

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	5
Independent Accountants' Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i>	7
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings and Questioned Cost	13

This page left intentionally blank.

NORTH OLDMSTED CITY SCHOOL DISTRICT

Cuyahoga County

Schedule of Federal Awards Receipts and Expenditures (A)
For the Year Ended June 30, 2003

Federal Grantor / Pass through Grantor Program Title	Pass through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture						
<i>Passed through Ohio Department of Education:</i>						
Children Nutrition Cluster:						
Food Distribution Program (B)	Not Available	10.550		\$ 50,905		\$ 50,905
National School Lunch Program (C)	044529-LL-P4-2002	10.555	\$ 36,125		\$ 36,125	
National School Lunch Program (C)	044529-LL-P4-2003	10.555	216,174		216,174	
Total			252,299		252,299	
Total U.S. Department of Agriculture			\$ 252,299	\$ 50,905	\$ 252,299	\$ 50,905
U.S. Department of Education						
<i>Passed through Ohio Department of Education:</i>						
Special Education Cluster:						
Education of All Handicapped (Title VI-B)	044529-6B-SF-2002P	84.027	\$ 0		\$ 126,165	
Education of All Handicapped (Title VI-B)	044529-6B-SF-2003P	84.027	442,110		405,976	
Improving Learning Opportunities for Students with Disabilities	044529-6B-SD-2003P	84.027	9,000		1,966	
Preschool Handicapped	044529-PG-S1-2002P	84.173	0		2,373	
Preschool Handicapped	044529-PG-S1-2003P	84.173	21,849		21,849	
Total Special Education Cluster			472,959		558,329	

See Accompanying Notes to Schedule of Federal Awards.

NORTH OLMSTED CITY SCHOOL DISTRICT

Cuyahoga County

Schedule of Federal Awards Receipts and Expenditures (A)
For the Year Ended June 30, 2003

Federal Grantor / Pass through <u>Grantor Program Title</u>	Pass through <u>Entity Number</u>	Federal CFDA <u>Number</u>	<u>Receipts</u>	Non-Cash <u>Receipts</u>	<u>Expenditures</u>	Non-Cash <u>Expenditures</u>
Adult Basic Literacy Education	044529-AB-S1-2002	84.002	\$ 8,906		\$ 3,042	
Adult Basic Literacy Education	044529-AB-S1-2003	84.002	24,517		24,517	
Total			33,423		27,559	
IASA Title I	044529-C1-S1-2001	84.010	0		21	
IASA Title I	044529-C1-S1-2002	84.010	0		45,321	
IASA Title I	044529-C1-S1-2003	84.010	191,604		163,154	
Total			191,604		208,496	
Drug Free Schools, IASA Title IV	044529-DR-S1-2001	84.186	0		4,245	
Drug Free Schools, IASA Title IV	044529-DR-S1-2002	84.186	0		509	
Drug Free Schools, IASA Title IV	044529-DR-S1-2003	84.186	6,962		25,482	
Total			6,962		30,236	
Eisenhower, IASA Title II	044529-MS-S1-2001	84.281	1,474		0	
Eisenhower, IASA Title II	044529-MS-S1-2002	84.281	0		6,131	
Total			1,474		6,131	
Innovative Programs, IASA Title VI	044529-C2-S1-2001	84.298	0		942	
Innovative Programs, IASA Title VI	044529-C2-S1-2002	84.298	0		25,625	
Innovative Programs, IASA Title V	044529-C2-S1-2003	84.298	29,039		28,249	
Total			29,039		54,816	

See Accompanying Notes to Schedule of Federal Awards.

NORTH OLMSTED CITY SCHOOL DISTRICT

Cuyahoga County

Schedule of Federal Awards Receipts and Expenditures (A)
For the Year Ended June 30, 2003

<u>Federal Grantor / Pass through Grantor Program Title</u>	<u>Pass through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
Title IID Technology Literacy Challenge	044529-TJ-S1-2003	84.318	\$ 5,246		\$ 5,068	
AP Testing	044529-AV-S1-2002	84.330	98		98	
School Renovation, IDEA and Technology	044529-AT-S1-2002	84.352A	0		774	
School Renovation, IDEA and Technology	044529-AT-S2-2002	84.352A	12,398		12,398	
School Renovation, IDEA and Technology	044529-AT-S3-2002	84.352A	7,712		7,483	
			<u>20,110</u>		<u>20,655</u>	
Title III - Limited English Proficiency	044529-T3-S1-2003	84.365	28,188		27,934	
Improving Teacher Quality	044529-TR-S1-2003	84.367	116,582		116,598	
Total U.S. Department of Education			<u>\$ 905,685</u>	<u>\$ 0</u>	<u>\$ 1,055,920</u>	<u>\$ 0</u>

See Accompanying Notes to Schedule of Federal Awards.

NORTH OLMSTED CITY SCHOOL DISTRICT

Cuyahoga County

Schedule of Federal Awards Receipts and Expenditures (A)
For the Year Ended June 30, 2003

<u>Federal Grantor / Pass through Grantor Program Title</u>	<u>Pass through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
<u>U.S. Department of Labor</u>						
<i>Passed through Ohio Department of Education:</i>						
<u>Corporation for National and Community Service</u>						
<i>Passed through Ohio Department of Education:</i>						
Learn and Serve America	044529-SV-S5-2003	94.004	\$ 50,000		\$ 47,135	
Total			\$ 1,207,984	\$ 50,905	\$ 1,355,354	\$ 50,905
TOTAL FEDERAL FINANCIAL ASSISTANCE						

See Accompanying Notes to Schedule of Federal Awards.

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH PROGRAM

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Education
North Olmsted City School District
Cuyahoga County
24100 Palm Drive
North Olmsted, Ohio 44070

We have audited the basic financial statements of the North Olmsted City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004, wherein we noted the District restated its internal service fund. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 28, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters over other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 28, 2004.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

North Olmsted City School District
Cuyahoga County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management, and the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 28, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
North Olmsted City School District
Cuyahoga County
24100 Palm Drive
North Olmsted, Ohio 44070

Compliance

We have audited the compliance of the North Olmsted City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 28, 2004.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District, as of and for the year ended June 30, 2003, and have issued our report thereon dated January 28, 2004, wherein we noted the District restated its internal service fund. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

January 28, 2004

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Title VI-B CFDA # 84.027 and Preschool CFDA # 84.173 & Title I Grant CFDA # 84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
(Continued)**

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

NORTH OLMSTED CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 §.315 (b)

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-001	Questioned Costs – Title VI-B expenditures made outside of period of availability	No	A representative of the Ohio Department of Education (ODE) has indicated that alternate expenditures, made from the General Fund that could have been made from the Title VI-B Fund, may be deemed acceptable as replacements. However, a final decision by ODE has not been made and is dependent on the results of the “Agreed Upon Procedures” engagement currently being performed by the Auditor of State.

This Page is Intentionally Left Blank.

NORTH OLMSTED
CITY SCHOOL DISTRICT
North Olmsted, Ohio

Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2003

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

North Olmsted City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal.....	v
List of Principal Officials.....	xv
Organizational Chart.....	xvi
GFOA Certificate of Achievement	xvii
ASBO International Certificate of Excellence	xviii
II. Financial Section	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget Basis (Non-GAAP) and Actual - General Fund	20
Statement of Fund Net Assets - Internal Service Fund	21
Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund	22
Statement of Cash Flows - Internal Service Fund	23
Statement of Fiduciary Assets and Liabilities - Agency Fund	24
Notes to the Basic Financial Statements	25

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions.....	52
Combining Balance Sheet - Nonmajor Governmental Funds.....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	55
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	60
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	65
Statement of Changes in Assets and Liabilities – Agency Fund.....	66

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

General Fund.....	68
Food Service Fund.....	72
Miscellaneous Local Projects Fund.....	73
Uniform School Supplies Fund.....	74
Adult Education Fund.....	75
Rotary Fund.....	76
Public Support Services Fund.....	77
Other Grants Fund.....	78
Data Communications Support Fund.....	79
Athletic Fund.....	80
Auxiliary Services Fund.....	81
Education M.I.S. Fund.....	82
Data Communications Fund.....	83
Schoolnet Fund.....	84
Ohio Reads Fund.....	85
Limited English Proficiency Fund.....	86
Parent Mentor Program Fund.....	87
Alternative Education Fund.....	88
Miscellaneous State Grants Fund.....	89
Adult Basic Education Fund.....	90
Eisenhower Math Fund.....	91
Title VIB Fund.....	92
Title I Fund.....	93
Title V Fund.....	94
Drug Free Schools Fund.....	95
Preschool Fund.....	96
Classroom Reduction Fund.....	97
Miscellaneous Federal Grants Fund.....	98
Debt Service Fund.....	99
Permanent Improvements Fund.....	100
SchoolNet Plus Fund.....	101
Video Distance Learning Fund.....	102

III. Statistical Section

Governmental Activities Revenues by Source and Expenses by
Function Last Two Fiscal Years S-1

General Fund Revenues by Source and Other
Financing Sources Last Ten Fiscal Years S-2

General Fund Expenditures by Function and Other Financing Uses
Last Ten Fiscal Years S-3

Property Tax Levies and Collections Last Ten Fiscal Years S-4

Assessed and Estimated Actual Value of Taxable
Property Last Ten Fiscal Years S-5

Property Tax Rates-Direct and Overlapping
Governments Last Ten Fiscal Years S-6

Ratio of Net General Obligation Bonded Debt to Assessed Value
And Net Bonded Debt Per Capita Last Ten Fiscal Years S-7

Computation of Legal Debt Margin S-8

Computation of Direct and Overlapping General Obligation Bonded Debt S-9

Ratio of Annual Debt Service Expenditures for General Obligation Bonded
Debt to General Fund Expenditures Last Ten Fiscal Years S-10

Demographic Statistics Last Ten Years S-11

Property Value, Financial Institution Deposits and Building Permits
Last Ten Fiscal Years S-12

Principal Taxpayers:
Tangible Personal Property Tax S-13
Real Estate Tax S-14
Public Utilities Tax S-15

Per Pupil Cost Last Ten Fiscal Years S-16

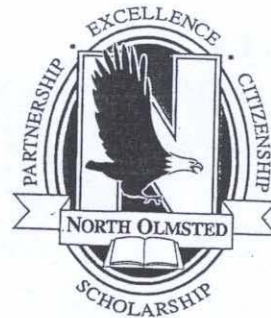
Teacher Education and Experience S-17

This page intentionally left blank.

North Olmsted City School District

24100 Palm Drive

North Olmsted, Ohio 44070



January 28, 2004

Members of the North Olmsted Board of Education:

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, 2003. 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 Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District, and a list of awards including the GFOA Certificate of Achievement and the ASBO Certificate of Excellence.
2. The Financial Section begins with the Independent Accountant's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section presents social and economic data, financial trends and demographic information of the North Olmsted City School District.

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 34,000. 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

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.

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". 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, the North Olmsted City Schools Education Foundation, and the Parent Teacher Association. A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose financial statements.

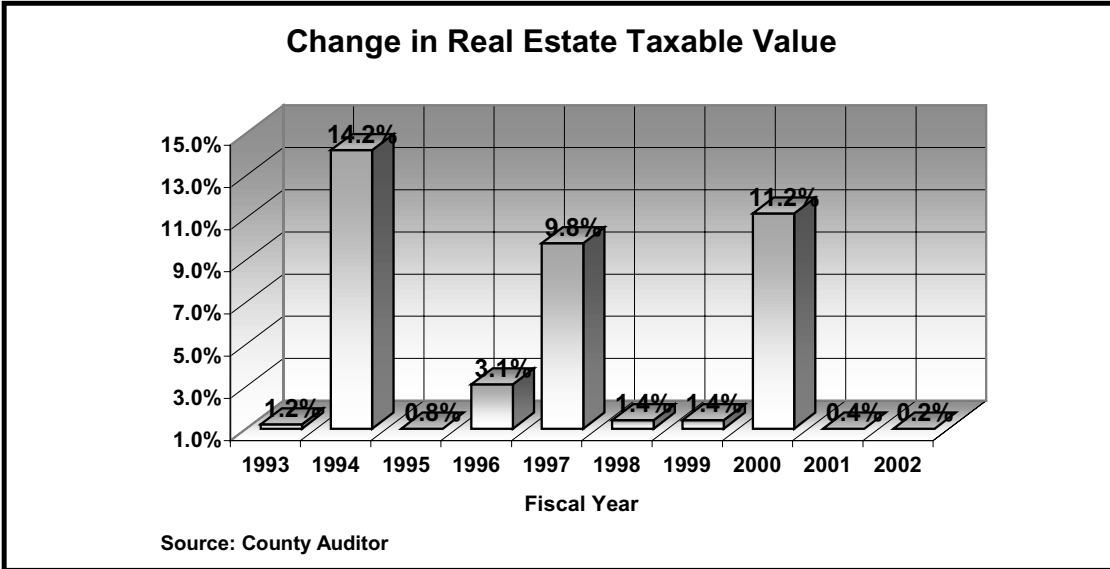
The School District is a member of the Lake Erie Educational Computer Association, the Polaris Career Center, the North Olmsted City Schools Education Foundation and the Ohio Schools Council Association. The relationship of these jointly governed organizations with the School District is described in more detail in Note 18 of the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

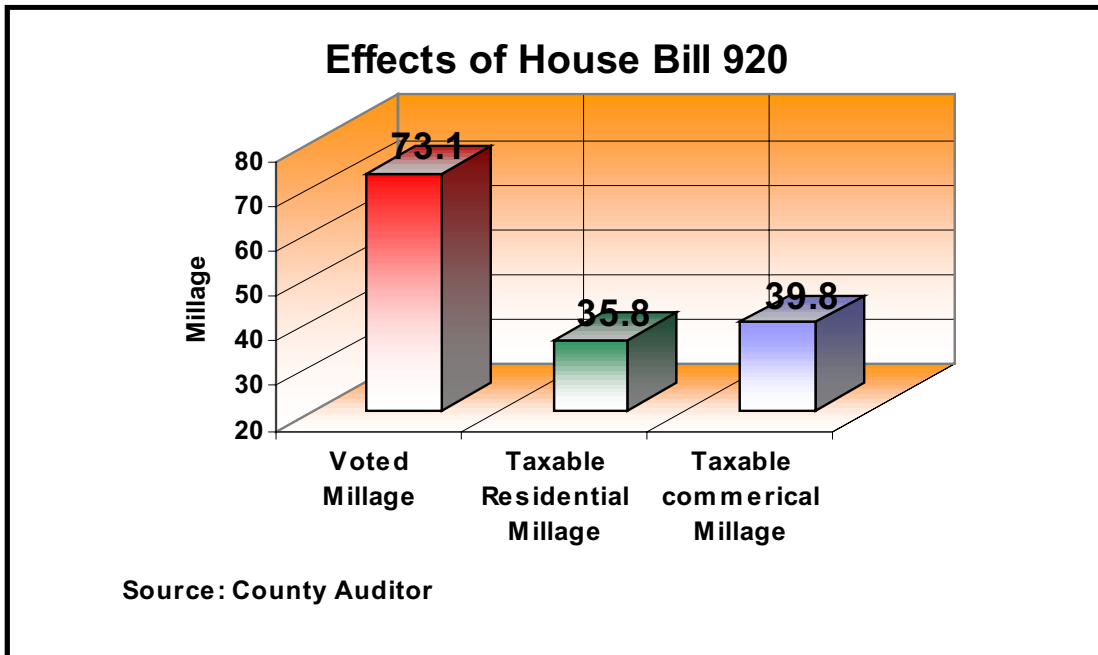
The District's financial position stabilized with the passage in May 2002 of a 7.9 mill operating levy. This levy is estimated to generate \$6.4 million dollars in additional revenue annually. The collection of this revenue is being phased in over a two year period beginning in fiscal year 2003. Based upon current financial projections, the School District will have adequate operating revenue for the next three years before the School District will be required to raise additional revenue through the passage of a new operating levy.

But why is it necessary for schools to periodically seek additional funds from the taxpayer? The answer to this question is based upon the nature of school funding in Ohio, which severely restricts the growth in operating revenues.

The District's primary source of operating revenues (70.1 percent) comes from the levying of real estate taxes on residential and commercial property located within the community. The City of North Olmsted is a mature community with limited vacant land available for new commercial or residential development. Increases in the School District's tax base come primarily from reevaluation of the taxable value of real estate by the County Auditor every three years and is illustrated in the graph on the following page.



Unfortunately, current state law prevents school districts in Ohio from receiving additional tax revenue when the County Auditor reevaluates property values. In 1976, the Ohio General Assembly passed House Bill 920. This law requires the tax rate to be lowered by the same percentage property values are increased by the County Auditor's reevaluation. North Olmsted City Schools has levied 77.0 mills of taxes to fund its operation, of which 73.1 is voted millage. House Bill 920 has lowered the effective millage to 35.8 mills for residential properties and 39.8 mills for commercial property and is illustrated in the graph below.



In effect, House Bill 920 removes inflationary revenue growth in revenue and requires school districts throughout Ohio to periodically place tax issues on the ballot for voter approval in order to receive additional revenue to offset rising costs.

The School District also faces a future loss of revenue from the collection of tangible personal property taxes. This tax is assessed on the value of inventory and equipment owned by businesses located within the community and represents approximately 8.1 percent of General Fund operating revenues received in fiscal year 2003.

In June 2003, the Ohio General Assembly passed House Bill 95, which will phase-out the inventory portion of the tax assessment. The phase-out period will be over 10 years beginning in calendar 2002. Once fully implemented, the School District estimates that its operating revenue will be reduced \$2,400,000 dollars annually.

Another significant source of revenue that is declining for the School District is funding received from the State of Ohio through its State Foundation Program. In fiscal year 1991, the Foundation Program provided over 26 percent of the School District's General Fund operating revenue. Today, the Foundation Program accounts for only 17.9 percent of the School District's General Fund operating revenue. The formula used to allocate State aid among school districts in Ohio redistributes these funds from school districts with a large real estate and personal property tax base, such as North Olmsted, to school districts with a smaller tax base. It is anticipated that money received from the State of Ohio will continue to decline as a major source of revenue as the financial burden of funding public education shifts to the local taxpayer.

MAJOR INITIATIVES - FISCAL YEAR 2003

Excellence in Academics, the Arts and Leaders in Community Service

In keeping with the above district theme, the following highlights give a snapshot look at the caliber of students graduating from the North Olmsted City Schools.

Academic Excellence

North Olmsted High School students continue to excel in the National Merit Scholarship Program. The Class of 2003 had four students who were named as Finalists in this extremely competitive measure of academic knowledge. Students from the Class of 2003 earned \$4,600,750 in renewable college and university scholarship offers, and over \$90,000 in local community awards.

The Class of 2003 graduated 417 students; of which 84 percent will continue their education at two or four year colleges. Approximately 4 percent entered the armed services, and 12 percent entered the workforce upon graduation. 107 graduates received the Ohio Award of Merit, 75 received the President's Award of Academic Excellence, and 97 graduated with an Honors Diploma.

87 percent of students taking the Advanced Placement tests scored a 3 or better, with 5 being the top score.

The Mock Trial team competed in the Cuyahoga County district competition. Five seniors won awards for best witness/best attorney. The Academic Challenge team placed first in the South West Conference for the past four years and was 2nd in Ohio in 2002.

The Arts

Students are regularly selected for the prestigious Cleveland Orchestra Youth Orchestra after competitive auditions, and perform at Severance Hall with students from many districts.

The Special Edition Vocal Jazz ensemble was selected to perform with top high school and college jazz groups from around the world at the annual International Association for Jazz Education Conference in California.

Continuing a long standing tradition of musical excellence, the High School Band again took First Place honors in the annual St. Patrick's Day Parade. High School Band and Orchestra students earned superior and excellent ratings in the Greater Cleveland Instrumental Solo and Ensemble Contest.

27 North Olmsted High School students had 35 pieces of their artwork chosen for the Ohio Governor's Youth Art Exhibit and four seniors were recognized for outstanding work in the Ohio Art Criticism competition.

Service to the Community

The award winning S.I.T.E.S. (Social Involvement Through Education and Service) program at North Olmsted High School coordinated a statewide Bicentennial project for schools in all 88 counties. S.I.T.E.S. brought the Bicentennial theme "Preserving the Past, Enriching the Present, and Shaping the Future" to classrooms across the state.

As part of the project, schools across Ohio submitted original quilt squares incorporating the theme. The squares were sewn together to make a large quilt that was displayed at the Ohio State Fair in 2003, and is now an important piece of Ohio history!

The S.I.T.E.S. Bicentennial initiative was recognized on the national level by John Bridgeland, Director of the USA Freedom Corps, as an "exemplary project with historical importance."

The S.I.T.E.S. program is an excellent example of how the North Olmsted schools prepare their students to be the leaders of tomorrow, while providing service to the community today. S.I.T.E.S. has been nationally recognized by the U.S. Department of Education as a National Service Learning Leader School. The program has also earned a Best Practice award from the State of Ohio for its innovative programming.

What does excellence in academics, the arts, athletics and service mean for our community?

This exemplary showing is one reason why the North Olmsted City Schools have earned the prestigious Gold Medal Award of Excellence, given by the Greater Cleveland Growth Association and Expansion Management Magazine. The magazine, which advises 45,000 corporate clients on where to locate or expand their businesses, said the system's students were well prepared to enter the workforce or go to college after high school graduation.

The District has also received the "What Parents Want Award," presented by SchoolMatch, an independent nationwide service that provides research from over 15,000 public school districts across the U.S.

SchoolMatch recognized North Olmsted City Schools as "meeting the needs and desires of both students and parents" and for "being competitive in academics with appropriate expenditures for staff and services."

Contract with the Community

As part of the Board of Education's "Contract with the Community" signed in May, 2002, the District hosted nine community forums, one at each school, from September, 2002 to April, 2003. There were many positive comments, especially with regard to the quality of the staff and the breadth of the academic programming in North Olmsted. The District strives to serve the needs of a diverse student population. A few major issues, such as facilities, have been and continue to be a focus for the Board of Education.

Curriculum Update

The North Olmsted Schools continually assess and update the academic course of study. The District recently completed a review and realignment of the math curriculum based on the content standards of the Ohio Department of Education (ODE) and the federal "No Child Left Behind" Act, signed into law in January, 2002.

In 2002-2003, new math textbooks, support materials and integrated technology were implemented in every K-6 classroom. The new materials include instruction and assessment tools which bring real world math applications to every student.

In addition, reading continues to be a focus for the District. A majority of the K-3 teachers participated in SIRI (Summer Institute for Reading Intervention) over the past three summers. Funding for this project is provided from state reading grants.

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 and Debt Service Fund, at the fund/special cost center level for the other Grants, miscellaneous State Grants, Auxiliary Services and miscellaneous 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. Administrators and school principals are 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 2 of the Notes to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition

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 new 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.

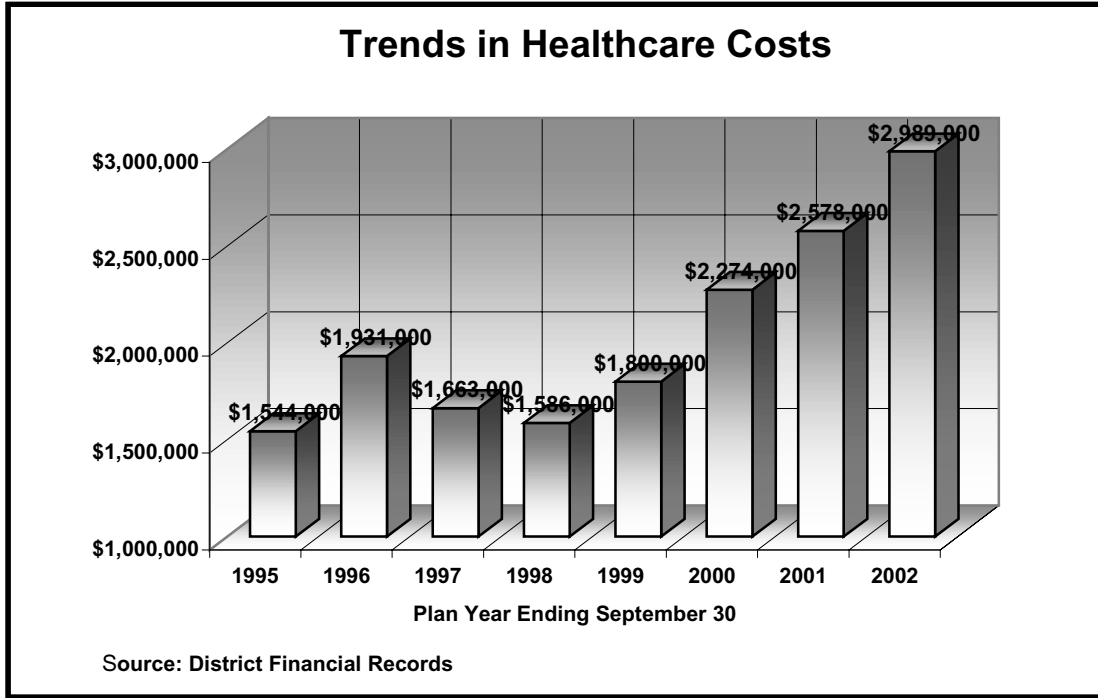
As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report and provides an assessment of the School District's finances for 2003 and a discussion of current issues affecting the School District in the future. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

Financial Highlight - Internal Service Fund

The Internal Service Fund accounts for all activities in which the School District provides goods and/or services to other governmental agencies or to students on a cost plus reimbursement basis. During fiscal year 2003, only one activity, the Self-Insurance Fund, is reported under this category. 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.

As of June 30, 2003, the Self-Insurance Fund has a deficit fund balance of \$310,000. As discussed in Note 3 of the Notes to the Basic Financial Statements, the School District has restated the beginning fund balance in the General Fund and the Internal Service Fund to correct an error in accruing benefits due employees at June 30, 2003. The restatement reduced the Internal Service Fund's deficit at June 30, 2002 from \$972,825 to \$400,000 and decreased the General Fund's surplus from \$11,597,089 to \$11,024,264.

The District is concerned with spiraling healthcare costs. As illustrated in the graph below, healthcare costs have increased 66.1 percent in the past three years. The dramatic reduction in costs obtained in fiscal years 1997 and 1998 from the redesign of the District's medical plans have been off-set by rising healthcare costs. The District will continue in its efforts to contain rising healthcare costs.



Financial Highlight - Fiduciary 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, 2003 were \$99,129.

Cash Management

The Board has developed and implemented a cash management program to maximize investment earnings while maintaining the security of principal and meeting the daily cash flow demands of the School District. The program utilizes an on-line control disbursement system that enables the Board to maintain minimum account balances. For the year ended June 30, 2003, the District's investment earnings totaled \$439,975 of which \$375,050 was credited to the General Fund.

Cash not needed for immediate use during the year was invested in the State Treasurer's Asset Reserve of Ohio (STAR) Program administered by the Office of the Treasurer of the State of Ohio and Fifth Third Bank's Liquid Asset Management (LAM) Account.

STAR Ohio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAR Ohio's investment portfolio consists of securities authorized by the Ohio Revised Code including instruments of the Federal government and its agencies, collateralized certificates of deposit and repurchase agreements. This investment pool offers daily liquidity of all funds and no minimum balance requirements. The Fifth Third Bank LAM Account is an investment portfolio managed by Fifth Third Bank. The account is used to invest interim monies in securities with a maturity of one to two years.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the financial institution holding the assets. By law, financial institutions

may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit.

Risk Management

The School District provides employees and their dependents a comprehensive medical, prescription drug, dental and eye care program. The program is self-insured and an internal service fund is maintained to account for and finance this program. Medical Mutual of Ohio administers the plan and reviews all claims. The District limits its liability for medical claims by maintaining a specific stop-loss insurance threshold of \$100,000 per individual.

All employees of North Olmsted City School district are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District contracts with Indiana Insurance Company for property and liability insurance coverage. The limits on professional liability coverage are \$2 million per occurrence and a \$5 million aggregate limit. Automobile liability has a \$3 million combined single limit with a \$5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in the past three years.

The School District participates in the Ohio Bureau of Workers' Compensation plan and pays an annual premium based on a rate per \$100 of salaries. The School District is a member of the Ohio Association of School Business Officials Workers' Compensation Group Rating Program and qualifies for a 75 percent reduction in the workers' compensation premium.

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. Independent Auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements for the year ended June 30, 2003. 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 governments 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, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for eighteen consecutive years.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

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, 2002. 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.

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 DeCoske from the firm of Costin & Company, CPA, Inc. and Vera Brewer, Communications Manager, for the advice and guidance rendered to the production of this report.

Respectfully submitted,

Robert J. Matson

Robert J. Matson, CPA
Chief Financial Officer

Dr. Kurt T. Stanic

Dr. Kurt T. Stanic,
Superintendent of Schools

North Olmsted City School District
Principal Officials
June 30, 2003

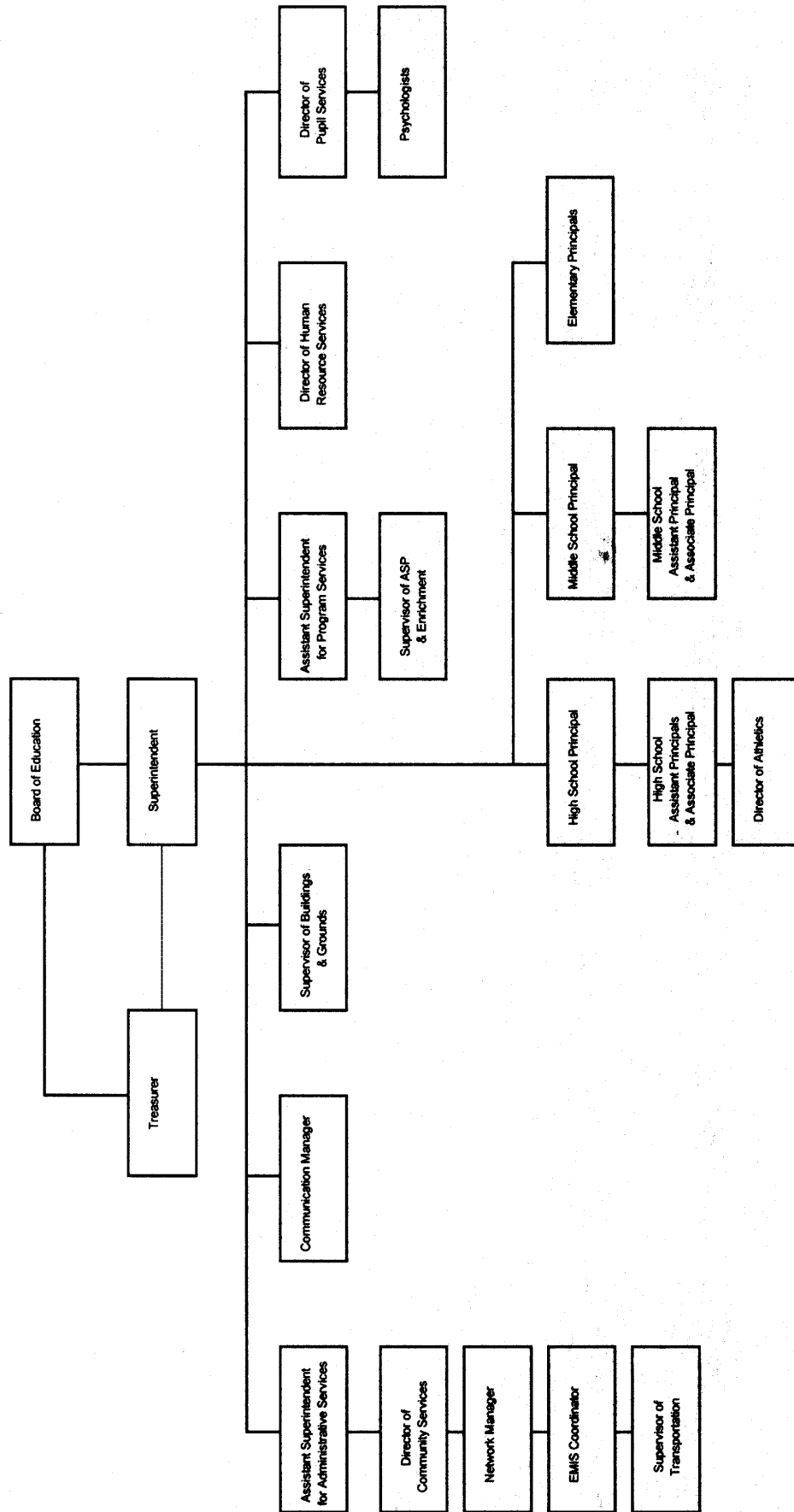
Board of Education

Mr. Donald Frazier	President
Mrs. Claire Hayes	Vice-President
Mrs. Joanne DiCarlo	Member
Mr. Thomas Herbster	Member
Mr. Michael Raig	Member

Administration

Dr. Kurt T. Stanic	Superintendent
Dr. Douglas A. Sebring	Assistant Superintendent
Dr. Cheryl Dubsy	Assistant Superintendent
Mr. Robert J. Matson, CPA	Treasurer
Mr. Gary Novak	Director of Personnel
Mrs. Sharon Humphrey	Director of Pupil Services
Mrs. Vera Brewer	Communications Manager

North Olmsted City School District Organizational Chart



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, 2002

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

NORTH OLMSTED SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program


President


Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
North Olmsted City School District
Cuyahoga County
24100 Palm Drive
North Olmsted, Ohio 44070

We have audited the accompanying financial statements of the governmental activities, the 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, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District restated its internal service fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 28, 2004

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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, 2003. 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 transmittal letter, 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 2003 are as follows:

Net assets decreased by \$2.1 million.

The General Fund maintains a strong unrestricted cash position of \$11 million at June 30, 2003.

Revenues for governmental activities totaled \$42.7 million in fiscal year 2003 as compared to \$45.5 million in fiscal year 2002.

90.4 percent of total revenue consisted of General revenues while Program revenues accounted for the remaining balance of 9.6 percent.

Program expenses totaled \$44.8 million as compared to 43.8 million in fiscal year 2002. Instructional expenses made up 58.4 percent of this total while support services accounted for 34.9 percent. Other expenses rounded out the remaining 6.7 percent.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain 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 non-major funds presented in total in one column. In the case of North Olmsted City School District, the general fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2003?" *The Statement of Net Assets and Statement of Activities* answers this question. These statements include all assets and liabilities using the accrual basis of accounting, similar

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

to the accounting 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 assets and changes in those net assets. This change in net assets 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 Assets and the Statement of Activities, the School District is classified into 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

Fund Financial Statements

The analysis of the School District's major fund begins on page 10. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General fund.

Governmental Funds

All of 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

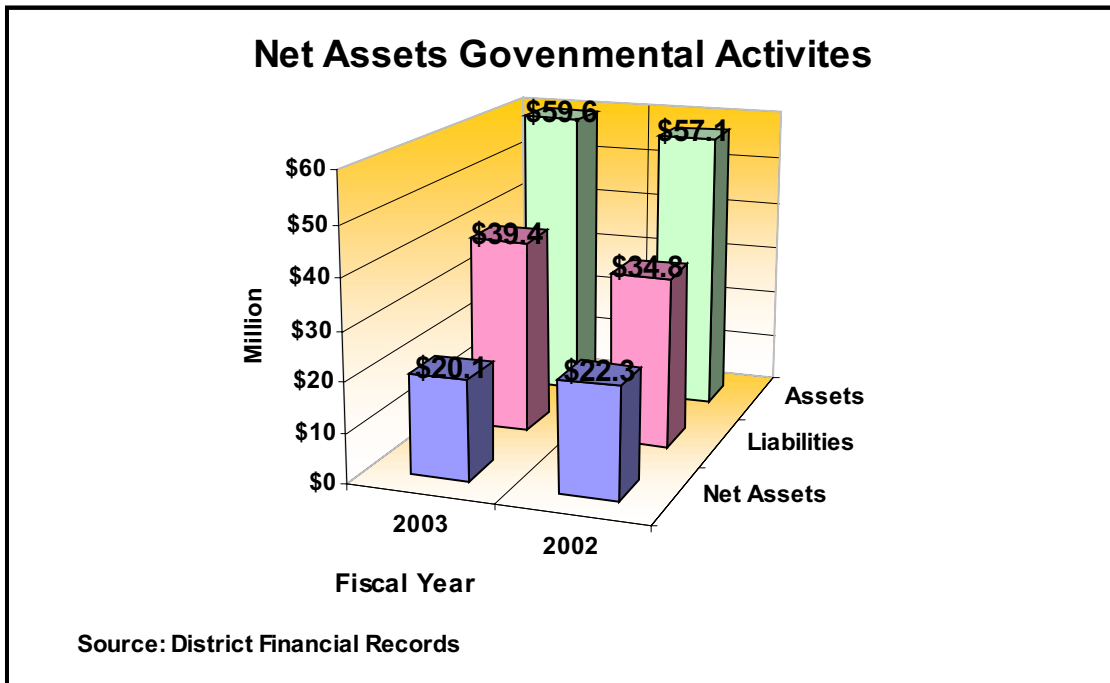
The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2003 compared in 2002:

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 1
Net Assets
Governmental Activities

	<u>2003</u>	<u>2002</u>
Assets		
Current and Other Assets	\$47,090,549	\$44,615,258
Capital Assets, Net	<u>12,526,066</u>	<u>12,533,580</u>
Total Assets	<u>59,616,615</u>	<u>57,148,838</u>
Liabilities		
Current Liabilities	35,618,100	31,138,452
Due Within One Year	623,328	574,930
Due in More Than One Year	<u>3,208,416</u>	<u>3,135,994</u>
Total Liabilities	<u>39,449,844</u>	<u>34,849,376</u>
Net Assets		
Invested in Capital Assets, net of Related Debt	12,218,897	12,533,580
Restricted for:		
Capital Projects	855,637	1,016,209
Other Purposes	44,323	551,020
Unrestricted	<u>7,047,914</u>	<u>8,198,653</u>
Total Net Assets	<u>\$20,166,771</u>	<u>\$22,299,462</u>



North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The overall financial position of the School District can be derived from a comparison of its assets and liabilities. Although total net assets of the School District have declined \$2.1 million from the previous year, the financial position of the District has not weakened. The majority of this decrease is attributable to a timing of tax collections.

In June 2002, the County Treasurer released tax bills eight days earlier than the previous year. The increase in the collection period increased tax receipts available to the School District by \$4 million. This increase in the collection period temporarily increased tax revenue and reduced the deferred revenue liability in fiscal year 2002. During fiscal year 2003, the collection period returned to a normal schedule and the deferred tax liability returned to its normal amount reducing the School District's net assets. Depending on the county's collection period, significant fluctuation in the amount reported as deferred tax liability will occur year to year.

The overall financial strength of the School District is evidenced by the large unrestricted General Fund cash balance of \$11 million at June 30, 2003. This cash reserve allows the School District to be insulated from fluctuation in tax collection due to economic conditions, delinquencies, and cuts in state funding; and prevents the School District from making dramatic cuts in programs and services.

Governmental Activities

The vast majority of revenue supporting all Governmental Activities is General revenues. General revenue totaled \$38.6 million or 90.4 percent of the total revenue. The most significant portion of the General revenues is local property tax. Property tax revenue in fiscal year 2003 declined \$3.8 million from the previous year. The decline represents a normal year to year fluctuation due to the length of the County Treasurer's collection period. The remaining amount of revenue received is in the form of program revenues, which equated to \$4.1 million or only 9.6 percent of total revenue. Program revenues accounted for 1.7 percent more of total revenues from fiscal year 2002 to fiscal year 2003. The difference can be seen in the increase in operating grants, interest and contributions.

Table 2 summarizes the revenue, expenses and the changes in net assets for fiscal years 2003 and 2002. The significant decrease in net assets in fiscal year 2003 is mainly due to the decreased amount of property taxes.

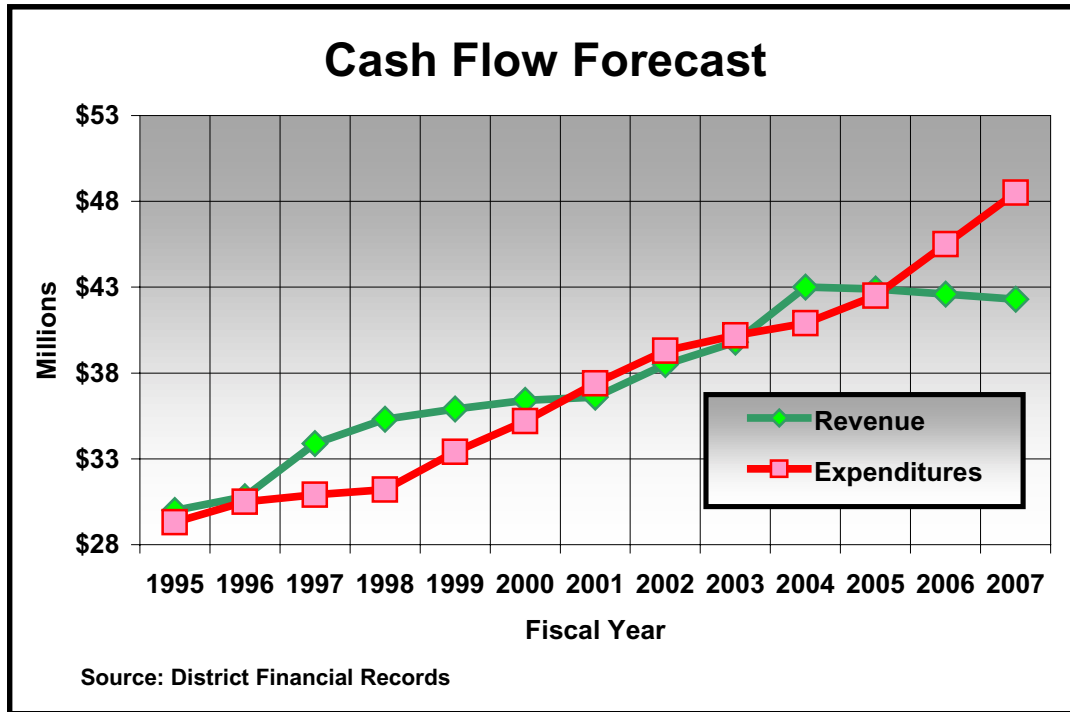
North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2
Governmental Activities

	<u>2003</u>	<u>2002</u>
Revenues		
Program Revenues		
Charges for Services and Sales	\$1,843,031	\$1,810,182
Operating Grants, Interest and Contributions	2,220,495	1,725,183
Capital Grants and Contributions	<u>36,718</u>	<u>41,767</u>
Total Program Revenues	<u>4,100,244</u>	<u>3,577,132</u>
General Revenue		
Property Taxes	26,507,150	30,257,653
Grants and Entitlements	11,377,257	10,659,176
Investment Earnings	439,975	660,300
Miscellaneous	<u>278,610</u>	<u>334,286</u>
Total General Revenues	<u>38,602,992</u>	<u>41,911,415</u>
Total Revenues	<u>\$42,703,236</u>	<u>\$45,488,547</u>
Program Expenses		
Instruction:		
Regular	\$20,216,074	\$19,996,444
Special	5,011,288	4,279,749
Vocational	726,168	682,107
Adult/Continuing	120,007	148,210
Other Instruction	100,779	537,666
Support Services:		
Pupil	3,061,499	3,012,740
Instructional Staff	1,326,206	1,539,103
Board of Education	224,903	121,783
Administration	3,275,887	3,089,415
Fiscal Services	861,122	855,813
Business	138,036	306,056
Operation and Maintenance	3,950,519	3,878,826
Pupil Transportation	1,892,034	1,696,739
Central Services	917,579	683,277
Operation of Non-Instructional Services:		
Food Service Operation	1,346,509	1,446,434
Community Services	514,523	508,363
Extracurricular Activities	1,087,237	956,213
Interest	<u>65,557</u>	<u>99,571</u>
Total Program Expenses	<u>\$44,835,927</u>	<u>\$43,838,489</u>
Increase (Decrease) in Net Assets	<u>(\$2,132,691)</u>	<u>\$1,650,058</u>

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

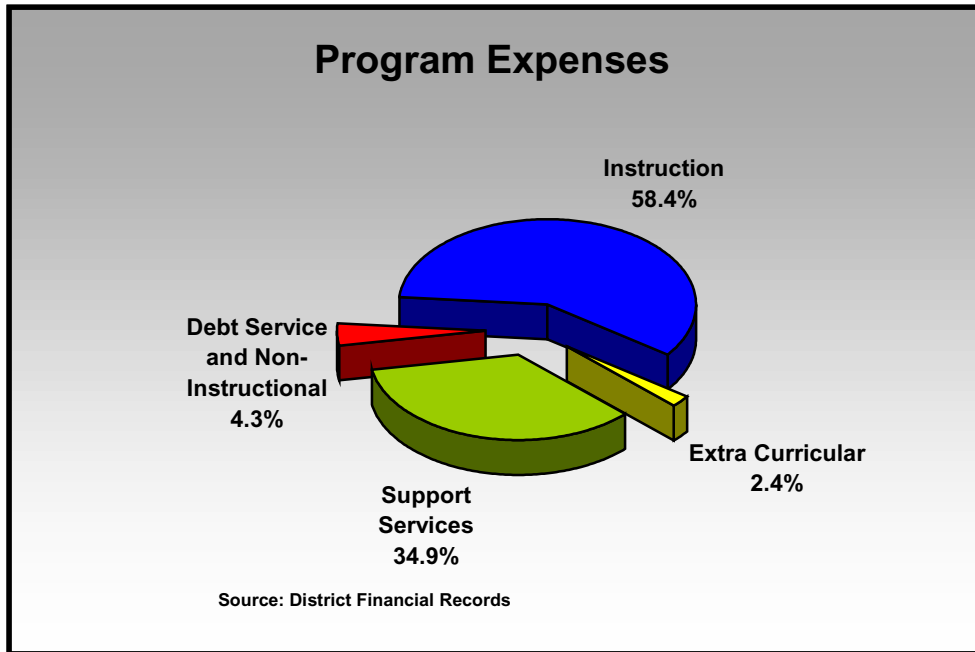
The School District has carefully planned its financial future by forecasting its revenues and expenditures over the next five years. In May of 2002, the School District successfully passed a 7.9 mill operating levy that is estimated to generate \$6.4 million dollars in additional revenue per year. Collection of this additional revenue began the second half of fiscal year 2003. The full effect of this levy will be realized in fiscal year 2004. Based upon the School District's cash flow forecast, including carry-over balances, the School District will have adequate operating funds for the next three years.



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.

Approximately 58.4 percent of the School District's budget is used to fund instructional expenses. Additional supporting services for pupils, staff and business operations encompass an additional 34.9 percent. The remaining program expenses of 6.7 percent, are budgeted to maintain programs such as the food service, numerous extracurricular activities, and debt service. This can be seen on the "Program Expenses" chart on page 9.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited



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. The significance of this accomplishment can be best illustrated in Table 3, comparing our cost per pupil expenditures with those of neighboring school districts.

Based upon the Ohio Department of Education "2002-2003 Local Report Cards", the North Olmsted City School's cost per pupil expenditure was the 21st lowest among the 31 school districts in Cuyahoga County.

Table 3
 Cost per Pupil as of June 30, 2003

<u>School District</u>	<u>Cost Per Pupil</u>	<u>Ranking in Cuyahoga County (31 Districts)</u>
Bay Village	\$9,703	19
Berea	9,528	20
Fairview Park	10,567	13
Lakewood	9,867	16
North Olmsted	9,510	21
Olmsted Falls	9,086	25
Rocky River	9,336	23
Strongsville	8,781	28
Westlake	10,152	15

Source: Ohio Department of Education

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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

	Total Cost Of Services <u>2003</u>	Total Cost Of Services <u>2002</u>	Net Cost Of Services <u>2003</u>	Net Cost Of Services <u>2002</u>
Instruction	\$26,174,316	\$25,644,176	(\$24,328,841)	(\$24,241,699)
Support Services	15,647,785	15,183,732	(15,243,266)	(14,912,837)
Operation of Non-Instructional:				
Food Service Operation	1,346,509	1,446,434	(93,753)	(141,617)
Community Services	514,523	508,363	(121,848)	(5,566)
Extra curricular Activities	1,087,237	956,213	(882,418)	(860,067)
Debt Service – Interest	<u>65,557</u>	<u>99,571</u>	<u>(65,557)</u>	<u>(99,571)</u>
Total Program Expenses	<u>\$44,835,927</u>	<u>\$43,838,489</u>	<u>(\$40,735,683)</u>	<u>(\$40,261,357)</u>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax accounts for approximately 62.1 percent of the total revenues in 2003, down from 66 percent in 2002. This decrease can be attributed to less tax revenue available as an advance at June 30, 2003 compared to June 30, 2002. Grants and entitlements not restricted to specific programs fund 26.6 percent of expenses, while program revenues fund only 9.6 percent. The remaining 1.7 percent of expenses are funded with investment earnings and other miscellaneous general revenues.

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

Information regarding the School District's major funds can be found on page 16 and 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42.7 million and expenditures of \$44.9 million. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$1.8 million as compared to an increase of \$1.9 million in fiscal year 2002.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

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 2003, the School District amended its General Fund Appropriation Budget several times, none significantly.

During the course of fiscal year 2003, the School District had to lower its projected revenues \$1.2 million primarily due to a shortfall in tax collections and a loss of state aid. The shortfall in tax collections appears to be temporary and should return to normal levels with economic recovery. The reduction in state aid was due to the continuing decline in student enrollment the School District has experienced for the past five years. The projected loss in State aid was partially offset with additional unanticipated grants and funding received for special education programs. Although budgeted amounts were reduced by \$1.2 million, a positive variance existed in comparing actual revenues to budgeted revenues. This variance was primarily due to a slightly higher amount of revenues received for grants and entitlements versus what was budgeted.

Actual expenses were consistent with annual budget expectations and the School District finished the year with an overall positive variance of \$1.2 million.

As a result of the decline in revenue, the District performed a comprehensive review of programs and services provided to students and successfully reduced operating expenditures by approximately \$1.3 million from what was budgeted. As a result, total operating expenditures for fiscal year 2003 increased only 1.1 percent over the previous year.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2003, the School District had \$12.5 million invested in land, buildings, equipment and vehicles. Table 5 shows fiscal 2003 values compared to fiscal 2002.

Table 5
Capital Assets at June 30
Governmental Activities

	<u>2003</u>	<u>2002</u>
Land and Improvements	\$1,465,966	1,504,393
Building and Improvements	8,039,179	8,093,585
Furniture and Equipment	1,599,422	1,532,076
Vehicles	<u>1,421,499</u>	<u>1,403,516</u>
Total Capital Assets	<u>\$12,526,066</u>	<u>\$12,533,580</u>

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

During fiscal 2003, the School District purchased \$851,421 of capital assets. Approximately 23.7 percent or \$201,464 of the purchases were for school buses and maintenance vehicles, 42.8 percent or \$364,142 for furniture and equipment with the remaining 33.5 percent or \$285,815 for land and building improvements. Additional information on the School District's capital assets can be found in Note 10 to the basic financial statements.

Debt Administration

At June 30, 2003 the School district had no outstanding bonds. The School District's long-term debt is limited to a \$89,000 note payable. Proceeds from the note were used for the acquisition of school buses in fiscal year 1998. The note is to be repaid in annual equal payments of interest and principal through fiscal year 2006.

The School District's overall legal debt margin was \$72,759,802 with an unvoted debt margin of \$809,431. Because the School District has no outstanding bonds for over ten years, the School District has no official bond rating.

Additional information on the School District's long term debt can be found in Note 15 of the basic financial statements.

School District Outlook

The School District has a strong financial position as indicated by its unrestricted General Fund cash balance of \$11 million at June 30, 2003. The Board of Education and the administration closely monitor the District's revenues and expenditures in accordance with its financial forecast and the School District's Continuous Improvement Plan.

The School District's financial future is not without challenges, though. The nature of school funding in Ohio severely restricts the growth in the School District's operating revenues and requires the School District to periodically seek additional funds from the taxpayers to offset rising operating costs. The North Olmsted voters continue to show their support for the schools as illustrated with the passage of a 7.9 mill operating levy in May 2002.

In addition, the problem of limited growth in revenue, school districts are faced with the challenge of losing traditional sources of tax revenue through the Ohio General Assembly legislative actions. In June 2003, the Ohio General Assembly passed House Bill 95 that will phase-out, over a period of 10 years, the taxation on business inventories. Once fully implemented, the School District's operating revenue will be reduced \$2,400,000 annually. In June 1999, the Ohio General Assembly passed Senate Bill 3 to deregulate the electric utility industry in Ohio. Under this legislation, the assessment rate on electric utility property was dramatically reduced and will result in the annual loss of over \$900,000 in tax revenue for the School District.

Financial aid from the State of Ohio through the State Foundation Program has been declining as a major source of operating revenue for the North Olmsted City School District. Because North Olmsted City Schools is considered a wealthy district in terms of property values, it receives a relatively small amount of revenue from the State to fund operating expenses. Increasing property values and declining enrollment has reduced State funding to State minimum levels. The long term implications are the School District will experience no growth in State aid for the foreseeable future.

As a result of the challenges mentioned above, the School District's administration continues to carefully and prudently plan its expenditures to provide adequate resources to meet student needs over the next

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

several years. The administration is currently reviewing all programs and services provided to students with the goal of reducing operating costs \$1.5 million annually in a more economic manner without a reduction in programs or services.

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 eighteen 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 seven years.

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. 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, 24100 Palm Drive, North Olmsted, Ohio 44070. Or by telephone at 440-779-3551.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2003

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 13,358,748
Accounts receivable	148,798
Due from other governments	1,039,437
Inventories and supplies	153,884
Taxes receivable	32,389,682
Capital assets	
Nondepreciable capital assets	955,597
Depreciable capital assets	11,570,469
Total assets	<u><u>59,616,615</u></u>
Liabilities	
Accounts and contracts payable	299,955
Accrued salaries, wages and benefits	5,110,884
Claims payable	510,000
Due to other governments	1,154,234
Deferred revenue	28,543,027
Long term liabilities	
Due within one year	623,328
Due in more than one year	3,208,416
Total liabilities	<u><u>39,449,844</u></u>
Net assets	
Invested in capital assets, net of related debt	12,218,897
Restricted for:	
Capital projects	855,637
Other purposes	44,323
Unrestricted (deficit)	7,047,914
Total net assets	<u><u>\$ 20,166,771</u></u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants Interest and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction					
Regular	\$ 20,216,074	\$ 701,037	\$ 362,633	\$ -	\$ (19,152,404)
Special	5,011,288	24,154	614,637	-	(4,372,497)
Vocational	726,168	-	50,000	-	(676,168)
Adult/continuing	120,007	-	93,014	-	(26,993)
Other instruction	100,779	-	-	-	(100,779)
Supporting services					
Pupil	3,061,499	-	166,480	-	(2,895,019)
Instructional staff	1,326,206	-	522	-	(1,325,684)
Board of education	224,903	-	-	-	(224,903)
Administration	3,275,887	-	-	-	(3,275,887)
Fiscal services	861,122	25,309	-	-	(835,813)
Business	138,036	-	36,100	-	(101,936)
Operation and maintenance	3,950,519	-	-	-	(3,950,519)
Pupil transportation	1,892,034	51,361	-	36,718	(1,803,955)
Central services	917,579	-	88,029	-	(829,550)
Operation of non-instructional					
Food service operation	1,346,509	887,630	365,126	-	(93,753)
Community services	514,523	-	392,675	-	(121,848)
Extracurricular activities					
Academic and subject oriented	278,589	-	-	-	(278,589)
Occupation oriented	-	-	-	-	-
Sports oriented	808,648	153,540	51,279	-	(603,829)
Interest	65,557	-	-	-	(65,557)
Totals	<u>\$ 44,835,927</u>	<u>\$ 1,843,031</u>	<u>\$ 2,220,495</u>	<u>\$ 36,718</u>	<u>(40,735,683)</u>

General revenues

Property taxes levied for:

General purpose	25,577,053
Capital improvements	930,097
Grants and entitlements not restricted to specific purposes	11,377,257
Investment earnings	439,975
Miscellaneous	278,610
Total general revenues	<u>38,602,992</u>

Change in net assets

Net assets at beginning of year	22,299,462
Net assets at end of year	<u>\$ 20,166,771</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2003

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in pooled cash	\$ 10,998,358	\$ 1,337,317	\$ 12,335,675
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	30,492,036	1,014,173	31,506,209
Taxes, delinquent	854,889	28,584	883,473
Accounts and other	131,843	21,992	153,835
Due from other governments	974,115	65,322	1,039,437
Interfund receivable	643,469	-	643,469
Inventories and supplies	119,994	33,890	153,884
Total assets	\$ 44,437,777	\$ 2,501,278	\$ 46,939,055
Liabilities and fund balances			
Liabilities			
Accounts and contracts payable	\$ 278,862	\$ 26,130	\$ 304,992
Accrued wages and benefits	4,994,408	116,476	5,110,884
Due to other governments	710,178	26,561	736,739
Interfund payable	-	43,469	43,469
Deferred revenue	29,198,096	945,634	30,143,730
Compensated absences	31,519	-	31,519
Total liabilities	35,213,063	1,158,270	36,371,333
Fund balances			
Reserved for budget stabilization	223,073	-	223,073
Reserved for inventories	119,994	33,890	153,884
Reserved for property taxes	2,768,919	92,582	2,861,501
Reserved for encumbrances	94,330	217,571	311,901
Unreserved, reported in	-	-	-
General Fund	6,018,398	-	6,018,398
Special Revenue Funds	-	424,116	424,116
Capital Projects Funds	-	574,849	574,849
Total fund balances	9,224,714	1,343,008	10,567,722
Total liabilities and fund balances	\$ 44,437,777	\$ 2,501,278	\$ 46,939,055

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2003

Total governmental funds balances	\$ 10,567,722
Amount reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	12,526,066
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.	1,600,703
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 assets.	(310,000)
Due to other governments includes contractually required contributions not expected to be paid in the current period and therefore not reported in the funds	(417,495)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(3,493,056)
Capital leases	(218,169)
Notes payable	(89,000)
Net assets of governmental activities	\$ 20,166,771

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, 2003

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 25,618,372	\$ 934,609	\$ 26,552,981
Tuition and fees	158,368	18,929	177,297
Interest	375,050	64,925	439,975
Intergovernmental	11,292,756	2,288,295	13,581,051
Charges for services	-	934,116	934,116
Extracurricular	-	504,133	504,133
Other	393,482	123,766	517,248
Total revenues	37,838,028	4,868,773	42,706,801
Expenditures			
Current			
Instruction			
Regular	19,467,026	900,982	20,368,008
Special	4,364,443	623,721	4,988,164
Vocational	672,663	50,000	722,663
Adult/continuing	12,205	105,515	117,720
Other instruction	100,779	-	100,779
Supporting services			
Pupil	2,764,921	219,766	2,984,687
Instructional staff	1,260,719	7,051	1,267,770
Board of education	224,903	-	224,903
Administration	2,662,143	173,639	2,835,782
Fiscal services	899,388	-	899,388
Business	121,491	15,183	136,674
Operation and maintenance	3,374,440	824,628	4,199,068
Pupil transportation	1,627,123	245,176	1,872,299
Central services	1,069,657	58,649	1,128,306
Operation of non-instructional			
Food service operation	49,853	1,322,148	1,372,001
Community services	22,130	492,265	514,395
Extracurricular activities			
Academic and subject oriented	278,322	-	278,322
Sports oriented	602,031	194,480	796,511
Debt service			
Principal	18,831	27,000	45,831
Interest	2,689	62,868	65,557
Total expenditures	39,595,757	5,323,071	44,918,828
Excess (deficiency) of revenues over expenditures	(1,757,729)	(454,298)	(2,212,027)
Other financing sources (uses)			
Transfers-in	-	153,060	153,060
Capital lease	237,000	-	237,000
Transfers-out	(251,484)	(1,576)	(253,060)
Total other financing sources (uses)	(14,484)	151,484	137,000
Net change in fund balances	(1,772,213)	(302,814)	(2,075,027)
Fund balances, beginning of year, as restated	11,024,264	1,649,570	12,673,834
Decrease in reserve for inventory	(27,337)	(3,748)	(31,085)
Fund balances, end of year	\$ 9,224,714	\$ 1,343,008	\$ 10,567,722

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, 2003

Net change in fund balances - total governmental funds \$ (2,075,027)

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

Governmental funds report capitalized items 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 depreciation exceeded capitalized items in the current period.

Capitalized items	521,909	
Depreciation expense	(766,423)	
	(244,514)	(244,514)

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

Property taxes	(45,831)	
Intergovernmental revenue	53,419	
Other	(11,153)	
	(3,565)	(3,565)

Repayment of note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

45,831

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	101,868	
Intergovernmental payable	(16,199)	
Change in inventory	(31,085)	
	54,584	54,584

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.

90,000

Change in net assets of governmental activities \$ (2,132,691)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET BASIS (NON-GAAP) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	Budget Amounts		Actual	Variance w ith Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 28,360,000	\$ 27,760,000	\$ 27,860,051	\$ 100,051
Tuition and fees	235,300	135,300	158,368	23,068
Interest	400,000	400,000	375,050	(24,950)
Intergovernmental	11,069,000	10,559,000	11,025,559	466,559
Other	240,700	241,900	309,203	67,303
Total revenues	<u>40,305,000</u>	<u>39,096,200</u>	<u>39,728,231</u>	<u>632,031</u>
Expenditures				
Current				
Instruction				
Regular	19,664,577	19,582,616	19,390,684	191,932
Special	4,245,705	4,287,829	4,200,868	86,961
Vocational	673,864	663,077	652,161	10,916
Adult/continuing	14,400	15,533	15,393	140
Other instruction	616,687	602,410	323,538	278,872
Supporting services				
Pupil	2,969,311	2,945,246	2,732,211	213,035
Instructional staff	1,430,549	1,408,869	1,321,663	87,206
Board of education	188,500	262,628	228,146	34,482
Administration	2,749,960	2,681,669	2,623,093	58,576
Fiscal services	931,237	906,085	878,988	27,097
Business	145,043	150,943	125,102	25,841
Operation and maintenance	3,536,431	3,531,353	3,442,652	88,701
Pupil transportation	1,581,091	1,633,518	1,588,564	44,954
Central services	867,945	920,608	873,600	47,008
Operation of non-instructional				
Food service operation	45,700	46,200	46,198	2
Community services	23,800	23,800	22,130	1,670
Extracurricular activities				
Academic and subject oriented	261,500	288,200	276,822	11,378
Sports oriented	640,900	623,200	612,299	10,901
Capital outlay	40,000	58,919	50,922	7,997
Total expenditures	<u>40,627,200</u>	<u>40,632,703</u>	<u>39,405,034</u>	<u>1,227,669</u>
Excess (deficiency) of revenues over expenditures	<u>(322,200)</u>	<u>(1,536,503)</u>	<u>323,197</u>	<u>1,859,700</u>
Other financing sources (uses)				
Advances-in	44,337	64,579	44,337	(20,242)
Refund prior year expenditure	-	-	9,066	9,066
Advances-out	-	(143,469)	(143,469)	-
Transfers-out	(124,300)	(262,983)	(252,983)	10,000
Total other financing sources (uses)	<u>(79,963)</u>	<u>(341,873)</u>	<u>(343,049)</u>	<u>(1,176)</u>
Net change in fund balances	<u>(402,163)</u>	<u>(1,878,376)</u>	<u>(19,852)</u>	<u>1,858,524</u>
Fund balances, beginning of year, as restated	10,485,445	10,485,445	10,485,445	-
Prior year encumbrances appropriated	382,646	382,646	382,646	-
Fund balances, end of year	<u>\$ 10,465,928</u>	<u>\$ 8,989,715</u>	<u>\$ 10,848,239</u>	<u>\$ 1,858,524</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
 STATEMENT OF FUND NET ASSETS
 INTERNAL SERVICE FUND
 JUNE 30, 2003

	<u>Self Insurance</u>
Assets	
Equity in pooled cash	\$ 800,000
Liabilities	
Claims payable	510,000
Interfund payable	600,000
Total liabilities	1,110,000
Net assets	
Unrestricted	\$ (310,000)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2003

	Self Insurance
Operating revenues	
Charges for services	\$ 3,211,477
Operating expenses	
Purchased services	391,798
Claims	2,829,679
Total operating expenses	3,221,477
Excess (deficiency) of revenues over expenses	(10,000)
Transfers in	100,000
Change in net assets	90,000
Net assets, beginning of year, as restated	(400,000)
Net assets, end of year	\$ (310,000)

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, 2003

	<u>Self Insurance</u>
Cash flows from operating activities	
Cash received from interfund services	\$ 3,211,477
Cash payments for goods and services	(391,798)
Cash payments for claims	(2,819,679)
Net cash provided by operating activities	<u>-</u>
Cash flows from noncapital financing activities	
Transfer from other funds	100,000
Advance from other funds	100,000
Net cash provided by noncapital financing activities	<u>200,000</u>
Net increase in cash and cash equivalents	200,000
Cash and cash equivalents, beginning of year	<u>600,000</u>
Cash and cash equivalents, end of year	<u>\$ 800,000</u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	<u>\$ (10,000)</u>
Adjustments	
Increase in claims payable	10,000
	<u>10,000</u>
Net cash used for operating activities	<u>\$ -</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 JUNE 30, 2003

	Student Activities
Assets	
Equity in pooled cash	\$ 99,129
Total assets	99,129
Liabilities	
Due to students	99,129
Total liabilities	\$ 99,129

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, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Olmsted City School District (the 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 District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 2002 was 4,710. The District employs 403 certificated and 251 non-certificated employees.

REPORTING ENTITY

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 District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the 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 District.

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

The District is associated with the Lake Erie Educational Computer Association, the Polaris Career Center, the North Olmsted City Schools Education Foundation, and the Ohio School Council Association which are considered to be jointly governed organizations. The District also participates in a public risk pool managed by the Ohio Schools Boards Association Workers' Compensation Group Rating Program. These organizations and their relationships with the District are described in more detail in Notes 12 and 19 to these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its governmental activities and proprietary funds. Following are the more significant of the District's accounting policies.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

The District's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. 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 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 District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental 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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING

The 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 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 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 funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the 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 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 assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the 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 District on a cost reimbursement basis. The 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 District employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The 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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS

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

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 current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. 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 fund also use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue 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 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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). 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 District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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 and Debt Service Fund. The legal level of budgetary control is at the fund, special cost center level for the Other Grants Fund, Miscellaneous State Grants Fund, Auxiliary Services 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 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 revenues. 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.

F. CASH AND INVESTMENTS

Cash received by the District is deposited in one central bank account with individual fund balance integrity maintained through District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAROhio) or other short term investments. Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest income earned for the year ended June 30, 2003 totaled \$ 439,975.

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 District has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2003.

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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. INVENTORY

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

H. 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.

I. CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net 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 District maintains a capitalization threshold of two thousand five hundred dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not 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, 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:

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

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, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 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 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 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.

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

M. NET ASSETS

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

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

N. FUND BALANCE RESERVES AND DESIGNATIONS

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, inventories, budget stabilization, and encumbrances.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND BALANCE RESERVES AND DESIGNATIONS (continued)

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures. The designation for budget stabilization represents revenues set aside that exceed statutorily required amounts.

O. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the 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.

P. 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.

Q. 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 3 – RESTATEMENT OF FUND BALANCE

Beginning budget basis fund balance in the General Fund has been restated to exclude the Internal Service Fund. The restatement is as follows:

	General
Fund balances, June 30, 2002	\$ 11,085,445
Restatement	(600,000)
Restated fund balance, June 30, 2002	\$ 10,485,445

Beginning fund balance in the General Fund and beginning net assets in the Internal Service Fund have been restated to correct for the accrual of benefits due employees at year end. The restatement is as follows:

	General	Internal Service	Total
Fund balances / net assets at June 30, 2002	\$ 11,597,089	\$ (972,825)	\$ 10,624,264
Restatement	(572,825)	572,825	-
Restated fund balance/ net assets, June 30, 2002	\$ 11,024,264	\$ (400,000)	\$ 10,624,264

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES/NET ASSETS

For fiscal year 2003, the District has implemented GASB Statement No. 41, “Budgetary Comparison Schedules – Perspective Differences”.

GASB Statement 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the District uses for its legally adopted budget when significant budgetary perspective differences result in the District not being able to present budgetary comparisons for the general and each major special revenue fund. This Statement was not applicable to the District for fiscal year 2003.

NOTE 5 – DEFICIT FUND EQUITY

At June 30, 2003, the Auxiliary Service and Title 1 Special Revenue Funds had deficit fund balances of \$ 15,475 and \$ 6,998, respectively. The Self Insurance Internal Service Fund had deficit net assets of \$ 310,000. 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 6 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 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	
	General Fund
Budget basis	\$ (19,852)
Adjustments, increase (decrease)	
Revenue accruals	(1,890,203)
Expenditure accruals	(190,723)
Other sources (uses)	328,565
GAAP basis, as reported	\$ (1,772,213)

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 7 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits 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 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;

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 7 - DEPOSITS AND INVESTMENTS (continued)

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.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

At fiscal year end, the carrying amount of the District's deposits and cash on hand was \$ 6,808,923 and the bank balance was \$ 7,682,163, all of which was covered by federal depository insurance or by collateral held by a qualified third party trustee in the name of the North Olmsted City District.

The District's investments are categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. Investment in STAROhio, the State Treasurer's Investment Pool, is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

	Category			Fair Value
	1	2	3	
U. S. Government securities	\$ -	\$ -	\$ 6,134,857	\$ 6,134,857
Investment in State Treasurer's Investment Pool				514,097
				\$ 6,648,954

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 7 - DEPOSITS AND INVESTMENTS (continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$ 13,457,877	\$ -
U. S. Government securities	(6,134,857)	6,134,857
Investment in State Treasurer's Investment Pool	(514,097)	514,097
GASB Statement No. 3	\$ 6,808,923	\$ 6,648,954

NOTE 8 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2003 represent the collection of calendar year 2002 taxes. Real property taxes for 2003 were levied after April 1, 2003, on the assessed values as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2003 represents collections of calendar 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five 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 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 8 - PROPERTY TAXES (continued)

The District receives property taxes from Cuyahoga County. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2003, are available to finance fiscal year 2003/2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2003 operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue.

The amount available as an advance at June 30, 2003, was \$ 2,768,919 in the General Fund and \$ 92,582 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2002, was \$ 5,107,738 in the General Fund and \$ 188,624 in the Permanent Improvements Fund.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 528,434,560	64.94 %	\$ 527,745,130	65.20 %
Other Commercial	217,473,670	26.72	219,476,710	27.12
Public Utility Tangible	17,160,110	2.11	16,116,080	1.99
Tangible Personal Property	50,663,682	6.23	46,093,216	5.69
	<u>\$ 813,732,022</u>	<u>100.00 %</u>	<u>\$ 809,431,136</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>69.1</u>		<u>77.0</u>	

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 9 - RECEIVABLES

Receivables at June 30, 2003, consisted of property taxes, accounts, interfund and intergovernmental. 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. A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	\$ 974,115
Food Service	42,853
Title V	1,364
Drug Free Schools	21,105
Total Intergovernmental Receivables	\$ 1,039,437

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance June 30, 2002	Additions	Disposals	Balance June 30, 2003
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 955,597	\$ -	\$ -	\$ 955,597
Depreciable capital assets				
Land improvements	822,855	-	-	822,855
Buildings and improvements	16,390,074	285,815	-	16,675,889
Furniture and equipment	2,788,059	364,142	652,381	2,499,820
Vehicles	2,472,240	201,464	40,155	2,633,549
Total capital assets being depreciated	22,473,228	851,421	692,536	22,632,113
Less accumulated depreciation				
Land improvements	274,059	38,427	-	312,486
Buildings and improvements	8,296,479	340,231	-	8,636,710
Furniture and equipment	1,255,983	221,455	577,040	900,398
Vehicles	1,068,724	166,310	22,984	1,212,050
Total accumulated depreciation	10,895,245	766,423	600,024	11,061,644
Depreciable capital assets, net of accumulated depreciation	11,577,983	84,998	92,512	11,570,469
Governmental activities capital assets, net	\$ 12,533,580	\$ 84,998	\$ 92,512	\$ 12,526,066

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 10 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular	\$	273,809
Special		27,868
Vocational		14,927
Adult education		3,564
Supporting services		
Pupil		377
Instructional staff		65,397
Administration		60,034
Fiscal		2,827
Business		1,362
Operation and maintenance of plant		114,668
Pupil transportation		162,007
Central services		10,241
Operation of non-instructional services		
Food service		15,811
Extracurricular activities		
Academic oriented		267
Sports oriented		13,264
Total depreciation expense	\$	<u>766,423</u>

NOTE 11 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2003, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 643,469	\$ -
Special Revenue Funds		
Title VIB	-	21,000
Title V	-	1,364
Drug Free Schools	-	21,105
Internal Service Fund		
Self Insurance	-	600,000
	<u>\$ 643,469</u>	<u>\$ 643,469</u>

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 and the Internal Service Fund until permanent funding is received.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 12 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The 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 2003, the District contracted with Indiana Insurance Company for property insurance. Professional liability is protected by Indiana Insurance Company with a \$ 2 million per occurrence and a \$ 5 million aggregate limit. Vehicles are covered by Indiana Insurance Company. Automobile liability coverage is \$ 1 million for each occurrence, \$ 2 million aggregate limit and 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 District provides life insurance, disability and accidental death and dismemberment insurance to its employees, through Standard Life Insurance Company.

B. WORKERS' COMPENSATION

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc., provides administrative, cost control and actuarial services to the GRP.

C. EMPLOYEE MEDICAL BENEFITS

The District provides employee medical, surgical, prescription drug and dental benefits through a self-insurance program administered by Medical Mutual of Ohio. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of \$ 100,000.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 12 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS (continued)

The claim liability of \$ 510,000 reported at June 30, 2003 was estimated by Medical Mutual of Ohio and is based on the requirements of Governmental Standards Board Statement No. 10, 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, 2003 and 2002 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, 2003	June 30, 2002 (As Restated)
Unpaid claims, beginning of year	\$ 500,000	\$ 839,305
Incurred claims	2,829,679	2,812,904
Claims payments	(2,819,679)	(3,152,209)
Unpaid claims, end of year	\$ 510,000	\$ 500,000

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The North Olmsted City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SERS, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the North Olmsted City District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. 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 North Olmsted City District's required contributions for pension obligations to SERS for the years ended June 30, 2003, 2002, and 2001 were \$ 856,900, \$ 838,200, and \$ 795,500 respectively. The full amount has been contributed for 2002 and 2001. For 2003, \$ 396,800 (46%) has been contributed with the remainder being reflected as an intergovernmental payable.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

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

Plan options – Effective July 1, 2001, two new plan options were offered to selected members. New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to invest all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of the DC Plan and the DB plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. 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 bi-weekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one-time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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 service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among nine 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 members designated beneficiary is entitled to receive the members account balance.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 13 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) (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 universities 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 a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Prior to February 1, 2002, benefits were increased annually by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increase since retirement, less previous cost-of-living increases, up to a maximum of 3% of the original base benefit. Effective February 1, 2002, benefits are increased annually by 3% of the original base amount, regardless of the change in the CPI.

The Defined Benefit and Combined Plans offer access to health care coverage to retirees who participated in the plans and their dependents. Coverage under the current program includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouse and dependents of these active 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 Defined Benefit 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 member's 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 10% for members and 14% for employers.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, 9.5 percent was the portion used to fund pension obligations. The North Olmsted City School District's required contributions for pension obligations to STRS for the years ended June 30, 2003, 2002, and 2001 were \$ 3,104,700, \$ 2,996,500, and \$ 2,862,100, and respectively. The full amount has been contributed for 2002 and 2001. For 2003, \$ 2,632,100 (85%) has been contributed with the remainder being reported as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2003 were \$ 14,742 made by the District and \$ 34,400 made by plan members.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2002 Comprehensive Annual Financial Report can be requested by writing STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3371, or by calling 614-227-4090.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

The Ohio Revised Code gives the School Employees Retirement System (SERS) the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service, up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 2003, the healthcare allocation rate is 5.83%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2003, the minimum pay has been established as \$ 14,500. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 were \$ 204,930,737 and the target level was \$ 307.4 million. At June 30, 2003, the Retirement System's net assets available for payment of health care benefits was \$ 303.6 million.

The number of benefit recipients receiving health care benefits is approximately 50,000. The portion of the District's contributions that were used to fund postemployment benefits amounted to \$ 468,500.

B. STATE TEACHERS RETIREMENT SYSTEM

State Teachers Retirement System of Ohio (STRS Ohio) provides access to health care benefits to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The Revised Code grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2002, (the latest information available) the board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Stabilization Fund. Effective, July 1, 2002, 1% of covered payroll will be allocated to the fund. The balance in the Health Care Stabilization Fund was \$ 3.011 billion on June 30, 2002.

For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$ 354,697,000. There were 105,300 eligible benefit recipients.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2003 were as follows:

	Balance June 30, 2002	Increase	Decrease	Balance June 30, 2003	Amounts Due In One Year
Notes payable					
1998, 5%, Bus acquisition	\$ 116,000	\$ -	\$ 27,000	\$ 89,000	\$ 28,000
Capital lease	-	237,000	18,831	218,169	44,625
Compensated absences	3,594,924	223,563	293,912	3,524,575	550,703
	<u>\$ 3,710,924</u>	<u>\$ 460,563</u>	<u>\$ 339,743</u>	<u>\$ 3,831,744</u>	<u>\$ 623,328</u>

In 1998 the District issued \$ 212,000 notes payable for the acquisition of school busses.

The overall debt margin of the District is \$ 72,759,802 with an unvoted debt margin of \$ 809,431. Principal and interest requirements to retire the energy conservation notes outstanding at June 30, 2003, were as follows:

Fiscal Year Ending	Principal	Interest	Total
2004	\$ 28,000	\$ 4,450	\$ 32,450
2005	29,000	3,050	32,050
2006	32,000	1,600	33,600
Totals	<u>\$ 89,000</u>	<u>\$ 9,100</u>	<u>\$ 98,100</u>

Notes payable will be repaid from the Debt Service Fund. The capital lease obligation will be repaid from the General Fund. Compensated absences will be repaid from the funds from which employees' salaries are paid.

NOTE 16 - TAX ANTICIPATION NOTES

On July 1, 2002 the District issued tax anticipation notes through the Treasurer of the State of Ohio's School District Cash Flow Financing Program. The purpose of the notes was to provide adequate liquidity during the year. The notes were repaid on June 30, 2003.

	Balance June 30, 2002	Increase	Decrease	Balance June 30, 2003
Cash flow borrowing, 2.27%	<u>\$ -</u>	<u>\$ 2,521,000</u>	<u>\$ 2,521,000</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 17 – CAPITAL LEASES

The District has entered into a lease agreement for financing certain copier equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of June 30, 2003. The assets acquired through capital lease consist of:

	Cost	Accumulated Depreciation	Net
Copier equipment	\$ 237,000	\$ 23,700	\$ 213,300

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2003, are as follow:

	Year ending June 30,	Amount
	2004	\$ 51,648
	2005	51,648
	2006	51,648
	2007	51,648
	2008	30,128
Less amount representing interest		(18,551)
Net present value of minimum lease payments		\$ 218,169

NOTE 18 – OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the District's account groups. During 2003, expenditures for operating leases totaled \$ 102,677.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2003.

	Year ending June 30,	Amount
	2004	\$ 112,610
	2005	111,940
	2006	87,150
	2007	48,000
	2008	28,000
Future minimum lease payments		\$ 387,700

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 19 - JOINTLY GOVERNED ORGANIZATION

A. LAKE ERIE EDUCATION COMPUTER ASSOCIATION

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty school districts. The jointly governed organization was formed to provide data processing services for accounting, administrative and instructional functions of member districts. Each of the governments of these districts supports LEECA based upon a per pupil charge dependent upon the software packages utilized. The LEECA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent.

LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2003, the District paid \$ 47,523 to LEECA.

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.

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 Nickolas Mazzone , c/o The North Olmsted Board of Education, 24100 Palm Drive, North Olmsted, Ohio 44070.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 19 - JOINTLY GOVERNED ORGANIZATION (continued)

D. OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among eighty-three school districts. The Council was formed to offer supplies and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee for the services provided. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003 the District paid \$ 1,944 to the Council.

The North Olmsted City Schools participates in the Council's electric purchase program which was implemented during fiscal year 2000. The program allows school districts to purchase electricity at reduced rates for a period of eight years through Energy Acquisition Corporation (Corporation), a non-profit corporation with a self-appointing board of trustees. The Corporation issued \$ 119,140,000 of notes to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI). The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement during the eight year period, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The North Olmsted City Schools participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$ 89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

The North Olmsted City Schools also participates in the Council's group life insurance and school bus acquisition programs. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

NOTE 20 - SCHOOL FOUNDATION PROGRAM

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional. The Supreme court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

NORTH OLMSTED CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2003

NOTE 21 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2003 consisted of the following:

<u>Transfer to:</u>	Transfer from:		
	General Fund	Nonmajor Governmental Funds	Total
Nonmajor Governmental Funds	\$ 151,484	\$ 1,576	\$ 153,060
Internal Service	100,000	-	100,000
	\$ 251,484	\$ 1,576	\$ 253,060

Transfers are used to provide payment of expenditures.

NOTE 22 - CONTINGENCIES

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

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2003.

NOTE 23 - SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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 District has set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2003.

	Textbook	Capital Maintenance	Budget Stabilization
Balance, July 1, 2002	\$ -	\$ -	\$ 223,073
Required set aside	647,991	647,991	-
Offset credits	-	(647,991)	-
Qualifying expenditures	(647,991)	-	-
Balance June 30, 2003	\$ -	\$ -	\$ 223,073

Expenditures and offset credits for textbooks and capital maintenance during the year were \$ 2,374,249 and \$ 1,157,385, respectively, which exceeded the required set-aside and the reserve balance. Textbook expenditures have exceeded statutory requirements by \$ 1,726,258 which may be used as offset credits for future years' set aside requirements.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which are 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.

Miscellaneous Local Projects – This fund accounts for local revenues to support scholarships and curriculum improvements.

Uniform School Supplies – This fund accounts for the operations of a student-managed bookstore at the high school.

Adult Education – This fund accounts for revenues and expenses related to the provision of credit and non-credit classes to the community.

Rotary – This fund accounts for all revenues and expenses related to telephone commissions and vending machines at the District high school, all revenues and expenses related to bus maintenance and repair services provided to other school districts, and all revenues and expenses related to the purchase and resale of city transit system bus tickets for student transportation.

Public Support Services – This fund accounts for school site sales projects, field trips, assemblies, and other extra-curricular activity costs.

Other Grants – This fund accounts for various local grants received to enhance educational programs of the district.

Data Communications Support – This fund accounts for State revenue received for the installation and ongoing support of data communication links to the Statewide Network.

Athletic – 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 Services – 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.

Education M.I.S. – This fund accounts for revenues provided by the State of Ohio to support expenditures for development of a statewide management information system required by Senate Bill 140.

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

Schoolnet – This fund accounts for workstations and training of personnel and for wiring upgrades at the individual schools.

Ohio Reads – This fund accounts for the State revenue received to improve reading performance, especially on the fourth grade reading proficiency test.

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

Parent Mentor Program – This fund accounts for state revenue received for the purpose of providing training and technical assistance to parents of special education need students.

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.

Adult Basic Education – This fund accounts for Federal monies used to provide programs in reading, writing, and math competency for non-diploma adults.

Eisenhower Math – This fund accounts for Federal monies to improve the skills of teachers and instruction in learning; and increase the access of all students to that instruction.

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

Title 1 – 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.

Title V – This fund accounts for Federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to profit schools within the community.

Drug Free Schools – This fund accounts for Federal revenues used to implement programs to educate and encourage students to live lives free of drug dependency.

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

Classroom Reduction – 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.

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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.

Video Distance Learning – This fund accounts for monies received from the State of Ohio for purchase of video conferencing equipment and technology.

Schoolnet Plus – This fund accounts for money received from the State of Ohio for the purpose of supporting the District's voice, video and data communications network.

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 601,645	\$ -	\$ 735,672	\$ 1,337,317
Receivables, net of allowance				
Taxes, current	-	-	1,014,173	1,014,173
Taxes, delinquent	-	-	28,584	28,584
Accounts and other	21,992	-	-	21,992
Due from other governments	65,322	-	-	65,322
Inventories and supplies	33,890	-	-	33,890
Total assets	\$ 722,849	\$ -	\$ 1,778,429	\$ 2,501,278
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 20,388	\$ -	\$ 5,742	\$ 26,130
Accrued salaries, wages and benefits	116,476	-	-	116,476
Due to other governments	26,561	-	-	26,561
Interfund payable	43,469	-	-	43,469
Deferred revenue				
Taxes	-	-	945,634	945,634
Total liabilities	206,894	-	951,376	1,158,270
Fund balances				
Reserved for inventories	33,890	-	-	33,890
Reserved for property taxes	-	-	92,582	92,582
Reserved for encumbrances	57,949	-	159,622	217,571
Unreserved	424,116	-	574,849	998,965
Total fund balances	515,955	-	827,053	1,343,008
Total liabilities and fund balances	\$ 722,849	\$ -	\$ 1,778,429	\$ 2,501,278

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 934,609	\$ 934,609
Tuition and fees	18,929	-	-	18,929
Interest	1,583	57,068	6,274	64,925
Intergovernmental	2,092,331	-	195,964	2,288,295
Charges for services	934,116	-	-	934,116
Extracurricular	504,133	-	-	504,133
Other	123,766	-	-	123,766
Total revenues	3,674,858	57,068	1,136,847	4,868,773
Expenditures				
Current				
Instruction				
Regular	838,389	-	62,593	900,982
Special	623,721	-	-	623,721
Vocational	50,000	-	-	50,000
Adult/continuing	105,515	-	-	105,515
Supporting services				
Pupil	219,766	-	-	219,766
Instructional staff	7,051	-	-	7,051
Administration	876	-	172,763	173,639
Business	15,183	-	-	15,183
Operation and maintenance	3,200	-	821,428	824,628
Pupil transportation	67,702	-	177,474	245,176
Central services	-	-	58,649	58,649
Operation of non-instructional services				
Food service operations	1,322,148	-	-	1,322,148
Community service	492,265	-	-	492,265
Extracurricular activities				
Sports oriented	194,480	-	-	194,480
Debt service				
Principal	-	27,000	-	27,000
Interest	-	62,868	-	62,868
Total expenditures	3,940,296	89,868	1,292,907	5,323,071
Excess revenues over expenditures	(265,438)	(32,800)	(156,060)	(454,298)
Other financing sources (uses)				
Transfers-in	120,260	32,800	-	153,060
Transfers-out	(1,576)	-	-	(1,576)
Total other financing sources (uses)	118,684	32,800	-	151,484
Excess (deficiency) of expenditures and other sources	(146,754)	-	(156,060)	(302,814)
Fund balances, beginning of year	666,457	-	983,113	1,649,570
Decrease in reserve for inventory	(3,748)	-	-	(3,748)
Fund balances, end of year	\$ 515,955	\$ -	\$ 827,053	\$ 1,343,008

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2003

	Food Service	Miscellaneous Local Projects	Uniform School Supplies	Adult Education	Rotary	Public Support Services
Assets						
Equity in pooled cash	\$ 8,148	\$ 2,239	\$ 11,598	\$ -	\$ 82,197	\$ 134,220
Receivables, net of allowance						
Accounts and other	21,992	-	-	-	-	-
Due from other governments	42,853	-	-	-	-	-
Inventories and supplies	33,890	-	-	-	-	-
Total assets	\$ 106,883	\$ 2,239	\$ 11,598	\$ -	\$ 82,197	\$ 134,220
Liabilities and fund balances						
Liabilities						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305
Accrued salaries, wages and benefits	65,266	-	-	-	-	-
Due to other governments	19,051	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	84,317	-	-	-	-	305
Fund balances						
Reserved for inventories	33,890	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-	7,750
Unreserved	(11,324)	2,239	11,598	-	82,197	126,165
Total fund balances	22,566	2,239	11,598	-	82,197	133,915
Total liabilities and fund balances	\$ 106,883	\$ 2,239	\$ 11,598	\$ -	\$ 82,197	\$ 134,220

<u>Other Grants</u>	<u>Data Communication Support</u>	<u>Athletic</u>	<u>Auxiliary Services</u>	<u>Education M.I.S.</u>	<u>Data Communication</u>	<u>Schoolnet</u>	<u>Ohio Reads</u>
\$ 31,181	\$ 5,391	\$ 108,361	\$ 29	\$ 35,210	\$ 36,820	\$ 4,600	\$ 6,300
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 31,181</u>	<u>\$ 5,391</u>	<u>\$ 108,361</u>	<u>\$ 29</u>	<u>\$ 35,210</u>	<u>\$ 36,820</u>	<u>\$ 4,600</u>	<u>\$ 6,300</u>
\$ -	\$ -	\$ 10,095	\$ 22	\$ -	\$ -	\$ -	\$ 5,371
-	-	-	12,835	-	-	-	-
-	-	-	2,647	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>10,095</u>	<u>15,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,371</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	280
31,181	5,391	98,266	(15,475)	35,210	36,820	4,600	649
<u>31,181</u>	<u>5,391</u>	<u>98,266</u>	<u>(15,475)</u>	<u>35,210</u>	<u>36,820</u>	<u>4,600</u>	<u>929</u>
<u>\$ 31,181</u>	<u>\$ 5,391</u>	<u>\$ 108,361</u>	<u>\$ 29</u>	<u>\$ 35,210</u>	<u>\$ 36,820</u>	<u>\$ 4,600</u>	<u>\$ 6,300</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2003

(CONCLUDED)

	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants	Adult Basic Education	Eisenhower Math
Assets						
Equity in pooled cash	\$ 254	\$ 3,656	\$ -	\$ 18,539	\$ 4,243	\$ -
Receivables, net of allowance						
Accounts and other	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Total assets	<u>\$ 254</u>	<u>\$ 3,656</u>	<u>\$ -</u>	<u>\$ 18,539</u>	<u>\$ 4,243</u>	<u>\$ -</u>
Liabilities and fund balances						
Liabilities						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Reserved for inventories	-	-	-	-	-	-
Reserved for encumbrances	253	-	-	-	190	-
Unreserved	1	3,656	-	18,539	4,053	-
Total fund balances	<u>254</u>	<u>3,656</u>	<u>-</u>	<u>18,539</u>	<u>4,243</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 254</u>	<u>\$ 3,656</u>	<u>\$ -</u>	<u>\$ 18,539</u>	<u>\$ 4,243</u>	<u>\$ -</u>

Title VIB	Title 1	Title V	Drug Free Schools	Preschool	Classroom Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 64,167	\$ 28,569	\$ 4,325	\$ 6,766	\$ -	\$ 1,560	\$ 3,272	\$ 601,645
-	-	-	-	-	-	-	21,992
-	-	1,364	21,105	-	-	-	65,322
-	-	-	-	-	-	-	33,890
<u>\$ 64,167</u>	<u>\$ 28,569</u>	<u>\$ 5,689</u>	<u>\$ 27,871</u>	<u>\$ -</u>	<u>\$ 1,560</u>	<u>\$ 3,272</u>	<u>\$ 722,849</u>
\$ 3,060	\$ 1,231	\$ -	\$ -	\$ -	\$ 304	\$ -	\$ 20,388
5,340	30,170	-	-	-	-	2,865	116,476
697	4,166	-	-	-	-	-	26,561
21,000	-	1,364	21,105	-	-	-	43,469
<u>30,097</u>	<u>35,567</u>	<u>1,364</u>	<u>21,105</u>	<u>-</u>	<u>304</u>	<u>2,865</u>	<u>206,894</u>
-	-	-	-	-	-	-	33,890
36,001	3,900	2,831	5,730	-	1,014	-	57,949
(1,931)	(10,898)	1,494	1,036	-	242	407	424,116
<u>34,070</u>	<u>(6,998)</u>	<u>4,325</u>	<u>6,766</u>	<u>-</u>	<u>1,256</u>	<u>407</u>	<u>515,955</u>
<u>\$ 64,167</u>	<u>\$ 28,569</u>	<u>\$ 5,689</u>	<u>\$ 27,871</u>	<u>\$ -</u>	<u>\$ 1,560</u>	<u>\$ 3,272</u>	<u>\$ 722,849</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR SPECIAL REVENUES FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

	Food Service	Miscellaneous Local Projects	Uniform School Supplies	Adult Education	Rotary	Public Support Services
Revenues						
Tuition and fees	\$ -	\$ -	\$ -	\$ 18,929	\$ -	\$ -
Interest	404	-	-	-	-	-
Intergovernmental	365,126	-	-	-	-	-
Charges for services	886,617	-	2,163	-	45,336	-
Extracurricular	-	-	-	-	-	350,593
Other	1,013	2,000	-	-	8,276	54,843
Total revenues	<u>1,253,160</u>	<u>2,000</u>	<u>2,163</u>	<u>18,929</u>	<u>53,612</u>	<u>405,436</u>
Expenditures						
Current						
Instruction						
Regular	-	-	1,712	-	-	419,025
Special	-	-	-	-	-	-
Vocational	-	-	-	-	-	-
Adult/continuing	-	-	-	26,122	-	-
Supporting services						
Pupil	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
Administration	-	-	-	-	-	876
Business	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Pupil transportation	-	-	-	-	67,702	-
Operation of non-instructional services						
Food service operations	1,322,148	-	-	-	-	-
Community service	-	-	-	(448)	-	-
Extracurricular activities						
Sports oriented	-	-	-	-	-	-
Total expenditures	<u>1,322,148</u>	<u>-</u>	<u>1,712</u>	<u>25,674</u>	<u>67,702</u>	<u>419,901</u>
Excess revenues over expenditures	<u>(68,988)</u>	<u>2,000</u>	<u>451</u>	<u>(6,745)</u>	<u>(14,090)</u>	<u>(14,465)</u>
Other financing sources (uses)						
Transfers-in	80,000	-	-	15,318	15,000	8,366
Transfers-out	-	-	-	-	-	-
Total other financing sources (uses)	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>15,318</u>	<u>15,000</u>	<u>8,366</u>
Excess (deficiency) of expenditures and other sources	11,012	2,000	451	8,573	910	(6,099)
Fund balances, beginning of year	15,302	239	11,147	(8,573)	81,287	140,014
Decrease in reserve for inventory	(3,748)	-	-	-	-	-
Fund balances, end of year	<u>\$ 22,566</u>	<u>\$ 2,239</u>	<u>\$ 11,598</u>	<u>\$ -</u>	<u>\$ 82,197</u>	<u>\$ 133,915</u>

Other Grants	Data Communication Support	Athletic	Auxiliary Services	Education M.I.S.	Data Communication	Schoolnet	Ohio Reads
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,179	-	-	-	-
73,885	-	-	383,996	17,066	31,500	4,600	74,000
-	-	-	-	-	-	-	-
-	-	153,540	-	-	-	-	-
6,355	-	51,279	-	-	-	-	-
<u>80,240</u>	<u>-</u>	<u>204,819</u>	<u>385,175</u>	<u>17,066</u>	<u>31,500</u>	<u>4,600</u>	<u>74,000</u>
67,177	-	-	-	-	-	-	66,065
-	-	-	-	-	-	-	5,371
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	7,716	7,467	-
-	3,200	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	415,898	-	-	-	7,500
-	-	194,480	-	-	-	-	-
<u>67,177</u>	<u>3,200</u>	<u>194,480</u>	<u>415,898</u>	<u>-</u>	<u>7,716</u>	<u>7,467</u>	<u>78,936</u>
<u>13,063</u>	<u>(3,200)</u>	<u>10,339</u>	<u>(30,723)</u>	<u>17,066</u>	<u>23,784</u>	<u>(2,867)</u>	<u>(4,936)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,063	(3,200)	10,339	(30,723)	17,066	23,784	(2,867)	(4,936)
18,118	8,591	87,927	15,248	18,144	13,036	7,467	5,865
-	-	-	-	-	-	-	-
<u>\$ 31,181</u>	<u>\$ 5,391</u>	<u>\$ 98,266</u>	<u>\$ (15,475)</u>	<u>\$ 35,210</u>	<u>\$ 36,820</u>	<u>\$ 4,600</u>	<u>\$ 929</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR SPECIAL REVENUES FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

(CONCLUDED)

	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants	Adult Basic Education	Eisenhower Math
Revenues						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	28,188	25,000	120,318	4,384	47,822	1,474
Charges for services	-	-	-	-	-	-
Extracurricular	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>28,188</u>	<u>25,000</u>	<u>120,318</u>	<u>4,384</u>	<u>47,822</u>	<u>1,474</u>
Expenditures						
Current						
Instruction						
Regular	27,934	-	150,587	7,676	-	-
Special	-	-	-	-	-	-
Vocational	-	-	-	-	-	-
Adult/continuing	-	-	-	-	27,418	6,131
Supporting services						
Pupil	-	25,000	-	-	9,776	-
Instructional staff	-	-	-	-	522	-
Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Operation of non-instructional services						
Food service operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Extracurricular activities						
Sports oriented	-	-	-	-	-	-
Total expenditures	<u>27,934</u>	<u>25,000</u>	<u>150,587</u>	<u>7,676</u>	<u>37,716</u>	<u>6,131</u>
Excess revenues over expenditures	<u>254</u>	<u>-</u>	<u>(30,269)</u>	<u>(3,292)</u>	<u>10,106</u>	<u>(4,657)</u>
Other financing sources (uses)						
Transfers-in	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	(1,576)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,576)</u>
Excess (deficiency) of expenditures and other sources	<u>254</u>	<u>-</u>	<u>(30,269)</u>	<u>(3,292)</u>	<u>10,106</u>	<u>(6,233)</u>
Fund balances, beginning of year	-	3,656	30,269	21,831	(5,863)	6,233
Decrease in reserve for inventory	-	-	-	-	-	-
Fund balances, end of year	<u>\$ 254</u>	<u>\$ 3,656</u>	<u>\$ -</u>	<u>\$ 18,539</u>	<u>\$ 4,243</u>	<u>\$ -</u>

Title VIB	Title 1	Title V	Drug Free Schools	Preschool	Classroom Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,929
-	-	-	-	-	-	-	1,583
451,110	191,604	30,403	28,067	21,849	116,582	75,357	2,092,331
-	-	-	-	-	-	-	934,116
-	-	-	-	-	-	-	504,133
-	-	-	-	-	-	-	123,766
<u>451,110</u>	<u>191,604</u>	<u>30,403</u>	<u>28,067</u>	<u>21,849</u>	<u>116,582</u>	<u>75,357</u>	<u>3,674,858</u>
1,890	-	52,760	17,839	-	-	25,724	838,389
351,483	195,752	-	-	-	71,115	-	623,721
-	-	-	-	-	-	50,000	50,000
-	-	-	-	-	45,844	-	105,515
148,342	-	-	12,397	24,251	-	-	219,766
-	6,529	-	-	-	-	-	7,051
-	-	-	-	-	-	-	876
-	-	-	-	-	-	-	15,183
-	-	-	-	-	-	-	3,200
-	-	-	-	-	-	-	67,702
-	-	-	-	-	-	-	1,322,148
32,721	33,775	2,761	-	-	58	-	492,265
-	-	-	-	-	-	-	194,480
<u>534,436</u>	<u>236,056</u>	<u>55,521</u>	<u>30,236</u>	<u>24,251</u>	<u>117,017</u>	<u>75,724</u>	<u>3,940,296</u>
<u>(83,326)</u>	<u>(44,452)</u>	<u>(25,118)</u>	<u>(2,169)</u>	<u>(2,402)</u>	<u>(435)</u>	<u>(367)</u>	<u>(265,438)</u>
-	-	-	-	-	1,576	-	120,260
-	-	-	-	-	-	-	(1,576)
-	-	-	-	-	1,576	-	118,684
(83,326)	(44,452)	(25,118)	(2,169)	(2,402)	1,141	(367)	(146,754)
117,396	37,454	29,443	8,935	2,402	115	774	666,457
-	-	-	-	-	-	-	(3,748)
<u>\$ 34,070</u>	<u>\$ (6,998)</u>	<u>\$ 4,325</u>	<u>\$ 6,766</u>	<u>\$ -</u>	<u>\$ 1,256</u>	<u>\$ 407</u>	<u>\$ 515,955</u>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2003

	Permanent Improvements	Video Distance Learning	Schoolnet Plus	Total Non-Major Capital Projects Funds
Assets				
Equity in pooled cash	\$ 713,765	\$ 9,593	\$ 12,314	\$ 735,672
Receivables, net of allowance				
Taxes, current	1,014,173	-	-	1,014,173
Taxes, delinquent	28,584	-	-	28,584
Total assets	\$ 1,756,522	\$ 9,593	\$ 12,314	\$ 1,778,429
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 5,742	\$ -	\$ -	\$ 5,742
Deferred revenue				
Taxes	945,634	-	-	945,634
Other	-	-	-	-
Total liabilities	951,376	-	-	951,376
Fund balances				
Reserved for property taxes	92,582	-	-	92,582
Reserved for encumbrances	158,422	1,200	-	159,622
Unreserved	554,142	8,393	12,314	574,849
Total fund balances	805,146	9,593	12,314	827,053
Total liabilities and fund balances	\$ 1,756,522	\$ 9,593	\$ 12,314	\$ 1,778,429

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

	Permanent Improvements	Video Distance Learning	Schoolnet Plus	Total Non-Major Capital Projects Funds
Revenues				
Taxes	\$ 934,609	\$ -	\$ -	\$ 934,609
Interest	6,274	-	-	6,274
Intergovernmental	125,001	-	70,963	195,964
Total revenues	<u>1,065,884</u>	<u>-</u>	<u>70,963</u>	<u>1,136,847</u>
Expenditures				
Current				
Instruction				
Regular	49,100	13,493	-	62,593
Supporting services				
Administration	172,763	-	-	172,763
Operation and maintenance	821,428	-	-	821,428
Pupil transportation	177,474	-	-	177,474
Central services	-	-	58,649	58,649
Total expenditures	<u>1,220,765</u>	<u>13,493</u>	<u>58,649</u>	<u>1,292,907</u>
Excess revenues over expenditures	<u>(154,881)</u>	<u>(13,493)</u>	<u>12,314</u>	<u>(156,060)</u>
Fund balances, beginning of year	<u>960,027</u>	<u>23,086</u>	<u>-</u>	<u>983,113</u>
Fund balances, end of year	<u>\$ 805,146</u>	<u>\$ 9,593</u>	<u>\$ 12,314</u>	<u>\$ 827,053</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED JUNE 30, 2003

Student Activities Fund				
	Beginning Balance June 30, 2002	Additions	Deductions	Ending Balance June 30, 2003
Assets				
Equity in pooled cash	\$ 79,362	\$ 99,129	\$ 79,362	\$ 99,129
Total assets	79,362	99,129	79,362	99,129
Liabilities				
Due to students	79,362	99,129	79,362	99,129
Total liabilities	\$ 79,362	\$ 99,129	\$ 79,362	\$ 99,129

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

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, 2003

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 28,360,000	\$ 27,760,000	\$ 27,860,051	\$ 100,051
Tuition and fees	235,300	135,300	158,368	23,068
Interest	400,000	400,000	375,050	(24,950)
Intergovernmental	11,069,000	10,559,000	11,025,559	466,559
Other	240,700	241,900	309,203	67,303
Total revenues	<u>40,305,000</u>	<u>39,096,200</u>	<u>39,728,231</u>	<u>632,031</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	14,613,687	14,541,755	14,531,275	10,480
Benefits	4,300,000	4,089,600	3,992,036	97,564
Purchased services	232,010	208,619	163,219	45,400
Materials and supplies	482,880	708,642	670,717	37,925
Other	36,000	34,000	33,437	563
Total regular	<u>19,664,577</u>	<u>19,582,616</u>	<u>19,390,684</u>	<u>191,932</u>
Special				
Salaries	3,179,608	3,253,090	3,249,837	3,253
Benefits	1,004,000	955,500	887,824	67,676
Purchased services	12,147	17,146	15,875	1,271
Materials and supplies	49,950	62,093	47,332	14,761
Total special	<u>4,245,705</u>	<u>4,287,829</u>	<u>4,200,868</u>	<u>86,961</u>
Vocational				
Salaries	505,100	501,100	501,050	50
Benefits	155,000	147,900	137,649	10,251
Purchased services	1,760	2,330	2,319	11
Materials and supplies	12,004	11,747	11,143	604
Total vocational	<u>673,864</u>	<u>663,077</u>	<u>652,161</u>	<u>10,916</u>
Adult/continuing				
Salaries	12,400	7,033	7,033	-
Benefits	2,000	2,000	1,860	140
Purchased services	-	6,500	6,500	-
Total adult/continuing	<u>14,400</u>	<u>15,533</u>	<u>15,393</u>	<u>140</u>
Other instruction				
Salaries	30,293	30,293	30,194	99
Benefits	9,000	9,000	8,275	725
Purchased services	577,394	563,117	285,069	278,048
Total other instruction	<u>616,687</u>	<u>602,410</u>	<u>323,538</u>	<u>278,872</u>
Total instruction	<u>25,215,233</u>	<u>25,151,465</u>	<u>24,582,644</u>	<u>568,821</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, 2003

	GENERAL FUND (CONTINUED)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	2,009,936	2,004,518	2,001,017	3,501
Benefits	632,000	600,800	557,937	42,863
Purchased services	216,535	243,134	94,030	149,104
Materials and supplies	110,840	95,794	78,452	17,342
Other	-	1,000	775	225
Total pupil	<u>2,969,311</u>	<u>2,945,246</u>	<u>2,732,211</u>	<u>213,035</u>
Instructional staff				
Salaries	898,397	891,024	883,134	7,890
Benefits	268,000	255,200	236,156	19,044
Purchased services	171,912	169,288	117,445	51,843
Materials and supplies	88,940	89,339	80,958	8,381
Other	3,300	4,018	3,970	48
Total instructional staff	<u>1,430,549</u>	<u>1,408,869</u>	<u>1,321,663</u>	<u>87,206</u>
Board of education				
Salaries	15,000	17,000	15,685	1,315
Benefits	2,000	2,100	2,079	21
Purchased services	167,000	238,818	205,701	33,117
Materials and supplies	500	500	478	22
Other	4,000	4,210	4,203	7
Total board of education	<u>188,500</u>	<u>262,628</u>	<u>228,146</u>	<u>34,482</u>
Administration				
Salaries	2,056,200	2,012,400	2,009,709	2,691
Benefits	623,000	593,100	550,601	42,499
Purchased services	28,003	35,279	26,207	9,072
Materials and supplies	32,257	28,467	24,153	4,314
Other	10,500	12,423	12,423	-
Total administration	<u>2,749,960</u>	<u>2,681,669</u>	<u>2,623,093</u>	<u>58,576</u>
Fiscal services				
Salaries	262,800	274,400	274,210	190
Benefits	99,000	99,600	92,920	6,680
Purchased services	9,500	13,000	10,766	2,234
Materials and supplies	61,637	9,300	7,146	2,154
Other	498,300	509,785	493,946	15,839
Total fiscal services	<u>931,237</u>	<u>906,085</u>	<u>878,988</u>	<u>27,097</u>
Business				
Salaries	5,103	5,103	5,103	-
Benefits	2,000	1,500	1,402	98
Purchased services	137,940	144,340	118,597	25,743
Total business	<u>145,043</u>	<u>150,943</u>	<u>125,102</u>	<u>25,841</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, 2003

	GENERAL FUND (CONTINUED)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Operation and maintenance				
Salaries	1,804,300	1,787,900	1,785,082	2,818
Benefits	547,000	520,500	480,607	39,893
Purchased services	1,032,209	980,452	942,632	37,820
Materials and supplies	124,022	143,391	136,160	7,231
Other	28,900	99,110	98,171	939
Total operation and maintenance	<u>3,536,431</u>	<u>3,531,353</u>	<u>3,442,652</u>	<u>88,701</u>
Pupil transportation				
Salaries	860,629	900,929	899,779	1,150
Benefits	271,000	257,800	237,980	19,820
Purchased services	292,540	305,650	301,542	4,108
Materials and supplies	156,922	169,139	149,263	19,876
Total pupil transportation	<u>1,581,091</u>	<u>1,633,518</u>	<u>1,588,564</u>	<u>44,954</u>
Central services				
Salaries	359,147	412,054	410,898	1,156
Benefits	145,000	138,000	128,851	9,149
Purchased services	275,749	267,409	241,401	26,008
Materials and supplies	88,049	103,145	92,450	10,695
Total central services	<u>867,945</u>	<u>920,608</u>	<u>873,600</u>	<u>47,008</u>
Total supporting services	<u>14,400,067</u>	<u>14,440,919</u>	<u>13,814,019</u>	<u>626,900</u>
Operation of non-instructional				
Food service operation				
Salaries	45,700	46,200	46,198	2
Total food service operation	<u>45,700</u>	<u>46,200</u>	<u>46,198</u>	<u>2</u>
Community services				
Purchased services	23,800	23,800	22,130	1,670
Total community services	<u>23,800</u>	<u>23,800</u>	<u>22,130</u>	<u>1,670</u>
Total operation of non-instructional	<u>69,500</u>	<u>70,000</u>	<u>68,328</u>	<u>1,672</u>
Extracurricular activities				
Academic and subject oriented				
Salaries	128,500	162,000	159,490	2,510
Benefits	133,000	126,200	117,332	8,868
Total academic and subject oriented	<u>261,500</u>	<u>288,200</u>	<u>276,822</u>	<u>11,378</u>
Sports oriented				
Salaries	545,200	526,700	523,862	2,838
Benefits	78,000	73,800	68,238	5,562
Purchased services	17,700	22,700	20,199	2,501
Total sports oriented	<u>640,900</u>	<u>623,200</u>	<u>612,299</u>	<u>10,901</u>
Total extracurricular activities	<u>902,400</u>	<u>911,400</u>	<u>889,121</u>	<u>22,279</u>
Capital outlay	<u>40,000</u>	<u>58,919</u>	<u>50,922</u>	<u>7,997</u>
Total expenditures	<u>40,627,200</u>	<u>40,632,703</u>	<u>39,405,034</u>	<u>1,227,669</u>
Excess (deficiency) of revenues over expenditures	<u>(322,200)</u>	<u>(1,536,503)</u>	<u>323,197</u>	<u>1,859,700</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, 2003

	GENERAL FUND (CONCLUDED)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Other financing sources (uses)				
Advances-in	44,337	64,579	44,337	(20,242)
Refund prior year expenditure	-	-	9,066	9,066
Advances-out	-	(143,469)	(143,469)	-
Transfers-out	(124,300)	(262,983)	(252,983)	10,000
Total other financing sources (uses)	<u>(79,963)</u>	<u>(341,873)</u>	<u>(343,049)</u>	<u>(1,176)</u>
Net change in fund balance	(402,163)	(1,878,376)	(19,852)	1,858,524
Fund balance, beginning of year, as restated	10,485,445	10,485,445	10,485,445	-
Prior year encumbrances appropriated	<u>382,646</u>	<u>382,646</u>	<u>382,646</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,465,928</u>	<u>\$ 8,989,715</u>	<u>\$ 10,848,239</u>	<u>\$ 1,858,524</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, 2003

	FOOD SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 500	\$ 500	\$ 404	\$ (96)
Charges for services	984,002	891,082	886,617	(4,465)
Intergovernmental	266,149	260,149	264,995	4,846
Other	-	3,000	3,238	238
Total revenues	<u>1,250,651</u>	<u>1,154,731</u>	<u>1,155,254</u>	<u>523</u>
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	423,035	423,350	422,023	1,327
Benefits	213,876	207,600	213,549	(5,949)
Purchased services	619,918	641,392	632,295	9,097
Materials and supplies	1,500	3,400	3,181	219
Total food service operation	<u>1,258,329</u>	<u>1,275,742</u>	<u>1,271,048</u>	<u>4,694</u>
Total operation of non-instructional	<u>1,258,329</u>	<u>1,275,742</u>	<u>1,271,048</u>	<u>4,694</u>
Total expenditures	<u>1,258,329</u>	<u>1,275,742</u>	<u>1,271,048</u>	<u>4,694</u>
Excess (deficiency) of revenues over expenditures	<u>(7,678)</u>	<u>(121,011)</u>	<u>(115,794)</u>	<u>5,217</u>
Other financing sources (uses)				
Transfers-in	35,000	80,000	80,000	-
Total other financing sources (uses)	<u>35,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	27,322	(41,011)	(35,794)	5,217
Fund balance, beginning of year	34,850	34,850	34,850	-
Prior year encumbrances appropriated	9,092	9,092	9,092	-
Fund balance, end of year	<u>\$ 71,264</u>	<u>\$ 2,931</u>	<u>\$ 8,148</u>	<u>\$ 5,217</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, 2003

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	2,000	2,000	2,000	-
Fund balance, beginning of year	239	239	239	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,239</u>	<u>\$ 2,239</u>	<u>\$ 2,239</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, 2003

UNIFORM SCHOOL SUPPLIES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 11,100	\$ 1,983	\$ 2,163	\$ 180
Total revenues	<u>11,100</u>	<u>1,983</u>	<u>2,163</u>	<u>180</u>
Expenditures				
Current				
Instruction				
Regular				
Other	7,620	7,620	1,712	5,908
Total regular	<u>7,620</u>	<u>7,620</u>	<u>1,712</u>	<u>5,908</u>
Total instruction	<u>7,620</u>	<u>7,620</u>	<u>1,712</u>	<u>5,908</u>
Total expenditures	<u>7,620</u>	<u>7,620</u>	<u>1,712</u>	<u>5,908</u>
Net change in fund balance	3,480	(5,637)	451	6,088
Fund balance, beginning of year	11,147	11,147	11,147	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 14,627</u>	<u>\$ 5,510</u>	<u>\$ 11,598</u>	<u>\$ 6,088</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, 2003

	ADULT EDUCATION FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Tuition and fees	\$ 68,000	\$ 18,929	\$ 18,929	\$ -
Total revenues	<u>68,000</u>	<u>18,929</u>	<u>18,929</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Adult/continuing				
Salaries	10,159	4,309	4,309	-
Benefits	3,782	1,521	1,521	-
Purchased services	37,100	18,915	18,915	-
Materials and supplies	2,650	535	535	-
Other	1,300	2,329	2,329	-
Total adult/continuing	<u>54,991</u>	<u>27,609</u>	<u>27,609</u>	<u>-</u>
Total instruction	<u>54,991</u>	<u>27,609</u>	<u>27,609</u>	<u>-</u>
Total expenditures	<u>54,991</u>	<u>27,609</u>	<u>27,609</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>13,009</u>	<u>(8,680)</u>	<u>(8,680)</u>	<u>-</u>
Other financing sources (uses)				
Transfers-in	-	15,318	15,318	-
Advances-out	(15,000)	(15,000)	(15,000)	-
Total other financing sources (uses)	<u>(15,000)</u>	<u>318</u>	<u>318</u>	<u>-</u>
Net change in fund balance	(1,991)	(8,362)	(8,362)	-
Fund balance, beginning of year	8,362	8,362	8,362	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 6,371</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, 2003

	ROTARY FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 53,000	\$ 45,336	\$ 45,336	\$ -
Other	5,000	3,000	8,276	5,276
Total revenues	<u>58,000</u>	<u>48,336</u>	<u>53,612</u>	<u>5,276</u>
Expenditures				
Current				
Supporting services				
Pupil transportation				
Purchased services	135,276	68,500	67,702	798
Total pupil transportation	<u>135,276</u>	<u>68,500</u>	<u>67,702</u>	<u>798</u>
Total supporting services	<u>135,276</u>	<u>68,500</u>	<u>67,702</u>	<u>798</u>
Total expenditures	<u>135,276</u>	<u>68,500</u>	<u>67,702</u>	<u>798</u>
Excess (deficiency) of revenues over expenditures	<u>(77,276)</u>	<u>(20,164)</u>	<u>(14,090)</u>	<u>6,074</u>
Other financing sources (uses)				
Transfers-in	25,000	15,000	15,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(52,276)	(5,164)	910	6,074
Fund balance, beginning of year	81,287	81,287	81,287	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 29,011</u>	<u>\$ 76,123</u>	<u>\$ 82,197</u>	<u>\$ 6,074</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, 2003

PUBLIC SUPPORT SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular	\$ 404,160	\$ 347,005	\$ 350,593	\$ 3,588
Other	44,739	54,166	54,843	677
Total revenues	<u>448,899</u>	<u>401,171</u>	<u>405,436</u>	<u>4,265</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	261,590	228,879	217,016	11,863
Materials and supplies	148,625	175,967	163,385	12,582
Other	53,669	49,056	41,479	7,577
Total regular	<u>463,884</u>	<u>453,902</u>	<u>421,880</u>	<u>32,022</u>
Total instruction	<u>463,884</u>	<u>453,902</u>	<u>421,880</u>	<u>32,022</u>
Supporting services				
Administration				
Materials and supplies	4,000	3,000	876	2,124
Total administration	<u>4,000</u>	<u>3,000</u>	<u>876</u>	<u>2,124</u>
Total supporting services	<u>4,000</u>	<u>3,000</u>	<u>876</u>	<u>2,124</u>
Capital outlay	24,000	11,000	5,881	5,119
Total expenditures	<u>491,884</u>	<u>467,902</u>	<u>428,637</u>	<u>39,265</u>
Excess (deficiency) of revenues over expenditures	<u>(42,985)</u>	<u>(66,731)</u>	<u>(23,201)</u>	<u>43,530</u>
Other financing sources (uses)				
Transfers-in	-	8,366	8,366	-
Total other financing sources (uses)	<u>-</u>	<u>8,366</u>	<u>8,366</u>	<u>-</u>
Net change in fund balance	(42,985)	(58,365)	(14,835)	43,530
Fund balance, beginning of year	140,455	140,455	140,455	-
Prior year encumbrances appropriated	<u>546</u>	<u>546</u>	<u>546</u>	<u>-</u>
Fund balance, end of year	<u>\$ 98,016</u>	<u>\$ 82,636</u>	<u>\$ 126,166</u>	<u>\$ 43,530</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, 2003

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 65,634	\$ 73,885	\$ 73,885	\$ -
Other	5,900	6,355	6,355	-
Total revenues	<u>71,534</u>	<u>80,240</u>	<u>80,240</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	13,872	13,872	12,941	931
Benefits	1,901	1,901	1,901	-
Purchased services	24,330	32,396	29,996	2,400
Materials and supplies	18,716	18,716	15,965	2,751
Other	14,000	13,706	6,374	7,332
Total regular	<u>72,819</u>	<u>80,591</u>	<u>67,177</u>	<u>13,414</u>
Total instruction	<u>72,819</u>	<u>80,591</u>	<u>67,177</u>	<u>13,414</u>
Total expenditures	<u>72,819</u>	<u>80,591</u>	<u>67,177</u>	<u>13,414</u>
Excess (deficiency) of revenues over expenditures	(1,285)	(351)	13,063	13,414
Net change in fund balance	(1,285)	(351)	13,063	13,414
Fund balance, beginning of year	18,118	18,118	18,118	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,833</u>	<u>\$ 17,767</u>	<u>\$ 31,181</u>	<u>\$ 13,414</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, 2003

DATA COMMUNICATIONS SUPPORT FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	\$ 5,091	\$ 5,091	\$ -	\$ 5,091
Total central services	5,091	5,091	-	5,091
Total supporting services	5,091	5,091	-	5,091
Capital outlay	3,500	3,500	3,200	300
Total expenditures	8,591	8,591	3,200	5,391
Net change in fund balance	(8,591)	(8,591)	(3,200)	5,391
Fund balance, beginning of year	8,591	8,591	8,591	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 5,391	\$ 5,391

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, 2003

	ATHLETIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 180,717	\$ 151,598	\$ 153,540	\$ 1,942
Other	42,920	50,350	51,279	929
Total revenues	<u>223,637</u>	<u>201,948</u>	<u>204,819</u>	<u>2,871</u>
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	48,300	48,133	41,214	6,919
Materials and supplies	49,700	39,250	36,410	2,840
Other	138,817	95,506	80,307	15,199
Total sports oriented	<u>236,817</u>	<u>182,889</u>	<u>157,931</u>	<u>24,958</u>
Total extracurricular activities	<u>236,817</u>	<u>182,889</u>	<u>157,931</u>	<u>24,958</u>
Capital outlay	53,200	49,400	45,450	3,950
Total expenditures	<u>290,017</u>	<u>232,289</u>	<u>203,381</u>	<u>28,908</u>
Excess (deficiency) of revenues over expenditures	<u>(66,380)</u>	<u>(30,341)</u>	<u>1,438</u>	<u>31,779</u>
Other financing sources (uses)				
Transfers-in	30,000	-	-	-
Total other financing sources (uses)	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(36,380)	(30,341)	1,438	31,779
Fund balance, beginning of year	94,540	94,540	94,540	-
Prior year encumbrances appropriated	4,869	4,869	4,869	-
Fund balance, end of year	<u>\$ 63,029</u>	<u>\$ 69,068</u>	<u>\$ 100,847</u>	<u>\$ 31,779</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, 2003

AUXILIARY SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 460	\$ 1,179	\$ 1,179	\$ -
Intergovernmental	414,551	383,996	383,996	-
Total revenues	<u>415,011</u>	<u>385,175</u>	<u>385,175</u>	<u>-</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	99,677	70,454	83,521	(13,067)
Benefits	23,155	11,044	12,479	(1,435)
Purchased services	175,090	151,981	151,981	-
Materials and supplies	105,667	166,704	152,173	14,531
Other	15,205	15,407	15,407	-
Total community services	<u>418,794</u>	<u>415,590</u>	<u>415,561</u>	<u>29</u>
Total operation of non-instructional	<u>418,794</u>	<u>415,590</u>	<u>415,561</u>	<u>29</u>
Total expenditures	<u>418,794</u>	<u>415,590</u>	<u>415,561</u>	<u>29</u>
Net change in fund balance	(3,783)	(30,415)	(30,386)	29
Fund balance, beginning of year	30,115	30,115	30,115	-
Prior year encumbrances appropriated	300	300	300	-
Fund balance, end of year	<u>\$ 26,632</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</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, 2003

	EDUCATION M.I.S. FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 5,745	\$ 17,066	\$ 17,066	\$ -
Total revenues	<u>5,745</u>	<u>17,066</u>	<u>17,066</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Administration				
Purchased services	18,144	35,210	-	35,210
Total administration	<u>18,144</u>	<u>35,210</u>	<u>-</u>	<u>35,210</u>
Total supporting services	<u>18,144</u>	<u>35,210</u>	<u>-</u>	<u>35,210</u>
Total expenditures	<u>18,144</u>	<u>35,210</u>	<u>-</u>	<u>35,210</u>
Net change in fund balance	(12,399)	(18,144)	17,066	35,210
Fund balance, beginning of year	18,144	18,144	18,144	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 5,745</u>	<u>\$ -</u>	<u>\$ 35,210</u>	<u>\$ 35,210</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, 2003

DATA COMMUNICATIONS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 31,500	\$ 31,500	\$ 31,500	\$ -
Total revenues	<u>31,500</u>	<u>31,500</u>	<u>31,500</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Business				
Purchased services	10,800	10,800	-	10,800
Total business	<u>10,800</u>	<u>10,800</u>	<u>-</u>	<u>10,800</u>
Total supporting services	<u>10,800</u>	<u>10,800</u>	<u>-</u>	<u>10,800</u>
Capital outlay	33,736	33,736	7,716	26,020
Total expenditures	<u>44,536</u>	<u>44,536</u>	<u>7,716</u>	<u>36,820</u>
Net change in fund balance	(13,036)	(13,036)	23,784	36,820
Fund balance, beginning of year	13,036	13,036	13,036	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,820</u>	<u>\$ 36,820</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, 2003

	SCHOOLNET FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 4,600	\$ 4,600	\$ 4,600	\$ -
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Business				
Purchased services	8,292	12,192	7,592	4,600
Total business	<u>8,292</u>	<u>12,192</u>	<u>7,592</u>	<u>4,600</u>
Total supporting services	<u>8,292</u>	<u>12,192</u>	<u>7,592</u>	<u>4,600</u>
Total expenditures	<u>8,292</u>	<u>12,192</u>	<u>7,592</u>	<u>4,600</u>
Net change in fund balance	(3,692)	(7,592)	(2,992)	4,600
Fund balance, beginning of year	3,692	3,692	3,692	-
Prior year encumbrances appropriated	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,900</u>	<u>\$ -</u>	<u>\$ 4,600</u>	<u>\$ 4,600</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, 2003

	OHIO READS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 30,000	\$ 74,000	\$ 74,000	\$ -
Total revenues	<u>30,000</u>	<u>74,000</u>	<u>74,000</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	3,902	32,257	32,243	14
Benefits	600	5,444	4,851	593
Purchased services	15,000	20,600	20,600	-
Materials and supplies	3,030	14,011	13,969	42
Total regular	<u>22,532</u>	<u>72,312</u>	<u>71,663</u>	<u>649</u>
Total instruction	<u>22,532</u>	<u>72,312</u>	<u>71,663</u>	<u>649</u>
Operation of non-instructional				
Community services				
Salaries	6,580	6,580	6,580	-
Purchased services	300	300	300	-
Materials and supplies	620	620	620	-
Total community services	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total operation of non-instructional	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Capital outlay	-	53	53	-
Total expenditures	<u>30,032</u>	<u>79,865</u>	<u>79,216</u>	<u>649</u>
Net change in fund balance	(32)	(5,865)	(5,216)	649
Fund balance, beginning of year	31	31	31	-
Prior year encumbrances appropriated	<u>5,834</u>	<u>5,834</u>	<u>5,834</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,833</u>	<u>\$ -</u>	<u>\$ 649</u>	<u>\$ 649</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, 2003

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 28,188	\$ 28,188	\$ 28,188	\$ -
Total revenues	<u>28,188</u>	<u>28,188</u>	<u>28,188</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	25,794	25,794	25,794	-
Benefits	1,394	1,394	1,394	-
Purchased services	1,000	1,000	1,000	-
Total regular	<u>28,188</u>	<u>28,188</u>	<u>28,188</u>	<u>-</u>
Total instruction	<u>28,188</u>	<u>28,188</u>	<u>28,188</u>	<u>-</u>
Total expenditures	<u>28,188</u>	<u>28,188</u>	<u>28,188</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
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, 2003

PARENT MENTOR PROGRAM FUND

	Budget Amounts		Actual	Variance w ith Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	15,330	15,330	15,330	-
Benefits	4,022	2,550	2,550	-
Purchased services	600	3,408	3,408	-
Materials and supplies	8,113	6,777	3,712	3,065
Total pupil	<u>28,065</u>	<u>28,065</u>	<u>25,000</u>	<u>3,065</u>
Administration				
Salaries	250	250	-	250
Benefits	92	92	-	92
Total administration	<u>342</u>	<u>342</u>	<u>-</u>	<u>342</u>
Total supporting services	<u>28,407</u>	<u>28,407</u>	<u>25,000</u>	<u>3,407</u>
Capital outlay	250	250	-	250
Total expenditures	<u>28,657</u>	<u>28,657</u>	<u>25,000</u>	<u>3,657</u>
Net change in fund balance	(3,657)	(3,657)	-	3,657
Fund balance, beginning of year	3,657	3,657	3,657	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,657</u>	<u>\$ 3,657</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, 2003

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 127,669	\$ 120,318	\$ 120,318	\$ -
Total revenues	<u>127,669</u>	<u>120,318</u>	<u>120,318</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	147,859	150,587	150,587	-
Total regular	<u>147,859</u>	<u>150,587</u>	<u>150,587</u>	<u>-</u>
Total instruction	<u>147,859</u>	<u>150,587</u>	<u>150,587</u>	<u>-</u>
Total expenditures	<u>147,859</u>	<u>150,587</u>	<u>150,587</u>	<u>-</u>
Net change in fund balance	(20,190)	(30,269)	(30,269)	-
Fund balance, beginning of year	20,190	20,190	20,190	-
Prior year encumbrances appropriated	<u>10,079</u>	<u>10,079</u>	<u>10,079</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,079</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, 2003

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,384	\$ 4,384	\$ 4,384	\$ -
Total revenues	<u>4,384</u>	<u>4,384</u>	<u>4,384</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	16,883	16,883	4,383	12,500
Materials and supplies	6,616	6,616	1,323	5,293
Total regular	<u>23,499</u>	<u>23,499</u>	<u>5,706</u>	<u>17,793</u>
Total instruction	<u>23,499</u>	<u>23,499</u>	<u>5,706</u>	<u>17,793</u>
Capital outlay	2,716	2,716	1,970	746
Total expenditures	<u>26,215</u>	<u>26,215</u>	<u>7,676</u>	<u>18,539</u>
Net change in fund balance	(21,831)	(21,831)	(3,292)	18,539
Fund balance, beginning of year	21,831	21,831	21,831	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,539</u>	<u>\$ 18,539</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, 2003

ADULT BASIC EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 46,678	\$ 47,822	\$ 47,822	\$ -
Total revenues	<u>46,678</u>	<u>47,822</u>	<u>47,822</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Adult/continuing				
Salaries	12,852	12,036	12,036	-
Benefits	2,116	1,814	1,747	67
Purchased services	4,296	6,326	5,771	555
Materials and supplies	3,411	8,658	8,054	604
Total adult/continuing	<u>22,675</u>	<u>28,834</u>	<u>27,608</u>	<u>1,226</u>
Total instruction	<u>22,675</u>	<u>28,834</u>	<u>27,608</u>	<u>1,226</u>
Supporting services				
Pupil				
Salaries	11,451	10,794	8,670	2,124
Benefits	263	1,809	1,106	703
Total pupil	<u>11,714</u>	<u>12,603</u>	<u>9,776</u>	<u>2,827</u>
Instructional staff				
Salaries	2,338	-	-	-
Benefits	2,224	522	522	-
Total instructional staff	<u>4,562</u>	<u>522</u>	<u>522</u>	<u>-</u>
Operation and maintenance				
Salaries	1,600	-	-	-
Benefits	264	-	-	-
Total operation and maintenance	<u>1,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>18,140</u>	<u>13,125</u>	<u>10,298</u>	<u>2,827</u>
Total expenditures	<u>40,815</u>	<u>41,959</u>	<u>37,906</u>	<u>4,053</u>
Excess (deficiency) of revenues over expenditures	<u>5,863</u>	<u>5,863</u>	<u>9,916</u>	<u>4,053</u>
Other financing sources (uses)				
Advances-out	(17,702)	(17,702)	(17,702)	-
Total other financing sources (uses)	<u>(17,702)</u>	<u>(17,702)</u>	<u>(17,702)</u>	<u>-</u>
Net change in fund balance	(11,839)	(11,839)	(7,786)	4,053
Fund balance, beginning of year	11,839	11,839	11,839	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,053</u>	<u>\$ 4,053</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, 2003

EISENHOWER MATH FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 10,431	\$ 1,474	\$ 1,474	\$ -
Total revenues	<u>10,431</u>	<u>1,474</u>	<u>1,474</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Adult/continuing				
Salaries	13,800	4,688	4,688	-
Benefits	2,370	759	759	-
Purchased services	900	387	387	-
Materials and supplies	1,068	297	297	-
Total adult/continuing	<u>18,138</u>	<u>6,131</u>	<u>6,131</u>	<u>-</u>
Total instruction	<u>18,138</u>	<u>6,131</u>	<u>6,131</u>	<u>-</u>
Total expenditures	<u>18,138</u>	<u>6,131</u>	<u>6,131</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(7,707)</u>	<u>(4,657)</u>	<u>(4,657)</u>	<u>-</u>
Other financing sources (uses)				
Advances-out	-	(1,474)	(1,474)	-
Transfers-out	-	(1,576)	(1,576)	-
Total other financing sources (uses)	<u>-</u>	<u>(3,050)</u>	<u>(3,050)</u>	<u>-</u>
Net change in fund balance	(7,707)	(7,707)	(7,707)	-
Fund balance, beginning of year	7,707	7,707	7,707	-
Prior year encumbrances appropriated	-	-	-	-
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, 2003

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 472,110	\$ 472,110	\$ 451,110	\$ (21,000)
Total revenues	<u>472,110</u>	<u>472,110</u>	<u>451,110</u>	<u>(21,000)</u>
Expenditures				
Current				
Instruction				
Regular				
Benefits	-	1,890	1,890	-
Total regular	<u>-</u>	<u>1,890</u>	<u>1,890</u>	<u>-</u>
Special				
Salaries	17,600	17,600	307	17,293
Benefits	2,900	2,900	50	2,850
Purchased services	359,574	394,422	389,458	4,964
Total special	<u>380,074</u>	<u>414,922</u>	<u>389,815</u>	<u>25,107</u>
Total instruction	<u>380,074</u>	<u>416,812</u>	<u>391,705</u>	<u>25,107</u>
Supporting services				
Pupil				
Salaries	-	22,717	22,717	-
Benefits	-	1,847	1,847	-
Purchased services	104,751	121,496	121,496	-
Materials and supplies	-	2,282	2,282	-
Total pupil	<u>104,751</u>	<u>148,342</u>	<u>148,342</u>	<u>-</u>
Total supporting services	<u>104,751</u>	<u>148,342</u>	<u>148,342</u>	<u>-</u>
Operation of non-instructional				
Community services				
Salaries	27,811	28,600	28,600	-
Benefits	5,309	4,521	4,521	-
Total community services	<u>33,120</u>	<u>33,121</u>	<u>33,121</u>	<u>-</u>
Total operation of non-instructional	<u>33,120</u>	<u>33,121</u>	<u>33,121</u>	<u>-</u>
Total expenditures	<u>517,945</u>	<u>598,275</u>	<u>573,168</u>	<u>25,107</u>
Excess (deficiency) of revenues over expenditures	<u>(45,835)</u>	<u>(126,165)</u>	<u>(122,058)</u>	<u>4,107</u>
Other financing sources (uses)				
Advances-in	-	-	21,000	21,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>21,000</u>	<u>21,000</u>
Net change in fund balance	(45,835)	(126,165)	(101,058)	25,107
Fund balance, beginning of year	45,836	45,836	45,836	-
Prior year encumbrances appropriated	<u>80,329</u>	<u>80,329</u>	<u>80,329</u>	<u>-</u>
Fund balance, end of year	<u>\$ 80,330</u>	<u>\$ -</u>	<u>\$ 25,107</u>	<u>\$ 25,107</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, 2003

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 191,604	\$ 191,604	\$ 191,604	\$ -
Total revenues	<u>191,604</u>	<u>191,604</u>	<u>191,604</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Special				
Salaries	181,529	145,146	137,750	7,396
Benefits	6,876	44,814	31,545	13,269
Purchased services	276	276	276	-
Materials and supplies	67	567	67	500
Total special	<u>188,748</u>	<u>190,803</u>	<u>169,638</u>	<u>21,165</u>
Supporting services				
Instructional staff				
Salaries	9,081	-	-	-
Purchased services	1,000	8,581	7,176	1,405
Materials and supplies	1,000	933	361	572
Total instructional staff	<u>11,081</u>	<u>9,514</u>	<u>7,537</u>	<u>1,977</u>
Total supporting services	<u>11,081</u>	<u>9,514</u>	<u>7,537</u>	<u>1,977</u>
Operation of non-instructional				
Community services				
Salaries	35,744	18,912	18,912	-
Benefits	552	1,642	885	757
Purchased services	321	6,226	6,398	(172)
Materials and supplies	619	4,949	5,376	(427)
Total community services	<u>37,236</u>	<u>31,729</u>	<u>31,571</u>	<u>158</u>
Total operation of non-instructional	<u>37,236</u>	<u>31,729</u>	<u>31,571</u>	<u>158</u>
Capital outlay	-	4,900	4,881	19
Total expenditures	<u>237,065</u>	<u>236,946</u>	<u>213,627</u>	<u>23,319</u>
Excess (deficiency) of revenues over expenditures	<u>(45,461)</u>	<u>(45,342)</u>	<u>(22,023)</u>	<u>23,319</u>
Other financing sources (uses)				
Refund of prior year receipts	-	(119)	-	119
Total other financing sources (uses)	<u>-</u>	<u>(119)</u>	<u>-</u>	<u>119</u>
Net change in fund balance	(45,461)	(45,461)	(22,023)	23,438
Fund balance, beginning of year	45,461	45,461	45,461	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,438</u>	<u>\$ 23,438</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, 2003

	TITLE V FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 4,883	\$ 30,403	\$ 29,039	\$ (1,364)
Total revenues	<u>4,883</u>	<u>30,403</u>	<u>29,039</u>	<u>(1,364)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	1,500	-	-	-
Total regular	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of non-instructional				
Community services				
Materials and supplies	2,509	1,344	1,657	(313)
Total community services	<u>2,509</u>	<u>1,344</u>	<u>1,657</u>	<u>(313)</u>
Total operation of non-instructional	<u>2,509</u>	<u>1,344</u>	<u>1,657</u>	<u>(313)</u>
Capital outlay	28,508	56,990	55,990	1,000
Total expenditures	<u>32,517</u>	<u>58,334</u>	<u>57,647</u>	<u>687</u>
Excess (deficiency) of revenues over expenditures	<u>(27,634)</u>	<u>(27,931)</u>	<u>(28,608)</u>	<u>(677)</u>
Other financing sources (uses)				
Transfers-in	-	1,363	1,363	-
Advances-in	-	-	1,364	1,364
Refund of prior year receipts	(705)	(1,512)	(705)	807
Transfers-out	-	(1,363)	(1,363)	-
Total other financing sources (uses)	<u>(705)</u>	<u>(1,512)</u>	<u>659</u>	<u>2,171</u>
Net change in fund balance	(28,339)	(29,443)	(27,949)	1,494
Fund balance, beginning of year	28,339	28,339	28,339	-
Prior year encumbrances appropriated	<u>1,104</u>	<u>1,104</u>	<u>1,104</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,104</u>	<u>\$ -</u>	<u>\$ 1,494</u>	<u>\$ 1,494</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, 2003

DRUG FREE SCHOOLS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 28,067	\$ 28,067	\$ 6,962	\$ (21,105)
Total revenues	<u>28,067</u>	<u>28,067</u>	<u>6,962</u>	<u>(21,105)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	23,708	11,677	11,863	(186)
Benefits	389	1,921	1,952	(31)
Purchased services	1,114	330	330	-
Materials and supplies	-	8,752	9,323	(571)
Total regular	<u>25,211</u>	<u>22,680</u>	<u>23,468</u>	<u>(788)</u>
Total instruction	<u>25,211</u>	<u>22,680</u>	<u>23,468</u>	<u>(788)</u>
Supporting services				
Pupil				
Purchased services	9,989	12,872	11,956	916
Materials and supplies	1,802	542	542	-
Total pupil	<u>11,791</u>	<u>13,414</u>	<u>12,498</u>	<u>916</u>
Total supporting services	<u>11,791</u>	<u>13,414</u>	<u>12,498</u>	<u>916</u>
Total expenditures	<u>37,002</u>	<u>36,094</u>	<u>35,966</u>	<u>128</u>
Excess (deficiency) of revenues over expenditures	<u>(8,935)</u>	<u>(8,027)</u>	<u>(29,004)</u>	<u>(20,977)</u>
Other financing sources (uses)				
Transfers-in	-	3,273	3,273	-
Advances-in	-	-	21,105	21,105
Advances-out	(10,161)	(10,161)	(10,161)	-
Refund of prior year receipts	-	(908)	-	908
Transfers-out	-	(3,273)	(3,273)	-
Total other financing sources (uses)	<u>(10,161)</u>	<u>(11,069)</u>	<u>10,944</u>	<u>22,013</u>
Net change in fund balance	(19,096)	(19,096)	(18,060)	1,036
Fund balance, beginning of year	19,096	19,096	19,096	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,036</u>	<u>\$ 1,036</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, 2003

	PRESCHOOL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 21,849	\$ 21,849	\$ 21,849	\$ -
Total revenues	<u>21,849</u>	<u>21,849</u>	<u>21,849</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	23,774	23,774	23,774	-
Benefits	447	447	447	-
Total pupil	<u>24,221</u>	<u>24,221</u>	<u>24,221</u>	<u>-</u>
Total supporting services	<u>24,221</u>	<u>24,221</u>	<u>24,221</u>	<u>-</u>
Total expenditures	<u>24,221</u>	<u>24,221</u>	<u>24,221</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,372)</u>	<u>(2,372)</u>	<u>(2,372)</u>	<u>-</u>
Other financing sources (uses)				
Refund of prior year receipts	(30)	(30)	(30)	-
Total other financing sources (uses)	<u>(30)</u>	<u>(30)</u>	<u>(30)</u>	<u>-</u>
Net change in fund balance	(2,402)	(2,402)	(2,402)	-
Fund balance, beginning of year	2,402	2,402	2,402	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</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, 2003

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
CLASSROOM REDUCTION FUND				
Revenues				
Intergovernmental	\$ 116,582	\$ 116,582	\$ 116,582	\$ -
Total revenues	<u>116,582</u>	<u>116,582</u>	<u>116,582</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	65,578	55,970	55,970	-
Benefits	21,859	15,030	15,030	-
Total regular	<u>87,437</u>	<u>71,000</u>	<u>71,000</u>	<u>-</u>
Adult/continuing				
Salaries	-	17,350	17,350	-
Benefits	-	2,726	2,726	-
Purchased services	9,700	25,282	25,282	-
Materials and supplies	-	1,500	1,500	-
Total adult/continuing	<u>9,700</u>	<u>46,858</u>	<u>46,858</u>	<u>-</u>
Total instruction	<u>97,137</u>	<u>117,858</u>	<u>117,858</u>	<u>-</u>
Supporting services				
Instructional staff				
Salaries	12,600	-	-	-
Benefits	2,400	-	-	-
Materials and supplies	4,145	-	-	-
Total instructional staff	<u>19,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total supporting services	<u>19,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of non-instructional				
Community services				
Purchased services	300	300	58	242
Total community services	<u>300</u>	<u>300</u>	<u>58</u>	<u>242</u>
Total operation of non-instructional	<u>300</u>	<u>300</u>	<u>58</u>	<u>242</u>
Total expenditures	<u>116,582</u>	<u>118,158</u>	<u>117,916</u>	<u>242</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,576)</u>	<u>(1,334)</u>	<u>242</u>
Other financing sources (uses)				
Transfers-in	-	1,576	1,576	-
Refund of prior year receipts	(115)	(115)	(115)	-
Total other financing sources (uses)	<u>(115)</u>	<u>1,461</u>	<u>1,461</u>	<u>-</u>
Net change in fund balance	(115)	(115)	127	242
Fund balance, beginning of year	115	115	115	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ 242</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, 2003

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 75,357	\$ 75,357	\$ 75,357	\$ -
Total revenues	<u>75,357</u>	<u>75,357</u>	<u>75,357</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	5,245	5,245	5,068	177
Total regular	<u>5,245</u>	<u>5,245</u>	<u>5,068</u>	<u>177</u>
Vocational				
Salaries	12,584	12,584	9,719	2,865
Benefits	2,070	2,070	2,070	-
Purchased services	23,484	23,484	23,484	-
Materials and supplies	11,862	11,862	11,862	-
Total vocational	<u>50,000</u>	<u>50,000</u>	<u>47,135</u>	<u>2,865</u>
Total instruction	<u>55,245</u>	<u>55,245</u>	<u>52,203</u>	<u>3,042</u>
Capital outlay	20,886	20,886	20,656	230
Total expenditures	<u>76,131</u>	<u>76,131</u>	<u>72,859</u>	<u>3,272</u>
Net change in fund balance	(774)	(774)	2,498	3,272
Fund balance, beginning of year	774	774	774	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,272</u>	<u>\$ 3,272</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, 2003

	DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 57,300	\$ 57,068	\$ 57,068	\$ -
Total revenues	<u>57,300</u>	<u>57,068</u>	<u>57,068</u>	<u>-</u>
Expenditures				
Debt service				
Principal	2,548,000	2,548,000	2,548,000	-
Interest and fiscal charges	63,100	62,868	62,868	-
Total debt service	<u>2,611,100</u>	<u>2,610,868</u>	<u>2,610,868</u>	<u>-</u>
Total expenditures	<u>2,611,100</u>	<u>2,610,868</u>	<u>2,610,868</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,553,800)</u>	<u>(2,553,800)</u>	<u>(2,553,800)</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from sale of notes	2,521,000	2,521,000	2,521,000	-
Transfers-in	32,800	32,800	32,800	-
Total other financing sources (uses)	<u>2,553,800</u>	<u>2,553,800</u>	<u>2,553,800</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</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, 2003

PERMANENT IMPROVEMENTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,036,231	\$ 1,026,110	\$ 1,026,110	\$ -
Interest	2,000	5,618	6,274	656
Intergovernmental	126,000	125,001	125,001	-
Total revenues	<u>1,164,231</u>	<u>1,156,729</u>	<u>1,157,385</u>	<u>656</u>
Expenditures				
Capital outlay	1,162,231	1,492,140	1,381,406	110,734
Total expenditures	<u>1,162,231</u>	<u>1,492,140</u>	<u>1,381,406</u>	<u>110,734</u>
Net change in fund balance	2,000	(335,411)	(224,021)	111,390
Fund balance, beginning of year	493,713	493,713	493,713	-
Prior year encumbrances appropriated	<u>279,909</u>	<u>279,909</u>	<u>279,909</u>	<u>-</u>
Fund balance, end of year	<u>\$ 775,622</u>	<u>\$ 438,211</u>	<u>\$ 549,601</u>	<u>\$ 111,390</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, 2003

	SCHOOLNET PLUS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 70,963	\$ 70,963	\$ 70,963	\$ -
Total revenues	<u>70,963</u>	<u>70,963</u>	<u>70,963</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	5,572	5,572	-	5,572
Total central services	<u>5,572</u>	<u>5,572</u>	<u>-</u>	<u>5,572</u>
Total supporting services	<u>5,572</u>	<u>5,572</u>	<u>-</u>	<u>5,572</u>
Capital outlay	65,391	65,391	58,649	6,742
Total expenditures	<u>70,963</u>	<u>70,963</u>	<u>58,649</u>	<u>12,314</u>
Net change in fund balance	-	-	12,314	12,314
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,314</u>	<u>\$ 12,314</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, 2003

VIDEO DISTANCE LEARNING FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction				
Regular				
Salaries	\$ 9,078	\$ 9,078	\$ 8,205	\$ 873
Purchased services	12,926	13,576	6,556	7,020
Total regular	<u>22,004</u>	<u>22,654</u>	<u>14,761</u>	<u>7,893</u>
Total instruction	<u>22,004</u>	<u>22,654</u>	<u>14,761</u>	<u>7,893</u>
Capital outlay	<u>500</u>	<u>500</u>	-	<u>500</u>
Total expenditures	<u>22,504</u>	<u>23,154</u>	<u>14,761</u>	<u>8,393</u>
Net change in fund balance	(22,504)	(23,154)	(14,761)	8,393
Fund balance, beginning of year	22,504	22,504	22,504	-
Prior year encumbrances appropriated	<u>650</u>	<u>650</u>	<u>650</u>	-
Fund balance, end of year	<u>\$ 650</u>	<u>\$ -</u>	<u>\$ 8,393</u>	<u>\$ 8,393</u>

North Olmsted City School District
 Governmental Activities Revenues by Source
 and Expenses by Function
 Last Two Fiscal Years

	<u>2003</u>	<u>2002</u>
Program Revenues		
Charges for Services	\$ 1,843,031	\$ 1,810,182
Operating Grants, interest and Contributions	2,220,495	1,725,183
Capital Grants and Contributions	36,718	41,767
General Revenues		
Property taxes leveled for:		
General purposes	25,577,053	29,109,564
Capital improvements	930,097	1,148,089
Grants and entitlements not restricted to to specific purposes	11,377,257	10,659,176
Investment earnings	439,975	660,300
Miscellaneous	278,610	334,286
Total	<u>42,703,236</u>	<u>45,488,547</u>
Expenses		
Instruction:		
Regular	20,216,074	19,996,444
Special	5,011,288	4,279,749
Vocational	726,168	682,107
Adult/continuing	120,007	148,210
Other instructional	100,779	537,666
Support Services:		
Pupil	3,061,499	3,012,740
Instructional staff	1,326,206	1,539,103
Board of education	224,903	121,763
Administration	3,275,887	3,089,415
Fiscal services	861,122	855,813
Business	138,036	306,056
Operation and Maintenance	3,950,519	3,878,826
Pupil transportation	1,892,034	1,696,739
Central services	917,579	683,277
Operation of non-instructional:		
Food service operation	1,346,509	1,446,434
Community services	514,523	508,363
Extracurricular activities:		
Academic and subject oriented	278,589	150,952
Sport oriented	808,648	805,261
Debt service	65,557	99,571
Total	<u>44,835,927</u>	<u>43,838,489</u>
Change in Net Assets	<u>\$ (2,132,691)</u>	<u>\$ 1,650,058</u>

Source: School District Financial Records

North Olmsted City School District
 General Fund Revenues by Source
 and Other Financing Sources
 Last Ten Fiscal Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Taxes	\$ 25,618,372	\$ 29,278,504	\$ 25,376,330	\$ 23,836,563	\$ 25,245,354	\$ 24,813,394	\$ 24,005,517	\$ 21,847,971	\$ 19,481,899	\$ 18,938,401
Intergovernmental	11,292,756	10,550,937	10,239,639	9,646,045	9,586,604	9,243,646	9,149,386	8,734,330	8,228,350	8,171,745
Tuition and Fees	158,368	382,047	197,485	199,896	496,914	682,765	199,349	161,871	189,373	274,062
Interest	375,050	566,962	1,036,705	870,069	723,425	613,270	403,054	265,550	172,521	109,274
Other	393,482	284,262	299,947	233,905	115,764	453,364	151,853	92,144	125,387	78,715
Other Financing Sources	237,000	23,648	0	0	76	454,668	215,183	133,753	4,666	404,971
Total	<u>\$ 38,075,028</u>	<u>\$ 41,086,360</u>	<u>\$ 37,150,106</u>	<u>\$ 34,786,478</u>	<u>\$ 36,168,137</u>	<u>\$ 36,261,107</u>	<u>\$ 34,124,342</u>	<u>\$ 31,235,619</u>	<u>\$ 28,202,196</u>	<u>\$ 27,977,168</u>

Source: School District Financial Records.

North Olmsted City School District
 General Fund Expenditures by Function
 and Other Financing Uses
 Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Instruction	\$ 24,617,116	\$ 24,107,877	23,144,002	\$ 21,776,367	\$ 21,085,160	\$ 19,072,572	\$ 18,172,464	\$ 17,296,675	\$ 17,104,812	\$ 16,159,867
Supporting Services	2,764,921	2,830,694	2,620,635	1,914,163	1,861,866	1,836,245	1,957,389	1,838,305	1,710,618	1,458,172
Instructional Support	1,260,719	1,479,975	1,365,748	1,272,092	1,168,332	1,157,305	1,042,688	983,066	890,755	826,238
Administration and Board of Education	2,887,046	2,933,233	2,980,985	2,561,035	2,321,846	2,322,301	2,381,844	2,278,410	2,160,694	2,431,468
Fiscal and Business Services	1,020,879	1,074,553	952,772	986,219	982,947	898,038	818,814	783,055	758,296	521,902
Operation & Maintenance	3,374,440	3,365,077	3,313,353	3,004,340	2,891,050	2,970,069	2,898,677	2,969,427	2,618,140	2,783,129
Pupil Transportation	1,627,123	1,506,495	1,380,383	1,328,688	1,210,791	1,189,912	1,259,103	1,273,524	1,194,772	1,278,809
Central and Community Services	1,141,640	793,734	804,239	773,102	661,963	803,487	949,443	638,399	504,268	976,057
Extra-Curricular Activities	880,353	771,580	891,638	785,949	724,963	706,111	662,175	551,319	577,092	499,482
Capital Outlay	0	39,426	126,048	98,724	78,826	90,928	73,571	76,816	131,439	76,140
Debt Service	21,520	48,972	97,944	97,944	125,740	457,652	190,629	230,672	224,944	84,938
Other Financing Uses	251,484	231,578	314,865	216,317	269,754	118,823	364,121	505,000	300,000	300,000
Total	\$ 39,847,241	\$ 39,183,194	\$ 37,992,612	\$ 34,814,940	\$ 33,383,238	\$ 31,623,443	\$ 30,770,918	\$ 29,424,668	\$ 28,175,830	\$ 27,396,202

Source: School District Financial Records.

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 Taxes Collections	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collection As Percent of Current Levy
2002	\$ 25,972,760	\$ 1,406,952	\$ 27,379,712	\$ 24,971,411	96.1%	\$ 824,843	\$ 25,796,254	99.3%
2001	25,974,633	1,583,758	27,558,391	25,119,931	96.7%	760,608	25,880,539	99.6%
2000	25,675,526	1,383,374	27,058,900	24,757,611	96.4%	617,022	25,374,633	98.8%
1999	25,533,556	1,529,526	27,063,082	24,841,980	97.3%	653,940	25,495,920	99.9%
1998	24,876,522	1,522,238	26,398,760	24,244,799	97.5%	573,279	24,818,078	99.8%
1997	24,595,296	1,353,212	25,948,508	24,225,861	98.5%	423,118	24,648,979	100.2%
1996	24,173,715	852,034	25,025,749	23,960,322	99.1%	353,377	24,313,699	100.6%
1995	23,526,366	1,086,382	24,612,748	22,640,700	96.2%	712,670	23,353,370	99.3%
1994	21,140,434	1,459,923	22,600,357	20,641,456	97.6%	423,214	21,064,670	99.6%
1993	21,077,123	989,514	22,066,637	20,550,675	97.5%	418,281	20,968,956	99.5%

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 County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.

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		Total		Assessed Value Ratio
	Assessed Value	Estimated Actual value (1)	Assessed Value	Estimated Actual value (2)	Assessed Value	Estimated Actual value (3)	Assessed Value	Estimated Actual value	
2003	\$ 747,221,840	\$ 2,134,919,543	\$ 16,116,080	\$ 18,313,727	\$ 46,093,216	\$ 192,055,067	\$ 809,431,136	\$ 2,345,288,337	34.5%
2002	745,908,230	2,131,166,371	17,160,110	19,500,125	50,663,682	211,098,675	813,732,022	2,361,765,171	34.5%
2001	743,312,040	2,123,748,686	20,789,070	23,623,943	48,393,017	193,572,068	812,494,127	2,340,944,697	34.7%
2000	668,471,450	1,909,918,429	22,399,090	25,453,511	45,819,672	183,278,688	736,690,212	2,118,650,628	34.8%
1999	659,211,490	1,883,461,400	24,629,710	27,988,307	46,864,374	187,457,496	730,705,574	2,098,907,203	34.8%
1998	649,920,820	1,856,916,629	23,804,710	27,050,807	45,200,585	180,802,340	718,926,115	2,064,769,776	34.8%
1997	591,673,740	1,690,496,400	24,522,540	27,866,523	42,771,806	171,087,224	658,968,086	1,889,450,147	34.9%
1996	573,675,650	1,639,073,286	25,111,460	28,535,750	39,343,895	157,375,580	638,131,005	1,824,984,616	35.0%
1995	568,907,430	1,625,449,800	27,468,570	31,214,284	35,731,767	142,927,068	632,107,767	1,799,591,152	35.1%
1994	498,206,300	1,423,446,571	25,778,330	29,293,557	32,182,540	128,730,160	556,167,170	1,581,470,288	35.2%

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 County Auditor.

- (1) This amount is calculated based upon an assessed value of 35 percentage of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percentage of actual value. Prior to 1991, the assessed valuation was 100 percentage of actual value.
- (3) This amount is calculated based upon an assessed value of 24 percentage of actual value in 2003 and 2002, 25 percentage of actual value from 1994 to 2001. Assessed value percentage decreased 1% each year from 31 percent in 1988 to 26 percent in 1993.

North Olmsted City School District
 Property Tax Rates - Direct and Overlapping Governments
 (Per \$1,000 Assessed Valuation)
 Last Ten Fiscal Years

<u>Year</u>	<u>School District</u>			<u>Vocational</u>			<u>Total</u>
	<u>General</u>	<u>Improvements</u>	<u>Total</u>	<u>County</u>	<u>School</u>	<u>City</u>	
2003	75.10	1.90	77.00	19.40	2.40	13.40	112.20
2002	67.20	1.90	69.10	17.60	2.40	13.60	102.70
2001	67.20	1.90	69.10	17.60	2.40	13.70	102.80
2000	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1999	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1998	67.20	1.90	69.10	18.00	2.40	12.70	102.20
1997	67.20	1.90	69.10	18.00	2.40	12.70	102.20
1996	67.20	1.90	69.10	18.00	2.50	12.80	102.40
1995	61.30	1.90	63.20	18.20	2.50	12.60	96.50
1994	61.30	0.00	61.30	17.80	2.50	13.10	94.70

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 County Auditor.

North Olmsted City School District
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value For Operations (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$ -0-	\$ 809,431,136	33,786	0.000%	\$ -0-
2002	-0-	813,732,022	34,113	0.000%	-0-
2001	-0-	812,494,127	34,113	0.000%	-0-
2000	-0-	736,690,212	34,204	0.000%	-0-
1999	-0-	730,705,574	34,204	0.000%	0
1998	-0-	718,926,115	34,486	0.000%	0
1997	-0-	658,968,086	34,524	0.000%	0
1996	-0-	638,131,005	34,562	0.000%	0
1995	-0-	632,107,767	34,683	0.000%	0
1994	-0-	556,167,170	34,734	0.000%	0
1993	-0-	549,162,750	34,346	0.000%	0

Source of information:

- (1) School District Financial Records
- (2) Cuyahoga County Auditor
- (3) City of North Olmsted.

North Olmsted City School District
 Computation of Legal Debt Margin
 As of June 30, 2003

Assessed Valuation \$ 809,431,136

Debt Limit - 9% of Assessed Value (1) \$ 72,848,802

Amount of Debt Applicable to Debt Limit:

General Obligation Notes	89,000
Revenue Anticipation Notes	-0-
Less: Amount Available in Debt Service Fund	-0-
Total	<u>89,000</u>

Overall Debt Margin \$ 72,759,802

Debt Limit - .10% of Assessed Value (1) \$ 809,431

Amount of Debt Applicable -0-

Unvoted Debt Margin \$ 809,431

Source: Cuyahoga County Auditor and School District Financial Records.

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

North Olmsted City School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2002

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Amount (1) Applicable to School District</u>
Direct Debt:			
North Olmsted City School District	\$ 2,637,000	100.00%	\$ 2,637,000
Underlying Debt:			
Cuyahoga County	200,162,636	2.83%	5,664,603
Regional Transit Authority	136,310,000	2.83%	3,857,573
Polaris Joint Vocational School	-0-	0.00%	-0-
North Olmsted City	67,325,000	100.00%	67,325,000
Subtotal	<u>403,797,636</u>		<u>76,847,176</u>
Total	<u>\$ 406,434,636</u>		<u>\$ 79,484,176</u>

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

(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
 Ratio of Annual Debt Service Expenditures for
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2003	\$ -0-	\$ -0-	\$ -0-	\$ 39,847,241	0.00%
2002	-0-	-0-	-0-	\$ 39,183,194	0.00%
2001	-0-	-0-	-0-	37,992,612	0.00%
2000	-0-	-0-	-0-	34,814,940	0.00%
1999	-0-	-0-	-0-	33,383,238	0.00%
1998	-0-	-0-	-0-	31,623,443	0.00%
1997	-0-	-0-	-0-	30,770,918	0.00%
1996	-0-	-0-	-0-	29,424,668	0.00%
1995	-0-	-0-	-0-	28,175,830	0.00%
1994	-0-	-0-	-0-	27,096,202	0.00%

Source: School District Financial Records

(1) Includes other financing uses.

North Olmsted City School District
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>North Olmsted City Population (2)</u>	<u>School Enrollment (3)</u>	<u>Cuyahoga County Unemployment Rate (4)</u>
2003	1,379,049	33,786	4,696	6.0%
2002	1,379,049	34,113	4,663	6.7%
2001	1,393,978	34,113	4,714	4.5%
2000	1,386,803	34,204	4,863	4.0%
1999	1,412,140	34,204	4,983	4.3%
1998	1,380,696	34,486	4,985	4.1%
1997	1,389,559	34,524	4,951	5.0%
1996	1,398,169	34,562	5,056	4.7%
1995	1,398,169	34,683	5,021	5.8%
1994	1,414,141	34,734	5,020	6.8%

Source in information:

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

North Olmsted City School District

Property Value,
Financial Institution Deposits and Building Permits
Last Ten Fiscal Years

<u>Year</u>	<u>Real Estate Property Value (1)</u>	<u>Bank Deposits Cuyahoga County (000's)</u>	<u>Value of Residential Building Permits Issued</u>	<u>Value of Commercial Building Permits Issued</u>
2002	\$ 745,908,230	\$ 95,761,917 (3)	\$ 10,178,440	\$ 27,061,724
2001	743,312,040	63,893,769	5,783,836	9,675,166
2000	668,471,450	61,943,764	10,092,256	10,280,276
1999	659,211,490	60,296,678	12,913,535	17,170,778
1998	649,920,820	58,904,596	13,436,512	31,876,717
1997	591,673,740	53,941,971 (2)	14,482,863	21,582,756
1996	573,675,650	24,628,923	11,680,825	10,380,000
1995	568,907,430	22,458,573	9,545,000	10,800,000
1994	498,206,300	20,885,453	6,747,000	26,000,000
1993	492,283,360	21,009,421	7,700,000	13,000,000

Source: North Olmsted City Building Department Reports and the Federal Reserve Bank of Cleveland - Data is presented on a calendar year basis because that is the manner in which the information is maintained.

- (1) Represents assessed value as reported by the Cuyahoga County Auditor.
- (2) Large increase in deposits due to Key Bank becoming single charter in 1997.
- (3) Large increase in deposits due to Charter One Bank converting from a thrift institution to a commercial bank.

North Olmsted City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total</u>
May Department Stores Company	\$ 2,135,630	4.63%
Riser Foods Company	2,031,930	4.41%
Home Depot USA, Inc.	1,637,570	3.55%
Sears Roebuck & Company	1,516,070	3.29%
J C Penney Company	1,473,850	3.20%
Wal Market Stores, Inc.	1,440,270	3.12%
Great Northern Dodge, Inc.	1,125,804	2.44%
Motorcars Acquisition II, Inc.	995,240	2.16%
Adelphia of the Midwest, Inc.	904,970	1.96%
Best Buy Company	864,530	1.88%
Motorcars USA, Inc.	864,510	1.88%
Sunnyside Cars, Inc.	850,710	1.85%
Ganley Pontiac, Inc.	847,950	1.84%
Solarcom, Inc.	688,790	1.49%
CompUSA, Inc.	583,350	1.27%
Ganley Westside Imports, Inc.	563,660	1.22%
Toys R Us of Ohio	550,900	1.20%
Sunnyside Automotive, Inc.	549,860	1.19%
Guitar Centers Stores, Inc.	532,810	1.16%
Jo Ann Stores, Inc.	478,370	1.04%
Marc glassman, Inc.	469,100	1.02%
Wideopenwest Cleveland, LLC	460,560	1.00%
Nissan of North Olmsted, LLC	459,040	1.00%
Total	\$ 22,025,474	47.80%
Total Value in the School District	\$ 46,093,216	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

North Olmsted City School District
Principal Taxpayers
Real Estate Tax
December 31, 2002

<u>Name of Tax Payer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total</u>
DDRC Great Northern, LTD	\$ 21,145,210	2.83%
Great Northern Partnership	19,063,140	2.56%
Great Northern Property Company	6,864,420	0.92%
Butternut Ridge Apartment, LLC	5,462,630	0.73%
B&G Properties, LTD	4,911,180	0.66%
Mays Department Stores	4,869,900	0.65%
Water Towers Apartments, LTD	4,696,720	0.63%
Wal Mart	4,221,390	0.57%
Country Club Hotel Association	3,694,360	0.50%
Sears Roebuck & Company	3,532,830	0.47%
J G North Olmsted Hotel Limited	3,080,000	0.41%
Great Northern Partnership & Pennstead	3,027,500	0.41%
Victoria Plaza, LTD	2,925,130	0.39%
The Westbury Tower Corporation	2,625,010	0.35%
Bridlewood Apartments	2,487,140	0.33%
Manor Care of North Olmsted, Inc.	2,450,010	0.33%
Jamestown Development Company	2,437,970	0.33%
BRE/HV Propwerities, LLC	2,409,750	0.32%
Candlewood of Cleveland	2,214,840	0.30%
Chg-Ham, 1, LLC	2,150,050	0.29%
Brooklor, LLC	1,925,000	0.26%
Wellington Place, LTD	1,901,030	0.00
Moen, Inc.	1,727,950	0.23%
Studio Plus Properties, Inc.	1,718,890	0.23%
Tech Park Associates	1,673,810	0.22%
Total	\$ 113,215,860	15.17%
Total Value in the School District	\$ 745,908,230	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

North Olmsted City School District
Principal Taxpayers
Public Utilities Tax
December 31, 2002

<u>Name of Tax Payer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total</u>
Cleveland Illuminating Company	\$ 7,573,030	44.1%
Ohio Bell Telephone Company	5,538,030	32.3%
American Transmission System	932,820	5.4%
East Ohio Gas Company	892,390	5.2%
Alltel Ohio Limited Partnership	297,700	1.7%
New Par	273,040	1.6%
AT&T Wireless	187,890	1.1%
Total	<u>\$ 15,694,900</u>	<u>91.5%</u>
Total Value in the School District	<u>\$ 17,160,110</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

North Olmsted City School District
Per Pupil Cost
Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Cost Per Pupil</u>
2003	\$ 39,847,241	4,696	\$ 8,485
2002	\$ 39,183,194	4,663	\$ 8,403
2001	37,992,612	4,714	8,060
2000	34,814,940	4,863	7,159
1999	33,383,238	4,983	6,699
1998	31,623,443	4,985	6,344
1997	30,770,918	4,951	6,215
1996	29,424,668	5,056	5,820
1995	28,175,830	5,021	5,612
1994	26,231,436	5,020	5,225

1

North Olmsted City School District
 Teacher Education and Experience
 June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
Bachelor's	34	10.2%
Bachelor's + 15 credit hours	15	4.5%
Bachelor's + 30 credit hours	36	10.8%
Master's	95	28.5%
Master's + 15 credit hours	48	14.4%
Master's + 30 credit hours	18	5.4%
Master's + 45 credit hours	16	4.9%
Master's + 60 credit hours	68	20.4%
Ph. D.	3	0.9%
Total	<u>333</u>	<u>100.0%</u>

<u>Years of Experience</u>	<u>Number Of Teachers</u>	<u>Percent of Total</u>
0 - 5	63	18.9%
6-10	96	28.8%
11 and Over	174	52.3%
Total	<u>333</u>	<u>100.0%</u>

Source: School District Personnel Records.

This Page is Intentionally Left Blank.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
APRIL 1, 2004**