,900	16,510,400	16,502,333	8,067
Benefits	6,019,455	5,800,450	5,686,953	113,497
Purchased services	912,159	941,906	861,303	80,603
Materials and supplies	1,081,210	1,049,790	931,053	118,737
Capital outlay	20,629	89,196	85,200	3,996
Other	28,200	28,200	25,382	2,818
Total regular	<u>24,426,553</u>	<u>24,419,942</u>	<u>24,092,224</u>	<u>327,718</u>
Special				
Salaries	5,515,100	5,362,100	5,356,191	5,909
Benefits	2,028,604	1,934,750	1,886,667	48,083
Purchased services	612,350	615,350	601,384	13,966
Materials and supplies	7,735	4,735	3,219	1,516
Total special	<u>8,163,789</u>	<u>7,916,935</u>	<u>7,847,461</u>	<u>69,474</u>
Vocational				
Salaries	332,100	319,300	319,226	74
Benefits	122,155	112,400	110,010	2,390
Purchased services	1,075	303	303	-
Materials and supplies	17,495	17,933	17,905	28
Total vocational	<u>472,825</u>	<u>449,936</u>	<u>447,444</u>	<u>2,492</u>
Other instruction				
Salaries	35,000	35,000	33,290	1,710
Benefits	12,874	11,800	11,472	328
Purchased services	335,000	306,000	180,714	125,286
Total other instruction	<u>382,874</u>	<u>352,800</u>	<u>225,476</u>	<u>127,324</u>
Total instruction	<u>33,446,041</u>	<u>33,139,613</u>	<u>32,612,605</u>	<u>527,008</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND (continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	2,715,500	3,030,100	3,021,962	8,138
Benefits	998,835	1,100,800	1,072,054	28,746
Purchased services	389,658	421,609	406,257	15,352
Materials and supplies	21,882	23,932	18,244	5,688
Total pupil	<u>4,125,875</u>	<u>4,576,441</u>	<u>4,518,517</u>	<u>57,924</u>
Instructional staff				
Salaries	703,600	532,200	529,727	2,473
Benefits	258,803	202,400	195,785	6,615
Purchased services	430,165	456,965	253,135	203,830
Materials and supplies	63,397	82,390	77,137	5,253
Capital outlay	44,060	172,898	168,932	3,966
Other	800	800	360	440
Total instructional staff	<u>1,500,825</u>	<u>1,447,653</u>	<u>1,225,076</u>	<u>222,577</u>
Board of education				
Salaries	25,000	25,000	24,360	640
Benefits	9,196	4,600	4,434	166
Purchased services	365,853	400,853	344,981	55,872
Total board of education	<u>400,049</u>	<u>430,453</u>	<u>373,775</u>	<u>56,678</u>
Administration				
Salaries	2,366,800	2,393,500	2,387,268	6,232
Benefits	870,573	881,900	858,317	23,583
Purchased services	122,847	162,247	150,633	11,614
Materials and supplies	25,198	36,980	34,464	2,516
Other	37,000	41,768	33,954	7,814
Total administration	<u>3,422,418</u>	<u>3,516,395</u>	<u>3,464,636</u>	<u>51,759</u>
Fiscal services				
Salaries	422,500	441,600	440,083	1,517
Benefits	159,000	211,600	202,469	9,131
Purchased services	9,011	10,011	6,703	3,308
Materials and supplies	8,000	3,000	1,989	1,011
Capital outlay	39,434	25,007	2,228	22,779
Other	697,200	613,200	605,537	7,663
Total fiscal services	<u>1,335,145</u>	<u>1,304,418</u>	<u>1,259,009</u>	<u>45,409</u>
Business				
Salaries	71,000	71,600	71,409	191
Benefits	26,116	28,300	27,306	994
Purchased services	105,900	105,900	77,341	28,559
Total business	<u>203,016</u>	<u>205,800</u>	<u>176,056</u>	<u>29,744</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND (continued)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Operation and maintenance				
Salaries	1,901,600	1,936,100	1,931,980	4,120
Benefits	699,460	778,800	750,013	28,787
Purchased services	1,114,447	1,167,551	1,059,172	108,379
Materials and supplies	176,098	188,393	170,824	17,569
Capital outlay	1,500	68,843	67,529	1,314
Other	5,300	1,300	1,172	128
Total operation and maintenance	<u>3,898,405</u>	<u>4,140,987</u>	<u>3,980,690</u>	<u>160,297</u>
Pupil transportation				
Salaries	1,081,500	1,119,400	1,117,055	2,345
Benefits	397,805	452,100	435,438	16,662
Purchased services	488,129	531,642	519,790	11,852
Materials and supplies	334,920	414,498	399,421	15,077
Capital outlay	-	8,400	8,400	-
Total pupil transportation	<u>2,302,354</u>	<u>2,526,040</u>	<u>2,480,104</u>	<u>45,936</u>
Central services				
Salaries	609,600	629,000	627,824	1,176
Benefits	224,227	286,100	277,369	8,731
Purchased services	410,832	521,632	449,524	72,108
Materials and supplies	89,877	77,961	69,899	8,062
Capital outlay	500,000	2,129	2,094	35
Total central services	<u>1,834,536</u>	<u>1,516,822</u>	<u>1,426,710</u>	<u>90,112</u>
Total supporting services	<u>19,022,623</u>	<u>19,665,009</u>	<u>18,904,573</u>	<u>760,436</u>
Operation of non-instructional				
Food service operation				
Salaries	62,700	61,800	61,132	668
Benefits	23,063	24,300	23,376	924
Capital outlay	-	8,600	8,568	32
Total food service operation	<u>85,763</u>	<u>94,700</u>	<u>93,076</u>	<u>1,624</u>
Community services				
Purchased services	27,250	23,475	20,257	3,218
Total community services	<u>27,250</u>	<u>23,475</u>	<u>20,257</u>	<u>3,218</u>
Total operation of non-instructional	<u>113,013</u>	<u>118,175</u>	<u>113,333</u>	<u>4,842</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND (concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Extracurricular activities				
Academic and subject oriented				
Salaries	264,500	296,500	290,654	5,846
Benefits	97,290	104,200	101,676	2,524
Total academic and subject oriented	<u>361,790</u>	<u>400,700</u>	<u>392,330</u>	<u>8,370</u>
Sports oriented				
Salaries	674,600	678,900	655,864	23,036
Benefits	248,136	245,500	238,195	7,305
Purchased services	22,350	22,350	16,112	6,238
Other	3,500	3,500	3,500	-
Total sports oriented	<u>948,586</u>	<u>950,250</u>	<u>913,671</u>	<u>36,579</u>
Total extracurricular activities	<u>1,310,376</u>	<u>1,350,950</u>	<u>1,306,001</u>	<u>44,949</u>
Capital outlay	-	221,600	221,304	296
Debt service				
Principal	392,000	339,000	338,894	106
Interest and fiscal charges	116,000	111,000	109,536	1,464
Total debt service	<u>508,000</u>	<u>450,000</u>	<u>448,430</u>	<u>1,570</u>
Total expenditures	<u>54,400,053</u>	<u>54,945,347</u>	<u>53,606,246</u>	<u>1,339,101</u>
Excess (deficiency) of revenues over expenditures	<u>(2,512,553)</u>	<u>(3,057,847)</u>	<u>(999,379)</u>	<u>2,058,468</u>
Other financing sources (uses)				
Advances-in	650,000	650,000	649,617	(383)
Refund prior year expenditure	170,500	170,500	162,297	(8,203)
Advances-out	(670,000)	(670,000)	(567,319)	102,681
Transfers-out	(316,000)	(351,217)	(351,217)	-
Total other financing sources (uses)	<u>(165,500)</u>	<u>(200,717)</u>	<u>(106,622)</u>	<u>94,095</u>
Net change in fund balance	(2,678,053)	(3,258,564)	(1,106,001)	2,152,563
Fund balance, beginning of year	20,906,103	20,906,103	20,906,103	-
Prior year encumbrances appropriated	805,055	805,055	805,055	-
Fund balance, end of year	<u>\$ 19,033,105</u>	<u>\$ 18,452,594</u>	<u>\$ 20,605,157</u>	<u>\$ 2,152,563</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
FOOD SERVICE FUND				
Revenues				
Interest	\$ -	\$ -	\$ 19	\$ 19
Charges for services	599,331	543,868	548,767	4,899
Intergovernmental	813,487	791,295	814,108	22,813
Other	5,000	35,560	35,563	3
Total revenues	<u>1,417,818</u>	<u>1,370,723</u>	<u>1,398,457</u>	<u>27,734</u>
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	477,230	494,731	489,843	4,888
Benefits	249,880	233,780	220,538	13,242
Purchased services	816,186	863,529	863,529	-
Materials and supplies	4,000	3,500	3,347	153
Total food service operation	<u>1,547,296</u>	<u>1,595,540</u>	<u>1,577,257</u>	<u>18,283</u>
Total operation of non-instructional	<u>1,547,296</u>	<u>1,595,540</u>	<u>1,577,257</u>	<u>18,283</u>
Total expenditures	<u>1,547,296</u>	<u>1,595,540</u>	<u>1,577,257</u>	<u>18,283</u>
Excess (deficiency) of revenues over expenditures	<u>(129,478)</u>	<u>(224,817)</u>	<u>(178,800)</u>	<u>46,017</u>
Other financing sources (uses)				
Transfers-in	-	125,000	125,000	-
Total other financing sources (uses)	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net change in fund balance	(129,478)	(99,817)	(53,800)	46,017
Fund balance, beginning of year	135,637	135,637	135,637	-
Prior year encumbrances appropriated	<u>37,018</u>	<u>37,018</u>	<u>37,018</u>	<u>-</u>
Fund balance, end of year	<u>\$ 43,177</u>	<u>\$ 72,838</u>	<u>\$ 118,855</u>	<u>\$ 46,017</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	ATHLETIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 291,000	\$ 259,919	\$ 278,382	\$ 18,463
Other	-	1,050	1,089	39
Total revenues	<u>291,000</u>	<u>260,969</u>	<u>279,471</u>	<u>18,502</u>
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	40,155	35,829	35,754	75
Materials and supplies	7,130	6,871	6,871	-
Capital outlay	40,445	35,252	35,229	23
Other	267,480	281,626	231,322	50,304
Total sports oriented	<u>355,210</u>	<u>359,578</u>	<u>309,176</u>	<u>50,402</u>
Total extracurricular activities	<u>355,210</u>	<u>359,578</u>	<u>309,176</u>	<u>50,402</u>
Total expenditures	<u>355,210</u>	<u>359,578</u>	<u>309,176</u>	<u>50,402</u>
Excess (deficiency) of revenues over expenditures	<u>(64,210)</u>	<u>(98,609)</u>	<u>(29,705)</u>	<u>68,904</u>
Other financing sources (uses)				
Advances-in	-	20,000	20,000	-
Advances-out	-	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(64,210)	(98,609)	(29,705)	68,904
Fund balance, beginning of year	124,997	124,997	124,997	-
Prior year encumbrances appropriated	<u>28,801</u>	<u>28,801</u>	<u>28,801</u>	<u>-</u>
Fund balance, end of year	<u>\$ 89,588</u>	<u>\$ 55,189</u>	<u>\$ 124,093</u>	<u>\$ 68,904</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	AUXILIARY SERVICES FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ 6	\$ 7	\$ 1
Intergovernmental	149,455	168,315	168,315	-
Total revenues	<u>149,455</u>	<u>168,321</u>	<u>168,322</u>	<u>1</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	45,880	47,141	39,205	7,936
Benefits	8,433	9,694	7,991	1,703
Purchased services	48,456	47,986	44,414	3,572
Materials and supplies	34,992	43,212	35,734	7,478
Capital outlay	105,279	45,631	19,414	26,217
Other	5,978	6,733	6,725	8
Total community services	<u>249,018</u>	<u>200,397</u>	<u>153,483</u>	<u>46,914</u>
Total operation of non-instructional	<u>249,018</u>	<u>200,397</u>	<u>153,483</u>	<u>46,914</u>
Total expenditures	<u>249,018</u>	<u>200,397</u>	<u>153,483</u>	<u>46,914</u>
Excess (deficiency) of revenues over expenditures	<u>(99,563)</u>	<u>(32,076)</u>	<u>14,839</u>	<u>46,915</u>
Other financing sources (uses)				
Refund prior year receipts	-	(67,487)	(67,487)	-
Total other financing sources (uses)	<u>-</u>	<u>(67,487)</u>	<u>(67,487)</u>	<u>-</u>
Net change in fund balance	(99,563)	(99,563)	(52,648)	46,915
Fund balance, beginning of year	10,146	10,146	10,146	-
Prior year encumbrances appropriated	<u>89,417</u>	<u>89,417</u>	<u>89,417</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,915</u>	<u>\$ 46,915</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	DATA COMMUNICATIONS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 16,200	\$ 16,200	\$ -
Total revenues	-	16,200	16,200	-
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	36,675	36,675	-	36,675
Capital outlay	-	16,200	16,200	-
Total central services	36,675	52,875	16,200	36,675
Total supporting services	36,675	52,875	16,200	36,675
Total expenditures	36,675	52,875	16,200	36,675
Excess (deficiency) of revenues over expenditures	(36,675)	(36,675)	-	36,675
Net change in fund balance	(36,675)	(36,675)	-	36,675
Fund balance, beginning of year	36,675	36,675	36,675	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 36,675	\$ 36,675

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	ALTERNATIVE EDUCATION FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 77,490	\$ 76,045	\$ 70,428	\$ (5,617)
Total revenues	<u>77,490</u>	<u>76,045</u>	<u>70,428</u>	<u>(5,617)</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	60,599	60,599	60,599	-
Total regular	<u>60,599</u>	<u>60,599</u>	<u>60,599</u>	<u>-</u>
Total instruction	<u>60,599</u>	<u>60,599</u>	<u>60,599</u>	<u>-</u>
Supporting services				
Pupil				
Purchased services	16,891	15,446	15,446	-
Total pupil	<u>16,891</u>	<u>15,446</u>	<u>15,446</u>	<u>-</u>
Total supporting services	<u>16,891</u>	<u>15,446</u>	<u>15,446</u>	<u>-</u>
Total expenditures	<u>77,490</u>	<u>76,045</u>	<u>76,045</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(5,617)</u>	<u>(5,617)</u>
Other financing sources (uses)				
Advances-in	-	-	5,617	5,617
Advances-out	<u>(7,279)</u>	<u>(7,279)</u>	<u>(7,279)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,279)</u>	<u>(7,279)</u>	<u>(1,662)</u>	<u>5,617</u>
Net change in fund balance	(7,279)	(7,279)	(7,279)	-
Fund balance, beginning of year	1,445	1,445	1,445	-
Prior year encumbrances appropriated	<u>5,834</u>	<u>5,834</u>	<u>5,834</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction				
Regular				
Capital outlay	\$ 35	\$ 35	\$ -	\$ 35
Total regular	35	35	-	35
Total instruction	35	35	-	35
Total expenditures	35	35	-	35
Excess (deficiency) of revenues over expenditures	(35)	(35)	-	35
Net change in fund balance	(35)	(35)	-	35
Fund balance, beginning of year	35	35	35	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 35	\$ 35

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	RACE TO THE TOP FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 11,739	\$ 55,700	\$ 53,857	\$ (1,843)
Total revenues	<u>11,739</u>	<u>55,700</u>	<u>53,857</u>	<u>(1,843)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	7,409	400	240	160
Benefits	1,219	65	39	26
Purchased services	1,373	16,129	16,129	-
Materials and supplies	552	599	262	337
Capital outlay	-	37,321	37,321	-
Total regular	<u>10,553</u>	<u>54,514</u>	<u>53,991</u>	<u>523</u>
Total instruction	<u>10,553</u>	<u>54,514</u>	<u>53,991</u>	<u>523</u>
Total expenditures	<u>10,553</u>	<u>54,514</u>	<u>53,991</u>	<u>523</u>
Excess (deficiency) of revenues over expenditures	<u>1,186</u>	<u>1,186</u>	<u>(134)</u>	<u>(1,320)</u>
Other financing sources (uses)				
Advances-in	-	-	1,843	1,843
Advances-out	<u>(5,239)</u>	<u>(5,239)</u>	<u>(5,239)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,239)</u>	<u>(5,239)</u>	<u>(3,396)</u>	<u>1,843</u>
Net change in fund balance	(4,053)	(4,053)	(3,530)	523
Fund balance, beginning of year	4,053	4,053	4,053	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 523</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 1,027,992	\$ 1,090,810	\$ 920,260	\$ (170,550)
Total revenues	<u>1,027,992</u>	<u>1,090,810</u>	<u>920,260</u>	<u>(170,550)</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	3,776	5,000	312	4,688
Materials and supplies	9,431	5,288	5,288	-
Capital outlay	29,136	19,645	19,060	585
Total regular	<u>42,343</u>	<u>29,933</u>	<u>24,660</u>	<u>5,273</u>
Total instruction	<u>42,343</u>	<u>29,933</u>	<u>24,660</u>	<u>5,273</u>
Supporting services				
Pupil				
Salaries	243,789	286,512	240,772	45,740
Benefits	127,988	170,456	150,680	19,776
Purchased services	399,458	394,608	394,608	-
Materials and supplies	25,000	20,000	17,551	2,449
Total pupil	<u>796,235</u>	<u>871,576</u>	<u>803,611</u>	<u>67,965</u>
Instructional staff				
Materials and supplies	1,000	500	-	500
Total instructional staff	<u>1,000</u>	<u>500</u>	<u>-</u>	<u>500</u>
Pupil transportation				
Purchased services	60,909	60,909	38,072	22,837
Total pupil transportation	<u>60,909</u>	<u>60,909</u>	<u>38,072</u>	<u>22,837</u>
Total supporting services	<u>858,144</u>	<u>932,985</u>	<u>841,683</u>	<u>91,302</u>
Operation of non-instructional				
Community services				
Salaries	10,490	11,088	7,035	4,053
Benefits	2,106	1,895	1,116	779
Total community services	<u>12,596</u>	<u>12,983</u>	<u>8,151</u>	<u>4,832</u>
Total operation of non-instructional	<u>12,596</u>	<u>12,983</u>	<u>8,151</u>	<u>4,832</u>
Total expenditures	<u>913,083</u>	<u>975,901</u>	<u>874,494</u>	<u>101,407</u>
Excess (deficiency) of revenues over expenditures	<u>114,909</u>	<u>114,909</u>	<u>45,766</u>	<u>(69,143)</u>
Other financing sources (uses)				
Advances-in	-	-	170,550	170,550
Advances-out	<u>(245,692)</u>	<u>(245,692)</u>	<u>(245,692)</u>	<u>-</u>
Total other financing sources (uses)	<u>(245,692)</u>	<u>(245,692)</u>	<u>(75,142)</u>	<u>170,550</u>
Net change in fund balance	(130,783)	(130,783)	(29,376)	101,407
Fund balance, beginning of year	46,936	46,936	46,936	-
Prior year encumbrances appropriated	<u>83,847</u>	<u>83,847</u>	<u>83,847</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,407</u>	<u>\$ 101,407</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 56,509	\$ 74,048	\$ 48,450	\$ (25,598)
Total revenues	<u>56,509</u>	<u>74,048</u>	<u>48,450</u>	<u>(25,598)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	-	8,700	-	8,700
Benefits	-	1,440	-	1,440
Materials and supplies	1,083	890	85	805
Total regular	<u>1,083</u>	<u>11,030</u>	<u>85</u>	<u>10,945</u>
Total instruction	<u>1,083</u>	<u>11,030</u>	<u>85</u>	<u>10,945</u>
Supporting services				
Pupil				
Salaries	28,641	33,021	27,846	5,175
Benefits	7,841	23,633	19,487	4,146
Purchased services	7,722	2,400	-	2,400
Total pupil	<u>44,204</u>	<u>59,054</u>	<u>47,333</u>	<u>11,721</u>
Instructional staff				
Salaries	4,000	-	-	-
Benefits	170	-	-	-
Purchased services	5,833	2,745	770	1,975
Total instructional staff	<u>10,003</u>	<u>2,745</u>	<u>770</u>	<u>1,975</u>
Total supporting services	<u>54,207</u>	<u>61,799</u>	<u>48,103</u>	<u>13,696</u>
Total expenditures	<u>55,290</u>	<u>72,829</u>	<u>48,188</u>	<u>24,641</u>
Excess (deficiency) of revenues over expenditures	<u>1,219</u>	<u>1,219</u>	<u>262</u>	<u>(957)</u>
Other financing sources (uses)				
Advances-in	-	-	25,599	25,599
Advances-out	(24,689)	(24,689)	(24,689)	-
Total other financing sources (uses)	<u>(24,689)</u>	<u>(24,689)</u>	<u>910</u>	<u>25,599</u>
Net change in fund balance	(23,470)	(23,470)	1,172	24,642
Fund balance, beginning of year	18,787	18,787	18,787	-
Prior year encumbrances appropriated	<u>4,683</u>	<u>4,683</u>	<u>4,683</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,642</u>	<u>\$ 24,642</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 1,158,434	\$ 1,166,738	\$ 878,544	\$ (288,194)
Total revenues	<u>1,158,434</u>	<u>1,166,738</u>	<u>878,544</u>	<u>(288,194)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	724,653	774,295	568,100	206,195
Benefits	277,417	218,881	175,442	43,439
Purchased services	10,437	30,000	575	29,425
Materials and supplies	16,723	29,879	26,279	3,600
Total regular	<u>1,029,230</u>	<u>1,053,055</u>	<u>770,396</u>	<u>282,659</u>
Total instruction	<u>1,029,230</u>	<u>1,053,055</u>	<u>770,396</u>	<u>282,659</u>
Instructional staff				
Purchased services	6,301	4,051	800	3,251
Materials and supplies	8,142	5,900	4,755	1,145
Total instructional staff	<u>14,443</u>	<u>9,951</u>	<u>5,555</u>	<u>4,396</u>
Administration				
Salaries	9,628	6,463	2,826	3,637
Benefits	1,771	1,769	788	981
Materials and supplies	500	500	264	236
Total administration	<u>11,899</u>	<u>8,732</u>	<u>3,878</u>	<u>4,854</u>
Total supporting services	<u>26,342</u>	<u>18,683</u>	<u>9,433</u>	<u>9,250</u>
Community services				
Salaries	21,305	14,826	12,896	1,930
Benefits	3,817	2,654	2,308	346
Purchased services	1,908	2,634	1,780	854
Materials and supplies	1,237	291	273	18
Total community services	<u>28,267</u>	<u>20,405</u>	<u>17,257</u>	<u>3,148</u>
Total operation of non-instructional	<u>28,267</u>	<u>20,405</u>	<u>17,257</u>	<u>3,148</u>
Total expenditures	<u>1,083,839</u>	<u>1,092,143</u>	<u>797,086</u>	<u>295,057</u>
Excess (deficiency) of revenues over expenditures	<u>74,595</u>	<u>74,595</u>	<u>81,458</u>	<u>6,863</u>
Other financing sources (uses)				
Advances-in	-	-	288,193	288,193
Advances-out	<u>(299,868)</u>	<u>(299,868)</u>	<u>(299,868)</u>	<u>-</u>
Total other financing sources (uses)	<u>(299,868)</u>	<u>(299,868)</u>	<u>(11,675)</u>	<u>288,193</u>
Net change in fund balance	(225,273)	(225,273)	69,783	295,056
Fund balance, beginning of year	225,273	225,273	225,273	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,056</u>	<u>\$ 295,056</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	PRESCHOOL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 25,082	\$ 25,082	\$ 23,950	\$ (1,132)
Total revenues	<u>25,082</u>	<u>25,082</u>	<u>23,950</u>	<u>(1,132)</u>
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	15,250	17,154	17,154	-
Benefits	8,472	6,568	4,508	2,060
Total pupil	<u>23,722</u>	<u>23,722</u>	<u>21,662</u>	<u>2,060</u>
Total supporting services	<u>23,722</u>	<u>23,722</u>	<u>21,662</u>	<u>2,060</u>
Total expenditures	<u>23,722</u>	<u>23,722</u>	<u>21,662</u>	<u>2,060</u>
Excess (deficiency) of revenues over expenditures	<u>1,360</u>	<u>1,360</u>	<u>2,288</u>	<u>928</u>
Other financing sources (uses)				
Advances-in	-	-	1,132	1,132
Advances-out	(2,624)	(2,624)	(2,624)	-
Total other financing sources (uses)	<u>(2,624)</u>	<u>(2,624)</u>	<u>(1,492)</u>	<u>1,132</u>
Net change in fund balance	(1,264)	(1,264)	796	2,060
Fund balance, beginning of year	1,264	1,264	1,264	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,060</u>	<u>\$ 2,060</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 137,008	\$ 137,003	\$ 82,619	\$ (54,384)
Total revenues	<u>137,008</u>	<u>137,003</u>	<u>82,619</u>	<u>(54,384)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	28,314	21,170	358	20,812
Benefits	11,100	7,830	-	7,830
Purchased services	83,866	95,603	64,161	31,442
Materials and supplies	1,378	50	50	-
Total regular	<u>124,658</u>	<u>124,653</u>	<u>64,569</u>	<u>60,084</u>
Total instruction	<u>124,658</u>	<u>124,653</u>	<u>64,569</u>	<u>60,084</u>
Total expenditures	<u>124,658</u>	<u>124,653</u>	<u>64,569</u>	<u>60,084</u>
Excess (deficiency) of revenues over expenditures	<u>12,350</u>	<u>12,350</u>	<u>18,050</u>	<u>5,700</u>
Other financing sources (uses)				
Advances-in	-	-	54,384	54,384
Advances-out	<u>(33,177)</u>	<u>(33,177)</u>	<u>(33,177)</u>	<u>-</u>
Total other financing sources (uses)	<u>(33,177)</u>	<u>(33,177)</u>	<u>21,207</u>	<u>54,384</u>
Net change in fund balance	(20,827)	(20,827)	39,257	60,084
Fund balance, beginning of year	20,671	20,671	20,671	-
Prior year encumbrances appropriated	<u>156</u>	<u>156</u>	<u>156</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,084</u>	<u>\$ 60,084</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 11,050	\$ 11,050	\$ 11,050	\$ -
Total revenues	<u>11,050</u>	<u>11,050</u>	<u>11,050</u>	<u>-</u>
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Capital outlay	10,962	10,962	10,710	252
Total food service operation	<u>10,962</u>	<u>10,962</u>	<u>10,710</u>	<u>252</u>
Total operation of non-instructional	<u>10,962</u>	<u>10,962</u>	<u>10,710</u>	<u>252</u>
Total expenditures	<u>10,962</u>	<u>10,962</u>	<u>10,710</u>	<u>252</u>
Excess (deficiency) of revenues over expenditures	<u>88</u>	<u>88</u>	<u>340</u>	<u>252</u>
Other financing sources (uses)				
Advances-out	<u>(11,050)</u>	<u>(11,050)</u>	<u>(11,050)</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,050)</u>	<u>(11,050)</u>	<u>(11,050)</u>	<u>-</u>
Net change in fund balance	(10,962)	(10,962)	(10,710)	252
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>10,962</u>	<u>10,962</u>	<u>10,962</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 252</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ 4,500	\$ 4,500	\$ -
Total revenues	-	4,500	4,500	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	-	500	-	500
Materials and supplies	-	250	-	250
Total instructional staff	-	750	-	750
Total supporting services	-	750	-	750
Extracurricular activities				
Academic and subject oriented				
Other	-	3,000	3,000	-
Total academic and subject oriented	-	3,000	3,000	-
Total extracurricular activities	-	3,000	3,000	-
Total expenditures	-	3,750	3,000	750
Excess (deficiency) of revenues over expenditures	-	750	1,500	750
Net change in fund balance	-	750	1,500	750
Fund balance, beginning of year	750	750	750	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 750	\$ 1,500	\$ 2,250	\$ 750

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	ROTARY FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 20,000	\$ 16,600	\$ 17,150	\$ 550
Other	-	-	1,862	1,862
Total revenues	<u>20,000</u>	<u>16,600</u>	<u>19,012</u>	<u>2,412</u>
Expenditures				
Current				
Supporting services				
Pupil transportation				
Purchased services	25,000	25,000	22,500	2,500
Total pupil transportation	<u>25,000</u>	<u>25,000</u>	<u>22,500</u>	<u>2,500</u>
Total supporting services	<u>25,000</u>	<u>25,000</u>	<u>22,500</u>	<u>2,500</u>
Operation of non-instructional				
Community services				
Other	-	2,109	-	2,109
Total community services	<u>-</u>	<u>2,109</u>	<u>-</u>	<u>2,109</u>
Total operation of non-instructional	<u>-</u>	<u>2,109</u>	<u>-</u>	<u>2,109</u>
Total expenditures	<u>25,000</u>	<u>27,109</u>	<u>22,500</u>	<u>4,609</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>(10,509)</u>	<u>(3,488)</u>	<u>7,021</u>
Net change in fund balance	(5,000)	(10,509)	(3,488)	7,021
Fund balance, beginning of year	198,482	198,482	198,482	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 193,482</u>	<u>\$ 187,973</u>	<u>\$ 194,994</u>	<u>\$ 7,021</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SUPPORT SERVICES FUND				
Revenues				
Tuition and fees	\$ 2,650	\$ 946	\$ 989	\$ 43
Extracurricular	153,000	114,866	118,594	3,728
Other	273,945	187,713	196,058	8,345
Total revenues	<u>429,595</u>	<u>303,525</u>	<u>315,641</u>	<u>12,116</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	43,600	44,004	32,549	11,455
Materials and supplies	145,750	127,922	115,050	12,872
Capital outlay	15,300	7,300	4,495	2,805
Other	217,508	159,068	139,680	19,388
Total regular	<u>422,158</u>	<u>338,294</u>	<u>291,774</u>	<u>46,520</u>
Total instruction	<u>422,158</u>	<u>338,294</u>	<u>291,774</u>	<u>46,520</u>
Supporting services				
Pupil				
Materials and supplies	5,000	7,000	2,783	4,217
Capital outlay	-	45,000	33,851	11,149
Other	20,036	25,036	17,092	7,944
Total pupil	<u>25,036</u>	<u>77,036</u>	<u>53,726</u>	<u>23,310</u>
Administration				
Materials and supplies	3,000	3,000	550	2,450
Total administration	<u>3,000</u>	<u>3,000</u>	<u>550</u>	<u>2,450</u>
Total supporting services	<u>28,036</u>	<u>80,036</u>	<u>54,276</u>	<u>25,760</u>
Extracurricular activities				
Sports oriented				
Other	14,000	5,100	5,090	10
Total sports oriented	<u>14,000</u>	<u>5,100</u>	<u>5,090</u>	<u>10</u>
Total extracurricular activities	<u>14,000</u>	<u>5,100</u>	<u>5,090</u>	<u>10</u>
Total expenditures	<u>464,194</u>	<u>423,430</u>	<u>351,140</u>	<u>72,290</u>
Excess (deficiency) of revenues over expenditures	<u>(34,599)</u>	<u>(119,905)</u>	<u>(35,499)</u>	<u>84,406</u>
Other financing sources (uses)				
Transfers-in	216,000	226,217	226,217	-
Total other financing sources (uses)	<u>216,000</u>	<u>226,217</u>	<u>226,217</u>	<u>-</u>
Net change in fund balance	181,401	106,312	190,718	84,406
Fund balance, beginning of year	1,444,251	1,444,251	1,444,251	-
Prior year encumbrances appropriated	7,366	7,366	7,366	-
Fund balance, end of year	<u>\$ 1,633,018</u>	<u>\$ 1,557,929</u>	<u>\$ 1,642,335</u>	<u>\$ 84,406</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 13,950	\$ 6,000	\$ 6,806	\$ 806
Other	2,000	7,800	7,892	92
Total revenues	<u>15,950</u>	<u>13,800</u>	<u>14,698</u>	<u>898</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	4,057	4,057	2,164	1,893
Materials and supplies	4,405	5,105	2,029	3,076
Capital outlay	88,541	95,141	94,759	382
Other	16,589	16,589	8,048	8,541
Total regular	<u>113,592</u>	<u>120,892</u>	<u>107,000</u>	<u>13,892</u>
Total instruction	<u>113,592</u>	<u>120,892</u>	<u>107,000</u>	<u>13,892</u>
Supporting services				
Pupil				
Purchased services	2,200	2,200	2,200	-
Materials and supplies	2,194	2,194	2,066	128
Capital outlay	550	550	411	139
Total pupil	<u>4,944</u>	<u>4,944</u>	<u>4,677</u>	<u>267</u>
Central services				
Purchased services	3,961	4,461	190	4,271
Total central services	<u>3,961</u>	<u>4,461</u>	<u>190</u>	<u>4,271</u>
Total supporting services	<u>8,905</u>	<u>9,405</u>	<u>4,867</u>	<u>4,538</u>
Extracurricular activities				
Academic and subject oriented				
Other	2,000	-	-	-
Total academic and subject oriented	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total extracurricular activities	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>124,497</u>	<u>130,297</u>	<u>111,867</u>	<u>18,430</u>
Excess (deficiency) of revenues over expenditures	<u>(108,547)</u>	<u>(116,497)</u>	<u>(97,169)</u>	<u>19,328</u>
Net change in fund balance	(108,547)	(116,497)	(97,169)	19,328
Fund balance, beginning of year	123,524	123,524	123,524	-
Prior year encumbrances appropriated	<u>78,550</u>	<u>78,550</u>	<u>78,550</u>	<u>-</u>
Fund balance, end of year	<u>\$ 93,527</u>	<u>\$ 85,577</u>	<u>\$ 104,905</u>	<u>\$ 19,328</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Expenditures				
Debt service				
Principal	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
Interest and fiscal charges	5,300	5,300	5,292	8
Total debt service	90,300	90,300	90,292	8
Total expenditures	90,300	90,300	90,292	8
Excess (deficiency) of revenues over expenditures	(90,300)	(90,300)	(90,292)	8
Other financing sources (uses)				
Transfers-in	108,000	108,000	108,000	-
Total other financing sources (uses)	108,000	108,000	108,000	-
Net change in fund balance	17,700	17,700	17,708	8
Fund balance, beginning of year	88,112	88,112	88,112	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 105,812</u>	<u>\$ 105,812</u>	<u>\$ 105,820</u>	<u>\$ 8</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 937,000	\$ 962,401	\$ 970,377	\$ 7,976
Interest	1,200	200	189	(11)
Intergovernmental	166,800	166,800	169,057	2,257
Total revenues	<u>1,105,000</u>	<u>1,129,401</u>	<u>1,139,623</u>	<u>10,222</u>
Expenditures				
Capital outlay	1,221,252	2,692,044	1,994,811	697,233
Total expenditures	<u>1,221,252</u>	<u>2,692,044</u>	<u>1,994,811</u>	<u>697,233</u>
Excess (deficiency) of revenues over expenditures	<u>(116,252)</u>	<u>(1,562,643)</u>	<u>(855,188)</u>	<u>697,233</u>
Other financing sources (uses)				
Transfers-out	-	(108,000)	(108,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(108,000)</u>	<u>(108,000)</u>	<u>-</u>
Net change in fund balance	(116,252)	(1,670,643)	(963,188)	707,455
Fund balance, beginning of year	732,717	732,717	732,717	-
Prior year encumbrances appropriated	<u>1,221,252</u>	<u>1,221,252</u>	<u>1,221,252</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,837,717</u>	<u>\$ 283,326</u>	<u>\$ 990,781</u>	<u>\$ 707,455</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	SELF INSURANCE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Other	\$ 7,855,000	\$ 6,590,000	\$ 6,659,072	\$ 69,072
Total revenues	<u>7,855,000</u>	<u>6,590,000</u>	<u>6,659,072</u>	<u>69,072</u>
Expenditures				
Claims	7,250,000	7,075,000	6,718,792	356,208
Total expenditures	<u>7,250,000</u>	<u>7,075,000</u>	<u>6,718,792</u>	<u>356,208</u>
Excess (deficiency) of revenues over expenditures	<u>605,000</u>	<u>(485,000)</u>	<u>(59,720)</u>	<u>425,280</u>
Other financing sources (uses)				
Transfers-in	100,000	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	705,000	(485,000)	(59,720)	425,280
Fund balance, beginning of year	1,952,681	1,952,681	1,952,681	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,657,681</u>	<u>\$ 1,467,681</u>	<u>\$ 1,892,961</u>	<u>\$ 425,280</u>

STATISTICAL SECTION

This part of the North Olmsted 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.

Contents	Page
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.	S 1
Revenue Capacity These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	S 11
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.	S 25
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.	S 30
Operating Information These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S 33

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 11,972,672	\$ 11,336,986	\$ 14,006,222	\$ 11,286,155
Restricted	3,045,558	2,296,182	2,102,588	2,982,814
Unrestricted	<u>20,675,575</u>	<u>20,604,820</u>	<u>14,899,100</u>	<u>12,665,878</u>
Total primary government net position	<u>\$ 35,693,805</u>	<u>\$ 34,237,988</u>	<u>\$ 31,007,910</u>	<u>\$ 26,934,847</u>

Source: School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 11,913,734	\$ 12,232,584	\$ 12,667,307	\$ 13,015,895	\$ 11,614,498	\$ 11,759,329
3,494,251	2,436,491	2,325,296	2,171,192	2,027,283	1,886,981
6,494,989	8,538,683	10,530,781	8,069,553	8,812,315	11,465,127
<u>\$ 21,902,974</u>	<u>\$ 23,207,758</u>	<u>\$ 25,523,384</u>	<u>\$ 23,256,640</u>	<u>\$ 22,454,096</u>	<u>\$ 25,111,437</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2014	2013	2012	2011
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 26,051,597	\$ 24,393,010	\$ 23,574,519	\$ 24,042,334
Special	7,847,660	7,774,419	7,531,026	7,489,653
Vocational	401,691	480,906	455,688	438,325
Adult/continuing	-	-	-	-
Other instruction	224,964	285,472	270,050	293,115
Supporting services				
Pupil	5,458,960	4,640,930	4,573,570	5,151,519
Instructional staff	1,128,566	1,020,238	796,246	1,105,115
Board of education	280,277	377,032	293,275	185,639
Administration	4,238,024	3,879,955	3,972,066	3,572,252
Fiscal services	1,362,183	1,224,013	1,241,610	1,308,372
Business	209,389	212,455	181,661	138,213
Operation and maintenance	4,349,599	4,288,849	3,727,099	4,703,686
Pupil transportation	2,683,649	2,487,445	2,482,610	2,105,930
Central services	1,414,700	1,152,590	1,107,753	1,238,121
Operation of non-instructional				
Food service operation	1,686,162	1,637,811	1,704,023	1,602,903
Community services	183,482	282,029	398,808	390,432
Extracurricular activities	1,515,518	1,532,448	1,494,547	1,575,353
Interest	178,622	28,218	12,317	15,575
Total primary government expenses	<u>59,215,043</u>	<u>55,697,820</u>	<u>53,816,868</u>	<u>55,356,537</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	714,206	872,606	961,921	689,547
Supporting services	84,125	260,560	27,656	32,155
Food service	581,522	586,943	614,831	633,756
Extracurricular activities	287,008	274,115	286,721	509,154
Operating grants, interest and contributions	2,777,684	3,139,788	3,281,807	3,896,102
Capital grants and contributions	16,200	-	-	-
Total primary government program revenues	<u>4,460,745</u>	<u>5,134,012</u>	<u>5,172,936</u>	<u>5,760,714</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (54,754,298)</u>	<u>\$ (50,563,808)</u>	<u>\$ (48,643,932)</u>	<u>\$ (49,595,823)</u>

Source: School District financial records.

2010	2009	2008	2007	2006	2005
\$ 24,376,479	\$ 23,652,717	\$ 23,461,756	\$ 22,397,614	\$ 22,750,693	\$ 22,178,609
7,480,054	7,123,538	6,769,100	6,171,430	5,977,408	5,526,298
494,788	417,734	362,396	625,254	697,855	488,448
22,162	8,101	-	-	-	-
345,290	334,122	335,822	146,458	114,260	122,900
5,004,703	4,411,393	4,313,535	3,896,669	3,621,533	3,475,042
1,490,183	1,332,384	1,173,503	1,591,941	1,545,736	1,604,238
300,183	248,137	194,264	181,592	200,594	242,616
3,819,462	4,075,728	3,764,269	4,135,156	3,667,390	3,102,516
1,167,420	1,082,243	1,206,941	1,035,686	1,026,671	1,011,324
141,522	141,211	107,225	99,760	101,859	108,317
4,610,770	4,906,171	4,600,580	4,477,751	4,341,689	4,335,829
2,384,724	2,451,920	2,243,881	2,130,173	2,242,536	1,997,265
852,905	1,243,114	1,136,870	963,951	972,098	833,133
1,544,266	1,520,884	1,349,775	1,280,058	1,379,737	1,502,864
442,191	449,194	423,544	539,954	428,796	435,305
1,482,207	1,663,067	1,529,681	1,318,465	1,407,527	1,305,977
19,565	22,413	26,595	31,685	38,659	40,903
<u>55,978,874</u>	<u>55,084,071</u>	<u>52,999,737</u>	<u>51,023,597</u>	<u>50,515,041</u>	<u>48,311,584</u>
1,125,655	1,075,433	1,270,572	1,343,392	1,046,970	771,779
147,889	138,297	111,671	158,984	111,450	87,414
677,881	713,708	694,341	719,773	853,104	901,660
221,410	269,712	285,070	293,107	226,217	254,780
3,546,598	2,796,237	2,453,717	2,146,233	2,136,649	2,064,576
-	50,207	83,815	67,713	56,601	45,593
<u>5,719,433</u>	<u>5,043,594</u>	<u>4,899,186</u>	<u>4,729,202</u>	<u>4,430,991</u>	<u>4,125,802</u>
<u>\$ (50,259,441)</u>	<u>\$ (50,040,477)</u>	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>	<u>\$ (46,084,050)</u>	<u>\$ (44,185,782)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (expense) revenue				
Total primary government net expense	\$ (54,754,298)	\$ (50,563,808)	\$ (48,643,932)	\$ (49,595,823)
General revenues and other changes in net assets				
Governmental activities:				
Property taxes levied for:				
General purposes	41,065,651	38,849,652	37,170,611	37,907,103
Capital improvements	1,040,539	985,522	912,782	1,106,283
Grants and entitlements not restricted to specific purposes	13,417,197	13,332,467	14,159,410	14,919,942
Investment earnings	37,478	35,853	11,605	25,058
Miscellaneous	649,250	590,392	462,587	669,310
Total primary government	<u>56,210,115</u>	<u>53,793,886</u>	<u>52,716,995</u>	<u>54,627,696</u>
Change in net position				
Total primary government	<u>\$ 1,455,817</u>	<u>\$ 3,230,078</u>	<u>\$ 4,073,063</u>	<u>\$ 5,031,873</u>

Source: School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>\$ (50,259,441)</u>	<u>\$ (50,040,477)</u>	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>	<u>\$ (46,084,050)</u>	<u>\$ (44,185,782)</u>
33,277,659	34,242,328	34,800,124	33,293,525	30,330,456	30,740,398
848,655	979,869	1,049,604	1,092,069	992,785	1,026,923
14,466,220	11,918,198	13,223,960	11,535,169	11,137,742	11,824,292
52,289	308,210	733,560	1,043,975	885,550	318,626
309,834	276,246	560,047	132,201	80,176	(46,165)
<u>48,954,657</u>	<u>47,724,851</u>	<u>50,367,295</u>	<u>47,096,939</u>	<u>43,426,709</u>	<u>43,864,074</u>
<u>\$ (1,304,784)</u>	<u>\$ (2,315,626)</u>	<u>\$ 2,266,744</u>	<u>\$ 802,544</u>	<u>\$ (2,657,341)</u>	<u>\$ (321,708)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST FIVE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund					
Committed	\$ 1,735,073	\$ 1,519,073	\$ 1,303,073	\$ 1,923,073	\$ 1,462,073
Assigned	2,100,418	1,006,641	2,946,806	1,432,293	1,109,701
Unassigned	<u>19,067,606</u>	<u>18,667,203</u>	<u>11,280,122</u>	<u>9,896,199</u>	<u>5,160,235</u>
Total General Fund	<u>\$ 22,903,097</u>	<u>\$ 21,192,917</u>	<u>\$ 15,530,001</u>	<u>\$ 13,251,565</u>	<u>\$ 7,732,009</u>
Other governmental funds					
Nonspendable	\$ 27,527	\$ 28,923	\$ 29,671	\$ 46,105	\$ 31,353
Restricted	1,721,020	2,064,303	1,852,125	2,679,354	2,118,102
Unassigned	<u>(255,598)</u>	<u>(275,014)</u>	<u>(557,661)</u>	<u>(620,492)</u>	<u>(309,340)</u>
Total other governmental funds	<u>\$ 1,492,949</u>	<u>\$ 1,818,212</u>	<u>\$ 1,324,135</u>	<u>\$ 2,104,967</u>	<u>\$ 1,840,115</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011. Pre-GASB 54 fund balances for the prior five years are presented on S-9.

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NORTH OLMSTED CITY SCHOOL DISTRICT
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST FIVE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund					
Reserved	\$ 5,108,651	\$ 5,862,727	\$ 4,582,867	\$ 4,970,651	\$ 5,324,359
Unreserved	3,937,797	4,158,609	3,692,633	4,039,705	7,512,245
Total General Fund	<u>\$ 9,046,448</u>	<u>\$ 10,021,336</u>	<u>\$ 8,275,500</u>	<u>\$ 9,010,356</u>	<u>\$ 12,836,604</u>
Other governmental funds					
Reserved	\$ 299,079	\$ 752,350	\$ 539,278	\$ 681,197	\$ 588,667
Unreserved, reported in					
Special Revenue Funds (1)	458,148	369,786	497,204	346,894	375,087
Debt Service Fund	52,637	52,650	56,192	63,060	78,560
Capital Projects Fund	1,375,561	752,728	783,077	610,870	563,321
Total other governmental funds	<u>\$ 2,185,425</u>	<u>\$ 1,927,514</u>	<u>\$ 1,875,751</u>	<u>\$ 1,702,021</u>	<u>\$ 1,605,635</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011. GASB 54 fund balances for the five years ending June 30, 2010 - 2014 are presented on S-7.

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NORTH OLMSTED CITY SCHOOL DISTRICT
 GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Taxes	\$ 42,106,190	\$ 39,760,574	\$ 38,371,093	\$ 39,188,686
Tuition and fees	649,801	827,990	762,957	876,716
Interest	37,478	35,853	11,605	25,058
Intergovernmental	16,276,025	16,484,226	17,420,229	18,760,117
Charges for services	563,109	599,189	632,549	655,393
Extracurricular	396,976	350,963	355,735	399,833
Other	<u>706,225</u>	<u>806,474</u>	<u>602,474</u>	<u>601,980</u>
Total	<u>\$ 60,735,804</u>	<u>\$ 58,865,269</u>	<u>\$ 58,156,642</u>	<u>\$ 60,507,783</u>

Source: School District Financial Records, All Governmental Fund Types.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 33,554,392	\$ 35,459,539	\$ 35,632,081	\$ 34,554,578	\$ 31,386,584	\$ 31,798,589
732,161	690,452	1,138,729	341,666	522,049	150,672
52,289	308,210	733,560	1,043,975	885,550	318,626
18,012,818	16,163,121	15,153,016	14,611,361	13,015,509	13,951,604
723,844	760,376	741,409	769,876	895,697	960,088
380,845	414,674	430,416	458,162	382,788	347,623
<u>693,981</u>	<u>621,315</u>	<u>549,564</u>	<u>498,573</u>	<u>517,383</u>	<u>511,083</u>
<u>\$ 54,150,330</u>	<u>\$ 54,417,687</u>	<u>\$ 54,378,775</u>	<u>\$ 52,278,191</u>	<u>\$ 47,605,560</u>	<u>\$ 48,038,285</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures				
Instruction	\$ 34,344,971	\$ 32,777,011	\$ 32,022,732	\$ 32,360,007
Pupil supporting services	5,482,434	4,691,310	4,648,260	5,261,245
Instructional support	1,182,989	1,000,946	775,360	1,101,512
Board of education and administration	3,724,689	3,524,501	3,645,632	2,918,878
Fiscal and business services	1,515,944	1,467,218	1,426,695	1,439,166
Operation and maintenance	4,972,457	5,530,590	6,830,343	4,745,581
Pupil transportation	2,555,361	2,339,691	2,542,036	1,908,824
Central and community services	1,622,719	1,438,772	1,504,626	1,639,852
Food service operation	1,674,344	1,618,632	1,684,980	1,587,422
Extracurricular activities	1,519,769	1,540,787	1,480,777	1,559,993
Capital outlay	216,488	-	-	-
Debt service				
Principal	345,000	85,000	85,000	85,000
Interest	193,722	8,818	12,597	15,895
Total expenditures	<u>\$ 59,350,887</u>	<u>\$ 56,023,276</u>	<u>\$ 56,659,038</u>	<u>\$ 54,623,375</u>
Debt service as a percentage of noncapital expenditures	<u>0.93%</u>	<u>0.18%</u>	<u>0.17%</u>	<u>0.19%</u>

Source: School District Financial Records, All Governmental Fund Types.

2010	2009	2008	2007	2006	2005
\$ 32,710,592	\$ 31,963,493	\$ 30,877,961	\$ 30,979,631	\$ 30,018,287	\$ 27,614,812
5,025,884	4,457,730	4,394,429	4,045,439	3,683,346	3,506,155
1,469,968	1,300,195	1,142,972	1,614,974	1,544,594	1,498,106
3,608,866	3,788,962	3,336,701	3,732,367	3,406,801	3,305,319
1,306,900	1,259,017	1,260,990	1,129,260	1,124,693	1,108,844
4,706,956	4,851,480	4,582,460	4,614,421	4,454,507	4,649,755
2,352,362	2,438,239	2,338,646	2,245,072	2,430,591	1,827,419
1,434,101	1,597,441	1,546,650	1,499,545	1,420,598	1,382,052
1,560,668	1,505,358	1,313,315	1,299,575	1,400,894	1,466,486
1,537,321	1,678,945	1,536,845	1,319,452	1,420,605	1,297,225
-	83,643	-	-	-	-
85,000	85,000	114,774	134,632	169,904	75,234
19,465	23,013	26,895	32,085	38,959	38,103
<u>\$ 55,818,083</u>	<u>\$ 55,032,516</u>	<u>\$ 52,472,638</u>	<u>\$ 52,646,453</u>	<u>\$ 51,113,779</u>	<u>\$ 47,769,510</u>
<u>0.19%</u>	<u>0.20%</u>	<u>0.28%</u>	<u>0.32%</u>	<u>0.41%</u>	<u>0.24%</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE 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>
Excess of revenues over (under) expenditures	<u>\$ 1,384,917</u>	<u>\$ 2,841,993</u>	<u>\$ 1,497,604</u>	<u>\$ 5,884,408</u>
Other financing sources (uses)				
Proceeds from bond issue	-	3,315,000	-	-
Transfers-in	233,000	308,713	140,208	233,000
Transfers-out	<u>(233,000)</u>	<u>(308,713)</u>	<u>(140,208)</u>	<u>(333,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,315,000</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	<u><u>\$ 1,384,917</u></u>	<u><u>\$ 6,156,993</u></u>	<u><u>\$ 1,497,604</u></u>	<u><u>\$ 5,784,408</u></u>

Source: School District Financial Records, All Governmental Fund Types.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>\$ (1,667,753)</u>	<u>\$ (614,829)</u>	<u>\$ 1,906,137</u>	<u>\$ (368,262)</u>	<u>\$ (3,508,219)</u>	<u>\$ 268,775</u>
-	-	-	-	-	855,000
948,000	260,000	257,628	289,047	372,484	793,471
<u>(948,000)</u>	<u>(360,000)</u>	<u>(357,628)</u>	<u>(489,047)</u>	<u>(572,484)</u>	<u>(893,471)</u>
<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>755,000</u>
<u><u>\$ (1,667,753)</u></u>	<u><u>\$ (714,829)</u></u>	<u><u>\$ 1,806,137</u></u>	<u><u>\$ (568,262)</u></u>	<u><u>\$ (3,708,219)</u></u>	<u><u>\$ 1,023,775</u></u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Year	Real Property		Public Utility Property		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value
2014	\$ 765,833,660	\$ 2,188,096,171	\$ 15,046,850	\$ 17,098,693	\$ -	\$ -
2013	767,170,580	2,191,915,943	13,514,210	15,357,057	-	-
2012	809,845,510	2,313,844,314	12,548,990	14,260,216	-	-
2011	817,931,363	2,336,946,751	11,747,340	13,349,250	-	-
2010	818,482,949	2,338,522,711	11,432,430	12,991,398	-	-
2009	811,531,253	2,318,660,723	11,624,510	13,209,670	7,756,600	124,105,600
2008	872,453,590	2,492,724,543	10,087,260	11,462,795	14,900,383	119,203,064
2007	872,935,790	2,494,102,257	14,491,560	16,467,682	39,288,377	209,538,011
2006	799,704,250	2,284,869,286	14,629,810	16,624,784	49,263,743	214,190,187
2005	795,980,870	2,274,231,057	15,759,330	17,908,330	47,248,786	196,869,942

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Cuyahoga County Auditor.

- (1) This amount is calculated based upon an assessed value of 35 percent of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percent of actual value.
- (3) General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009 and 2010.

Assessed Value	Total		Assessed Value Ratio	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value		
\$ 780,880,510	\$ 2,205,194,864		35.4%	91.4
780,684,790	2,207,273,000		35.4%	91.4
822,394,500	2,328,104,530		35.3%	91.4
829,678,703	2,350,296,001		35.3%	83.5
829,915,379	2,351,514,109		35.3%	83.5
830,912,363	2,455,975,993		33.8%	77.0
897,441,233	2,623,390,402		34.2%	77.0
926,715,727	2,720,107,950		34.1%	69.1
863,597,803	2,515,684,257		34.3%	69.1
858,988,986	2,489,009,329		34.5%	69.1

NORTH OLMSTED CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 ASSESSED VALUATION)
LAST TEN CALENDAR YEARS

Year	School District		Total Direct Tax Rate	County	Vocational School	City	Total Direct and Overlapping Governments
	General	Improvements					
2013	89.50	1.90	91.40	22.53	2.40	13.30	129.63
2012	89.50	1.90	91.40	20.80	2.40	13.30	127.90
2011	89.50	1.90	91.40	20.80	2.40	13.30	127.90
2010	89.50	1.90	91.40	20.90	2.40	13.30	128.00
2009	81.60	1.90	83.50	20.60	2.40	13.30	119.80
2008	81.60	1.90	83.50	20.60	2.40	13.20	119.70
2007	81.60	1.90	83.50	20.20	2.40	13.20	119.30
2006	75.10	1.90	77.00	20.20	2.40	13.20	112.80
2005	75.10	1.90	77.00	20.30	2.40	13.30	113.00
2004	75.10	1.90	77.00	19.40	2.40	13.40	112.20

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Cuyahoga county Fiscal Officer.

NORTH OLMSTED CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS
 REAL ESTATE TAX
 AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2004

December 31, 2013		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 35,398,750	4.53%
BRE DDR Great Northern LLC	22,656,360	2.90%
PWA Great Northern Corporation	9,327,500	1.19%
B & G Properties LTD Partnership	6,286,230	0.81%
Water Tower Square Ltd Partnership	6,286,230	0.81%
DDR MDT Great Northern LLC	6,095,390	0.78%
JVM Butternut Ridge Apartments, LLC	5,425,000	0.69%
Moen, Inc.	5,206,390	0.67%
Higbee Company	4,579,300	0.59%
Mays Stores 74 Corp	4,285,060	0.55%
	\$ 105,546,210	13.52%
 Total Value in the District	 \$ 780,880,510	

December 31, 2004		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
DDRC Great Northern, LTD	\$ 21,872,220	2.55%
Great Northern Partnership	20,866,170	2.43%
Great Northern Property Company	6,970,790	0.81%
Higbee Company	6,213,030	0.72%
JVM Butternut Ridge Apartments, LLC	5,642,880	0.66%
B & G Properties LTD Partnership	5,012,880	0.58%
WEA Great Northern Mall LLC	4,967,310	0.58%
Water Tower Square LTD	4,790,670	0.56%
Wal Mart	4,305,810	0.50%
Sears Roebuck & Company	3,603,500	0.42%
	\$ 84,245,260	9.81%
 Total Value in the District	 \$ 858,988,986	

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis because of the manner in which the information is maintained by the Cuyahoga County Fiscal Officer.

NORTH OLMSTED CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS
 PUBLIC UTILITY TAX
 AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2004

December 31, 2013		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co	\$ 13,089,230	1.68%
East Ohio Gas Company	1,100,240	0.14%
American Transmission Corporation	836,500	0.11%
Columbia Gas Transmission	14,360	0.00%
Columbia Gas of Ohio, Inc.	6,520	0.00%
	\$ 15,046,850	1.93%
 Total Value in the District	 \$ 780,880,510	

December 31, 2004		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 7,615,210	0.89%
Ohio Bell Telephone Company	5,039,530	0.59%
East Ohio Gas Company	851,530	0.10%
American Transmission System	828,770	0.10%
Alltel Ohio Limited Partnership	291,120	0.03%
New Par	199,470	0.02%
Strintcon, Inc.	182,260	0.02%
	\$ 15,007,890	1.75%
 Total Value in the District	 \$ 858,988,986	

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Cuyahoga County Fiscal Officer.

(1) Assessed Values are for the 2012 and 2003 collection year, respectively.

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NORTH OLMSTED CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections
2013	\$ 44,241,099	\$ 1,582,046	\$ 45,823,145	\$ 42,821,039
2012	44,941,901	1,703,178	46,645,079	43,136,129
2011	45,022,182	2,609,009	47,631,191	43,442,779
2010	38,280,423	2,167,952	40,448,375	36,331,929
2009	38,728,763	1,337,831	40,066,594	36,993,242
2008	38,634,577	1,340,775	39,975,352	37,261,663
2007	33,007,248	1,367,042	34,374,290	31,837,070
2006	32,675,769	1,125,808	33,801,577	31,668,716
2005	32,635,396	1,256,788	33,892,184	31,534,646
2004	32,600,071	1,810,229	34,410,300	31,186,760

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Cuyahoga County Fiscal Officer.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. June 30, 2013 information cannot be presented because all collections have not been made by June 30.

<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collection as a Percent of Current Levy</u>
97.5%	\$ 863,855	\$ 43,999,984	99.5%
96.0%	1,046,966	44,183,095	98.3%
96.5%	1,033,573	44,476,352	98.8%
94.9%	1,355,614	37,687,543	98.5%
95.5%	769,993	37,763,235	97.5%
96.4%	971,078	38,232,741	99.0%
96.5%	698,174	32,535,244	98.6%
96.9%	710,875	32,379,591	99.1%
96.6%	985,919	32,520,565	99.6%
95.7%	1,036,087	32,222,847	98.8%

NORTH OLMSTED CITY SCHOOL DISTRICT
 OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Capital Leases	General Obligation Notes	Total Primary Government
2014	\$ 3,140,000	\$ -	\$ -	\$ 3,140,000
2013	3,485,000	-	-	3,485,000
2012	255,000	-	-	255,000
2011	340,000	-	-	340,000
2010	425,000	-	-	425,000
2009	510,000	-	-	510,000
2008	595,000	-	-	595,000
2007	680,000	29,774	-	709,774
2006	765,000	79,406	-	844,406
2005	855,000	127,310	32,000	1,014,310

Source:

- (1) School District Financial Records.
- (2) See Schedule S-17 for estimated actual value of taxable property.
- (3) See Schedule S-26 for personal income, population, and ADM data.
 These ratios are calculated using data for the prior calendar year.

<u>Percentage of Estimated Actual Value (2)</u>	<u>Percentage of Personal Income (3)</u>	<u>Per Capita (3)</u>	<u>Per ADM (3)</u>
0.14%	0.33%	\$ 96	\$ 776
0.15%	0.37%	107	886
0.01%	0.03%	8	61
0.01%	0.04%	11	79
0.02%	0.05%	14	97
0.02%	0.06%	16	111
0.02%	0.07%	19	130
0.03%	0.09%	22	152
0.04%	0.10%	26	176
0.04%	0.12%	30	213

NORTH OLMSTED CITY SCHOOL DISTRICT
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	<u>\$ 780,880,510</u>	<u>\$ 780,684,790</u>	<u>\$ 822,394,500</u>	<u>\$ 829,678,703</u>
Debt Limit -				
9% of Assessed Value (1)	<u>70,279,246</u>	<u>70,261,631</u>	<u>74,015,505</u>	<u>74,671,083</u>
Debt Applicable to Debt Limit:				
General Obligation Bonds	3,055,000	3,485,000	255,000	340,000
Amount Available in Debt				
Service Fund	<u>(105,820)</u>	<u>(88,112)</u>	<u>(73,930)</u>	<u>(63,277)</u>
Total	<u>2,949,180</u>	<u>3,396,888</u>	<u>181,070</u>	<u>276,723</u>
Overall Debt Margin	<u>\$ 67,330,066</u>	<u>\$ 66,864,743</u>	<u>\$ 73,834,435</u>	<u>\$ 74,394,360</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>4.35%</u>	<u>4.96%</u>	<u>0.34%</u>	<u>0.46%</u>
Overall Limit -				
.10% of Assessed Value (1)	\$ 780,881	\$ 780,685	\$ 822,394	\$ 829,679
Amount of Debt Applicable	<u>85,000</u>	<u>170,000</u>	<u>255,000</u>	<u>340,000</u>
Unvoted Debt Margin	<u>\$ 695,881</u>	<u>\$ 610,685</u>	<u>\$ 567,394</u>	<u>\$ 489,679</u>
Unvoted debt applicable to debt limit as a percentage of unvoted debt limit	<u>10.885%</u>	<u>21.776%</u>	<u>31.007%</u>	<u>40.980%</u>

Source: Cuyahoga County Fiscal Officer and School District Financial Records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>\$ 829,915,379</u>	<u>\$ 889,115,760</u>	<u>\$ 897,441,233</u>	<u>\$ 926,715,727</u>	<u>\$ 863,597,803</u>	<u>\$ 858,988,986</u>
<u>74,692,384</u>	<u>80,020,418</u>	<u>80,769,711</u>	<u>83,404,415</u>	<u>77,723,802</u>	<u>77,309,009</u>
425,000	510,000	595,000	680,000	765,000	887,000
<u>(56,172)</u>	<u>(52,637)</u>	<u>(52,650)</u>	<u>(56,192)</u>	<u>(63,060)</u>	<u>(78,560)</u>
<u>368,828</u>	<u>457,363</u>	<u>542,350</u>	<u>623,808</u>	<u>701,940</u>	<u>808,440</u>
<u>\$ 74,323,556</u>	<u>\$ 79,563,055</u>	<u>\$ 80,227,361</u>	<u>\$ 82,780,607</u>	<u>\$ 77,021,862</u>	<u>\$ 76,500,569</u>
<u>0.57%</u>	<u>0.64%</u>	<u>0.74%</u>	<u>0.82%</u>	<u>0.98%</u>	<u>1.15%</u>
\$ 829,915	\$ 889,116	\$ 897,441	\$ 926,716	\$ 863,598	\$ 858,989
<u>425,000</u>	<u>510,000</u>	<u>595,000</u>	<u>680,000</u>	<u>765,000</u>	<u>850,000</u>
<u>\$ 404,915</u>	<u>\$ 379,116</u>	<u>\$ 302,441</u>	<u>\$ 246,716</u>	<u>\$ 98,598</u>	<u>\$ 8,989</u>
<u>51.210%</u>	<u>57.360%</u>	<u>66.300%</u>	<u>73.377%</u>	<u>88.583%</u>	<u>98.954%</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
 AS OF DECEMBER 31, 2013

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<i>Direct Debt:</i>			
North Olmsted City School District	<u>\$ 3,140,000</u>	100.00%	<u>\$ 3,140,000</u>
<i>Underlying Debt:</i>			
Cuyahoga County	314,245,000	2.82%	8,861,709
Regional Transit Authority	116,450,000	2.82%	3,283,890
North Olmsted City	<u>32,215,000</u>	100.00%	<u>32,215,000</u>
Subtotal	<u>462,910,000</u>		<u>44,360,599</u>
Total	<u>\$ 466,050,000</u>		<u>\$ 47,500,599</u>

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the Cuyahoga County Fiscal Officer.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

NORTH OLMSTED CITY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Calendar Year	North Olmsted City Population (1)	Per Capita Income (2)	Personal Income	Average Daily Student Enrollment (3)	Cuyahoga County Unemployment Rate (4)
2014	32,718	\$ 28,754	\$ 940,773,372	4,046	8.8%
2013	32,718	29,293	940,773,372	3,993	8.3%
2012	32,718	28,754	940,773,372	4,117	7.9%
2011	32,718	26,757	817,917,282	4,193	9.4%
2010	31,053	28,411	852,795,765	4,314	9.0%
2009	31,319	28,411	852,795,765	4,366	10.2%
2008	31,641	26,686	805,411,545	4,484	8.1%
2007	32,126	25,070	805,398,820	4,587	6.1%
2006	32,653	25,173	821,973,969	4,613	5.9%
2005	33,105	24,829	821,964,045	4,587	6.2%

Source:

- (1) The City of North Olmsted.
- (2) Per Capita information from U.S. Census Bureau.
- (3) The School District's Records.
- (4) Ohio Job and Family Service Department.

NORTH OLMSTED CITY SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2004

December 31, 2013	
Name of Employer	Percent of Total City Income Taxes Paid
Moen Incorporated	10.97%
North Olmsted City School District	5.17%
The City of North Olmsted	2.25%
Factory Mutual Insurance Company	1.43%
Bernie Moreno Companies	1.42%
Wal Mart Associates, Inc.	1.13%
Ganley Westside Imports	1.04%
Palmer Holland, Inc.	1.00%
Riser Foods Company	0.99%
Advanstar Communications, Inc.	0.91%
Total	26.31%

December 31, 2004	
Name of Employer	Percent of Total City Income Taxes Paid
Factory Mutual Insurance Company	N/A
GMAC-GM Payroll Services	N/A
Heartland Employment Services, Inc.	N/A
May Department stores	N/A
Moen Incorporated	N/A
The City of North Olmsted	N/A
North Olmsted City School District	N/A
Riser Foods Company	N/A
Sunnyside Cars, Inc.	N/A
Wal Mart Associates, Inc.	N/A
Total	N/A

Source of information - Regional Income Tax Agency based on payroll taxes withheld.
 Percent of total city income tax paid is not available at December 31, 2004.

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NORTH OLMSTED CITY SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Administration	25	23	23	23
Instructional:				
Regular Teaching	200	195	198	206
Special Education	29	30	33	35
Vocational Education	3	3	3	4
Remedial Specialist	46	43	38	37
Tutors	11	8	4	3
Others	0	0	0	0
Other Professional:				
Counseling	11	11	11	11
Psychologist	5	5	5	5
Speech therapist	5	5	5	5
Others	6	4	4	4
Support Staff:				
Secretarial	37	36	37	38
Teacher Aides	64	59	56	52
Maintenance	10	7	7	8
Custodial	34	34	34	35
Transportation	26	27	28	29
Food Service	30	29	28	28
Monitors	30	25	15	15
Library Services	10	10	10	9
Computer Technicians	4	4	4	4
Other	5	5	5	4
Total	<u>591</u>	<u>563</u>	<u>548</u>	<u>555</u>

Source: School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
25	23	25	26	26	26
219	225	223	231	230	226
39	41	43	43	42	42
6	6	6	8	8	8
32	29	27	25	19	19
3	3	5	5	6	15
0	4	2	1	5	5
11	12	13	13	12	12
5	5	5	5	5	4
5	5	6	5	6	5
4	2	1	2	2	2
41	41	44	42	42	42
58	58	54	52	51	51
9	8	8	8	8	8
38	38	40	39	39	36
35	34	32	32	31	33
28	26	24	24	26	28
15	15	17	16	15	14
15	13	12	14	14	15
4	4	4	4	4	3
4	4	4	4	3	1
<u>596</u>	<u>596</u>	<u>595</u>	<u>599</u>	<u>594</u>	<u>595</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

	<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>2011</u>	
Source of Revenue - North Olmsted:								
Local	N/A	[c]	73.6%		71.2%		68.8%	
State	N/A	[c]	21.4%		23.7%		25.5%	
Federal	N/A	[c]	5.0%		5.1%		5.7%	
Source of Revenue - Statewide:								
Local	N/A	[c]	49.7%		47.3%		44.7%	
State	N/A	[c]	42.1%		44.1%		45.5%	
Federal	N/A	[c]	8.2%		8.6%		9.9%	
Cost per Pupil:								
North Olmsted	N/A	[c]	\$ 13,483		\$ 13,697		\$ 13,018	
Statewide	N/A	[c]	\$ 10,445		\$ 10,508		\$ 10,569	
Transportation:								
Percent of students transported			56.0%		55.0%		53.0%	
Number of miles traveled			295,853		280,620		295,926	
Food Service:								
Annual operating deficit	\$ (130,565)		\$ (101,390)		\$ (77,329)		\$ (101,620)	
Number of meals served	480,806		476,582		528,000		486,728	
Number of federally subsidized meals served	327,343		325,637		370,526		323,877	
Number of students receiving federally subsidized meals	1,687		1,696		1,628		1,624	
Median Income:								
North Olmsted	N/A	[c]	\$ 35,124		\$ 34,380		\$ 33,973	
Statewide	N/A	[c]	\$ 32,180		\$ 31,681		\$ 30,850	
New Construction Within the District:								
Residential	\$ 9,076,195		\$ 11,964,770		\$ 15,797,334		\$ 7,576,054	
Commercial	\$ 9,920,152		\$ 33,343,735		\$ 15,627,004		\$ 30,033,394	

Source: School District financial records.

- [a] In fiscal year 2006, the School District stopped providing lunches to a neighboring school(s) which resulted in a 19% decline in the number of meals served.
- [b] In fiscal year 2009, the School District started providing breakfasts at all school buildings.
- [c] 2014 data is not available from the State of Ohio at this time.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
	66.4%	69.1%	71.4%	72.6%	72.9%	71.0%
	27.5%	26.5%	24.9%	23.9%	23.1%	25.3%
	6.1%	4.3%	3.7%	3.5%	4.0%	3.8%
	45.7%	46.4%	48.2%	49.1%	48.8%	47.4%
	44.1%	45.4%	43.6%	42.9%	42.7%	44.2%
	10.2%	8.2%	8.2%	8.0%	8.5%	8.4%
	\$ 12,662	\$ 12,226	\$ 11,531	\$ 10,908	\$ 10,919	\$ 10,220
	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586	\$ 9,359	\$ 9,051
	50.0%	51.0%	50.0%	58.0%	53.5%	54.9%
	340,740	337,140	375,348	413,976	410,403	432,796
	\$ (80,843)	\$ (104,606)	\$ (118,804)	\$ (90,392)	\$ (206,071)	\$ (60,714)
	504,189	341,724 [b]	274,979	281,141	295,060 (a)	365,582
	339,455	171,780 [b]	159,501	148,514	128,103	122,507
	1,550	1,547	1,333	1,072	1,025	860
	\$ 35,006	\$ 35,099	\$ 34,740	\$ 34,391	\$ 34,604	\$ 34,456
	\$ 31,520	\$ 31,341	\$ 31,321	\$ 30,362	\$ 30,505	\$ 29,677
	\$ 7,094,128	\$ 6,574,278	\$ 7,474,587	\$ 9,094,649	\$ 8,804,637	\$ 6,712,977
	\$ 3,982,820	\$ 9,533,967	\$ 9,789,366	\$ 13,301,899	\$ 14,709,091	\$ 19,197,115

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>School Building</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Birch Primary (1967)				
Square Feet	35,522	35,522	35,522	35,522
Capacity	464	464	464	464
Enrollment	321	463	429	428
Butternut Primary (1968)				
Square Feet	31,682	31,682	31,682	31,682
Capacity	408	408	408	408
Enrollment	278	233	247	253
Forest Primary (1971)				
Square Feet	31,508	31,508	31,508	31,508
Capacity	336	336	336	336
Enrollment	255	254	223	237
Spruce Primary (1967)				
Square Feet	24,764	24,764	24,764	24,764
Capacity	312	312	312	312
Enrollment	245	204	200	190
Chestnut Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	480	480	480	480
Enrollment (b)	261	255	261	292
Maple Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	504	504	504	504
Enrollment	397	291	275	296
Pine Intermediate (1965)				
Square Feet	53,308	53,308	53,308	53,308
Capacity	456	456	456	456
Enrollment	271	406	396	420
Middle School (1930)				
Square Feet	114,987	114,987	114,987	114,987
Capacity	949	949	949	949
Enrollment	646	650	680	619
High School (1962)				
Square Feet	208,304	208,304	208,304	208,304
Capacity	1,194	1,194	1,194	1,194
Enrollment	1,376	1,389	1,405	1,458

Source of information - School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
35,522	35,522	35,522	35,522	35,522	35,522
464	464	464	464	464	464
414	425	409	403	405	323
31,682	31,682	31,682	31,682	31,682	31,682
408	408	408	408	408	408
250	233	274	264	264	346
31,508	31,508	31,508	31,508	31,508	31,508
336	336	336	336	336	336
258	261	300	310	278	264
24,764	24,764	24,764	24,764	24,764	24,764
312	312	312	312	312	312
173	176	217	221	221	218
42,381	42,381	42,381	42,381	42,381	42,381
480	480	480	480	480	480
314	316	312	304	304	315
42,381	42,381	42,381	42,381	42,381	42,381
504	504	504	504	504	504
291	294	283	306	307	286
53,308	53,308	53,308	53,308	53,308	53,308
456	456	456	456	456	456
449	418	400	403	410	456
114,987	114,987	114,987	114,987	114,987	114,987
949	949	949	949	949	949
657	696	669	712	772	765
208,304	208,304	208,304	208,304	208,304	208,304
1,194	1,194	1,194	1,194	1,194	1,194
1,508	1,547	1,618	1,664	1,652	1,610

NORTH OLMSTED CITY SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 1,374,279	\$ 1,172,491	\$ 1,172,491	\$ 1,172,491
Construction in progress	-	61,142	2,559,093	26,401
Land improvements	1,477,160	1,477,160	869,318	869,318
Buildings and improvements	24,880,819	24,057,405	20,695,929	20,055,478
Furniture and equipment	3,302,784	3,133,348	3,012,418	2,936,573
Vehicles	2,739,976	2,781,976	3,087,156	2,980,704
Total	<u>33,775,018</u>	<u>32,683,522</u>	<u>31,396,405</u>	<u>28,040,965</u>
Less accumulated depreciation	<u>(18,662,346)</u>	<u>(17,861,536)</u>	<u>(17,135,183)</u>	<u>(16,414,810)</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 15,112,672</u>	<u>\$ 14,821,986</u>	<u>\$ 14,261,222</u>	<u>\$ 11,626,155</u>

Source: School District financial records.

	2010	2009	2008	2007	2006	2005
\$	1,172,491	\$1,172,491	\$1,088,848	\$1,088,848	\$1,088,848	\$1,088,848
	-	69,021	-	-	-	-
	835,881	835,881	835,881	835,881	835,881	835,881
	20,027,650	19,397,055	19,460,758	19,382,511	17,668,955	17,645,361
	2,894,313	3,166,187	3,203,159	3,040,568	3,047,349	2,876,362
	<u>2,976,568</u>	<u>2,994,178</u>	<u>2,956,695</u>	<u>2,982,463</u>	<u>2,932,969</u>	<u>2,796,398</u>
	27,906,903	27,634,813	27,545,341	27,330,271	25,574,002	25,242,850
	<u>(15,568,169)</u>	<u>(14,892,229)</u>	<u>(14,283,034)</u>	<u>(13,604,602)</u>	<u>(13,115,098)</u>	<u>(12,469,211)</u>
	<u>\$ 12,338,734</u>	<u>\$12,742,584</u>	<u>\$13,262,307</u>	<u>\$13,725,669</u>	<u>\$12,458,904</u>	<u>\$12,773,639</u>

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Dave Yost • Auditor of State

NORTH OLMSTED 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
JANUARY 6, 2015**