

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State  
Betty Montgomery**



**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
<b>Child Nutrition Cluster:</b>						
Food Distribution Program	N/A	10.550	\$0	\$59,950	\$0	\$59,950
National School Breakfast	044529 05 PU 04	10.553	1,221	0	1,221	0
National School Breakfast	044529 05 PU 05	10.553	8,806	0	8,806	0
<b>Total National School Breakfast</b>			<u>10,027</u>	<u>0</u>	<u>10,027</u>	<u>0</u>
National School Lunch Program	044529 LL P4 04	10.555	83,382	0	83,382	0
National School Lunch Program	044529 LL P4 05	10.555	218,747	0	218,747	0
<b>Total National School Lunch Program</b>			<u>302,129</u>	<u>0</u>	<u>302,129</u>	<u>0</u>
<b>Total U.S. Department of Agriculture - Child Nutrition Cluster</b>			<u><b>312,156</b></u>	<u><b>59,950</b></u>	<u><b>312,156</b></u>	<u><b>59,950</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
<b>Special Education Cluster:</b>						
Special Education Grants to States, IDEA Part B	044529 6B SD 04	84.027	0	0	5,651	0
Special Education Grants to States, IDEA Part B	044529 6B SF 04	84.027	176,142	0	79,515	0
Special Education Grants to States, IDEA Part B	044529 6B SD 05	84.027	7,196	0	11,218	0
Special Education Grants to States, IDEA Part B	044529 6B SF 05	84.027	594,747	0	682,173	0
<b>Total Special Education Grants to States, IDEA Part B</b>			<u>778,085</u>	<u>0</u>	<u>778,557</u>	<u>0</u>
Special Education Preschool Grants	044529 PG S1 02	84.173	(2,373)	0	0	0
Special Education Preschool Grants	044529 PG D7 04	84.173	5,347	0	3,944	0
Special Education Preschool Grants	044529 PG S1 05	84.173	25,280	0	26,988	0
<b>Total Special Education Preschool Grants</b>			<u>28,254</u>	<u>0</u>	<u>30,932</u>	<u>0</u>
<b>Total Special Education Cluster</b>			<u><b>806,339</b></u>	<u><b>0</b></u>	<u><b>809,489</b></u>	<u><b>0</b></u>
Title I, Part A, ESEA	044529 C1 S1 04	84.010	14,841	0	18,028	0
Title I, Part A, ESEA	044529 C1 S1 05	84.010	189,681	0	190,458	0
<b>Total Title I, Part A, ESEA</b>			<u>204,522</u>	<u>0</u>	<u>208,486</u>	<u>0</u>
Safe and Drug Free Schools National Program	044529 T4 S1 04	84.184C	4,949	0	1,465	0
Safe and Drug Free Schools	044529 DR S1 04	84.186	1,725	0	0	0
Safe and Drug Free Schools	044529 DR S1 05	84.186	14,159	0	14,247	0
<b>Total Safe and Drug Free Schools</b>			<u>20,833</u>	<u>0</u>	<u>15,712</u>	<u>0</u>
Innovation Education Program Strategies, Title V	044529 C2 S1 01	84.298	(808)	0	0	0
Innovation Education Program Strategies, Title V	044529 C2 S1 04	84.298	22,143	0	268	0
Innovation Education Program Strategies, Title V	044529 C2 S1 05	84.298	30,176	0	30,176	0
<b>Total Innovation Education Program Strategies, Title V</b>			<u>51,511</u>	<u>0</u>	<u>30,444</u>	<u>0</u>
Education Technology State Grants, Title II-D	044529 TJ S1 04	84.318	4,505	0	0	0
Education Technology State Grants, Title II-D	044529 TJ S1 05	84.318	1,368	0	4,746	0
<b>Total Education Technology State Grants, Title II-D</b>			<u>5,873</u>	<u>0</u>	<u>4,746</u>	<u>0</u>
Limited English Proficiency, Title III	044529 T3 S1 04	84.365	6,300	0	7,182	0
Limited English Proficiency, Title III	044529 T3 S1 05	84.365	72,617	0	71,747	0
Limited English Proficiency, Title III	044529 T3 S2 04	84.365	3,272	0	2,258	0
Limited English Proficiency, Title III	044529 T3 S2 05	84.365	8,749	0	9,726	0
<b>Total Limited English Proficiency, Title III</b>			<u>90,938</u>	<u>0</u>	<u>90,913</u>	<u>0</u>
Improving Teacher Quality, Title II-A	044529 TR S1 04	84.367	3,303	0	130	0
Improving Teacher Quality, Title II-A	044529 TR S1 05	84.367	115,515	0	119,623	0
<b>Total Improving Teacher Quality, Title II-A</b>			<u>118,818</u>	<u>0</u>	<u>119,753</u>	<u>0</u>
Learn and Serve America	044529 SV S1 04	94.004	9,763	0	0	0
Learn and Serve America	044529 SV S1 05	94.004	21,086	0	36,218	0
Learn and Serve America	044529 SV HS 05	94.004A	10,697	0	18,629	0
<b>Total Learn and Serve America</b>			<u>41,546</u>	<u>0</u>	<u>54,847</u>	<u>0</u>
<b>Total U.S. Department of Education</b>			<u><b>1,340,380</b></u>	<u><b>0</b></u>	<u><b>1,334,390</b></u>	<u><b>0</b></u>
<b>Total All Federal Funds</b>			<u><b>\$ 1,652,536</b></u>	<u><b>\$ 59,950</b></u>	<u><b>\$ 1,646,546</b></u>	<u><b>\$ 59,950</b></u>

The accompanying notes to this schedule are an integral part of this schedule.

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
JUNE 30, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes 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, 2005, the District had no significant food commodities in inventory.

**NOTE C – NATIONAL SCHOOL LUNCH PROGRAM**

Cash receipts from the U.S. Department of Agriculture are co-mingled with State grants and local monies. It is assumed federal monies are expended first.

**NOTE D – RETURN OF RECEIPTS**

The District returned receipts in the amounts of \$2,373 from the Special Education Preschool Grant and \$808 from the Innovation Education Program Strategies Grant to the Ohio Department of Education because all of the grants funds had not been expended within the allowable time period.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.



## **Auditor of State Betty Montgomery**

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

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

To the Board of Education:

We have audited the 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, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated January 20, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated January 20, 2006, we reported other matters related to noncompliance we deemed immaterial.

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

We intend this report solely for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities. It is not intended for 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 20, 2006





## Auditor of State Betty Montgomery

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

Board of Education  
North Olmsted City School District  
Cuyahoga County  
27425 Butternut Ridge Road  
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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal programs for the year ended June 30, 2005.

#### Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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.

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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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Federal Awards Expenditure Schedule**

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the North Olmsted City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated January 20, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

January 20, 2006

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005  
(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**  
North Olmsted, Ohio

**Comprehensive**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2005**

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, 2005**  
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**North Olmsted City School District**  
**Administrative Offices**  
27425 Butternut Ridge Road  
North Olmsted, Ohio 44070



January 20, 2006

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, 2005. 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 Accountants' 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 the auspices of the Office of the State Superintendent of Common School Education, Township Trustees were authorized to levy compulsory taxes for the support of public education. In 1853 State laws were enacted to create locally elected boards of education to govern local school districts. Today, the North Olmsted Board of Education is comprised of five members, elected at large, with staggered four year terms.

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

### **THE REPORTING ENTITY**

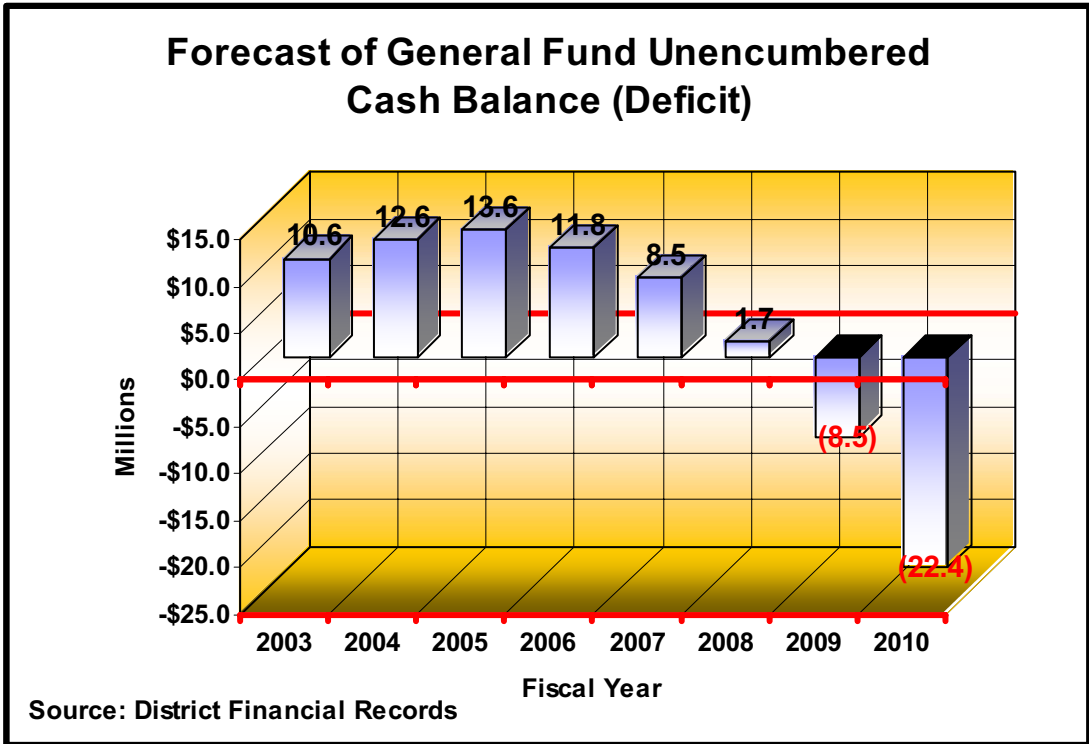
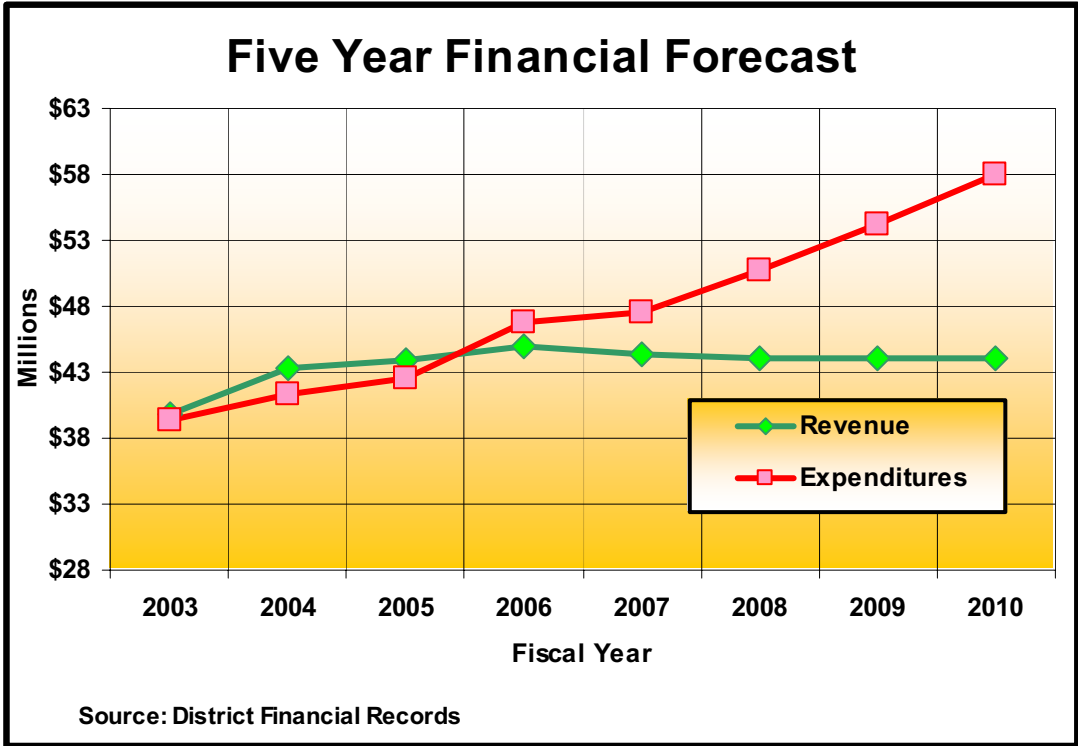
North Olmsted City School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "the Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes, 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 and the Parent Teacher Association. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

The School District is a member of the 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 17 of the basic financial statements.

### **ECONOMIC CONDITION AND OUTLOOK**

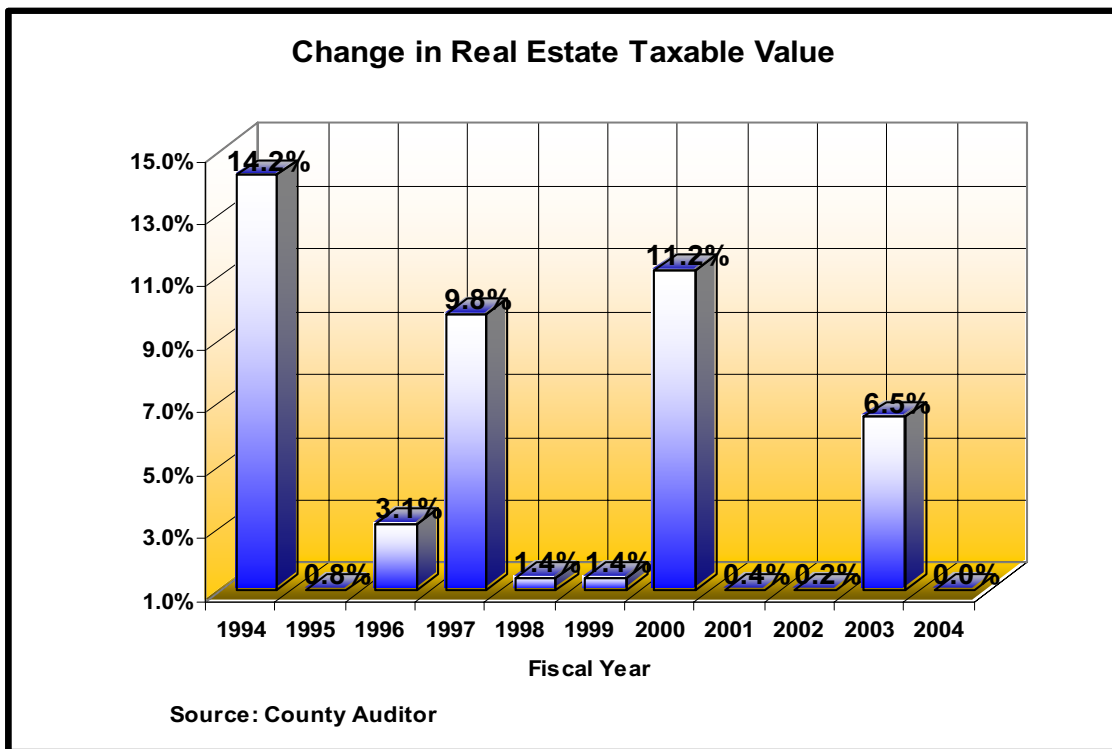
The School District faces a serious financial challenge in the near future because of limited growth in revenue. Based upon the School District's current "Five Year Financial Forecast", beginning next year, operating revenues will not keep pace with inflationary increases in expenditures and the School District will incur a \$1.9 million operating deficit. The operating deficit increases to \$3.3 million the following year and to \$6.8 million in fiscal year 2007-2008. The School District will be forced to use its cash reserves to fund these operating deficits until the cash is exhausted at the end of fiscal year 2008-2009. The School District's "Five Year Financial Forecast" and corresponding General Fund's cash balances are illustrated in the graphs on the next page.



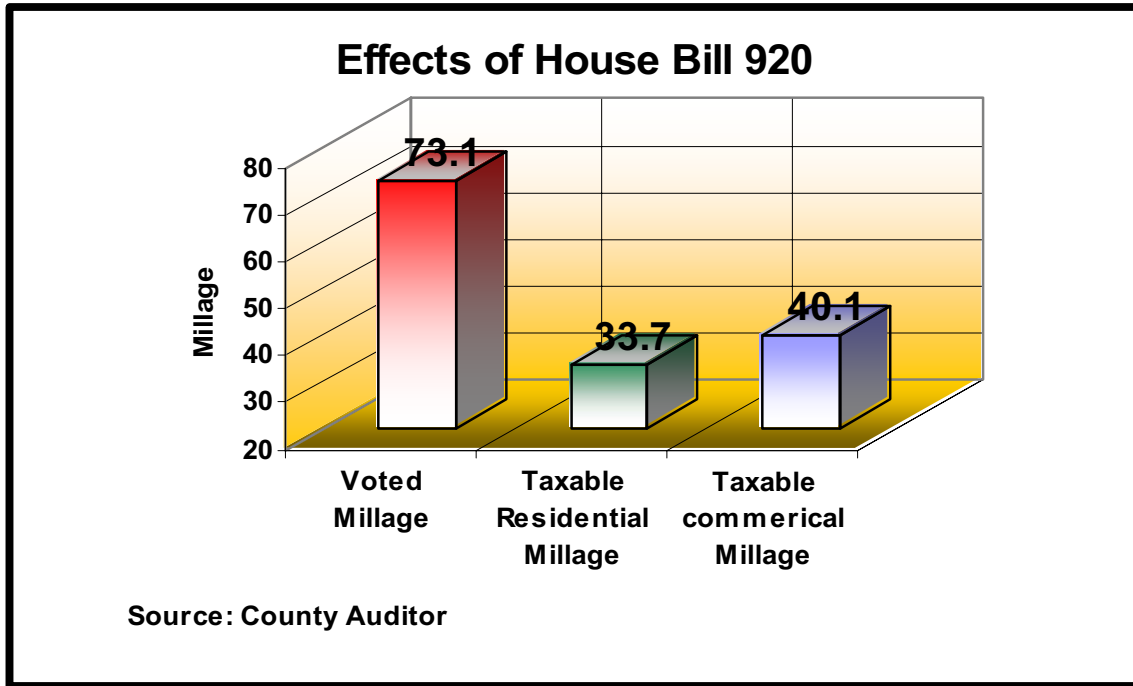
In anticipation of the forecasted operating deficits, the Board of Education placed a combination 4.1 mill Operating and 2.8 Capital Improvement bond levy on the November 2005 ballot. Unfortunately, this levy was defeated by the residents and the Board of Education is considering placing a similar levy on the May 2006 ballot.

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 (66.2 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. Over the past 10 years, the School District's tax revenue has increased an average of only \$240,000 each year because of new construction. 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 following graph.



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 33.7 mills for residential properties and 40.1 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 the loss of tax 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 8.0 percent of General Fund operating revenue in fiscal year 2005.

In June 2005, the Ohio General assembly passed House Bill 66, which will phase-out the assessment and collection of tangible personal taxes in Ohio during the next four years. The School District will be partially reimbursed by the State of Ohio for the loss of this revenue over a period of 12 years. A Schedule of anticipated loss in tangible personal property taxes and the phase-out of State reimbursement under House Bill 66 is summarized in Table 1. Once fully phased-out, the School District will lose approximately \$3.7 million annually in operating revenue.

**TABLE 1**

## Projected Tangible Property Tax Collections

<u>Fiscal Year</u>	<u>Estimated Tax Collections</u>	<u>Estimated State Reimbursement</u>	<u>Projected Net Loss In Operating Revenue</u>
2006	\$3,700,000	0	0
2007	2,775,000	\$873,000	\$52,000
2008	1,850,000	1,575,000	275,000
2009	925,000	2,269,000	506,000
2010	0	2,959,000	741,000
2011	0	2,959,000	741,000
2012	0	2,437,000	1,263,000
2013	0	1,914,000	1,786,000
2014	0	1,566,000	2,134,000
2015	0	1,218,000	2,482,000
2016	0	870,000	2,830,000
2017	0	522,000	3,178,000
2018	0	174,000	3,526,000
2019	0	0	3,700,000

**MAJOR INITIATIVES - FISCAL YEAR 2005****Excellence in Academics**

North Olmsted High School is a comprehensive four-year school, grades 9-12, serving over 1,600 students. The High School earned an "Excellent" rating on the 2004/2005 report card. Students are offered a range of programs as they move through the system, from a top rated gifted education program to extensive services for vocational and special needs students.

The Class of 2005 had 344 graduates, of which 84% enrolled in a two or four-year college, university or technical school to further their education. 15% of the graduates started in the work force after graduation, and 1% entered the armed services.

Students continued to score above the national average on the American College Test (ACT) with a composite of 22.6 and on the Scholastic Aptitude Test (SAT) with a verbal composite of 606 and a math composite of 663.

North Olmsted High School offers 13 Advanced Placement classes that afford students the opportunity to earn college credit while still in High School. Ninety-Two students took a total of 137 different AP tests and 72% scored a three or better out of a possible score of five to qualify for college credit.

The Class of 2005 had 75 students who earned the President's Award of Academic Excellence and 90 graduated with an Honors Diploma. 109 students earned the Ohio Award of Merit. Graduates were awarded over \$5.9 million in scholarships from colleges.

Students received \$62,741 in scholarships from local organizations, civic groups, school associations and special memorials.

A major initiative district wide was the implementation of the Model Classrooms Project in grades K-12 to provide professional development for teachers and administrators through lesson plans focused on six district wide goals – content, thinking, product, assessment, facilitation and reflection. For more information visit [www.curriculumproject.com](http://www.curriculumproject.com).

The North Olmsted City Schools Education Foundation supports the academic mission of the District by awarding grants and scholarships to students and staff. Since its beginning in 1993, the Foundation has awarded \$174,000 in support of 93 student scholarships, 94 educator mini-grants. Student mini-grants were instituted in 2001 and to date the Foundation has awarded 99 grants totaling \$15,299.

### **Excellence in the Arts**

The marching band earned a second place trophy in the St. Patrick's Day parade and members are invited to attend regional competitions, where they score top honors.

Band and orchestra students earned superior or excellent ratings in the Greater Cleveland Instrumental Solo and Ensemble contest and earn seats each year in the Cleveland Orchestra Youth Orchestra.

The award winning "Special Edition" vocal jazz ensemble participated in the New York City Vocal Jazz Festival and earned top honors in the High School division.

A record fifteen students made it to the finals with their artwork in the Ohio Governor's Art Show, with one student earning the top regional award. Student artwork was also ranked nationally and displayed at the Corcoran Gallery of Art in Washington D.C.

### **Excellence in Athletics**

The District refurbished the High School track and was able to have a home track meet for the first time in eight years, and to host the SWC regional track meet where school records were broken in both the 4 x 100 and the 4 x 200.

The boy's soccer team won the SWC championship.

Two school records for swimming were broken in the 100 meter breaststroke and the 400 meter freestyle relay.

### **Excellence in Service to the Community**

The nationally recognized SITES (Social Involvement through Education and Service) service learning program continues to serve as a model by the Ohio Department of Education's Learn and Serve America office. North Olmsted High School is one of 70 High Schools nationwide to be recognized as a Service-Learning Leader School.



The SITES program was one of seven Ohio recipients for the Corporation for National and Community Service's *SOS (Safety in our Schools) grant*. The grant will fund a program to develop service learning projects and activities tied to hometown safety.

Students from the SITES program were selected to participate in the *Veterans History Project* sponsored by the Library of Congress during the dedication of the World War II Memorial in Washington, D.C.

The graduating class of 2005 had six young men earn their Boy Scout *Eagle Scout* award

### **Other Awards and Honors**

Board Member Thomas Herbster, was named to the Ohio School Boards Association's (OSBA) 2005 Northeast Regional All-Ohio School Board.

Every year, OSBA names five board of education members from each of its five regions – Central, Northeast, Northwest, Southeast and Southwest – to the All-Ohio School Board. The award recognizes outstanding service to public education and represents the dedication shown by thousands of board members across the state.

## **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 Fund, Miscellaneous State Grants Fund, Auxiliary Services Fund and Miscellaneous Federal Grants Fund, 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.

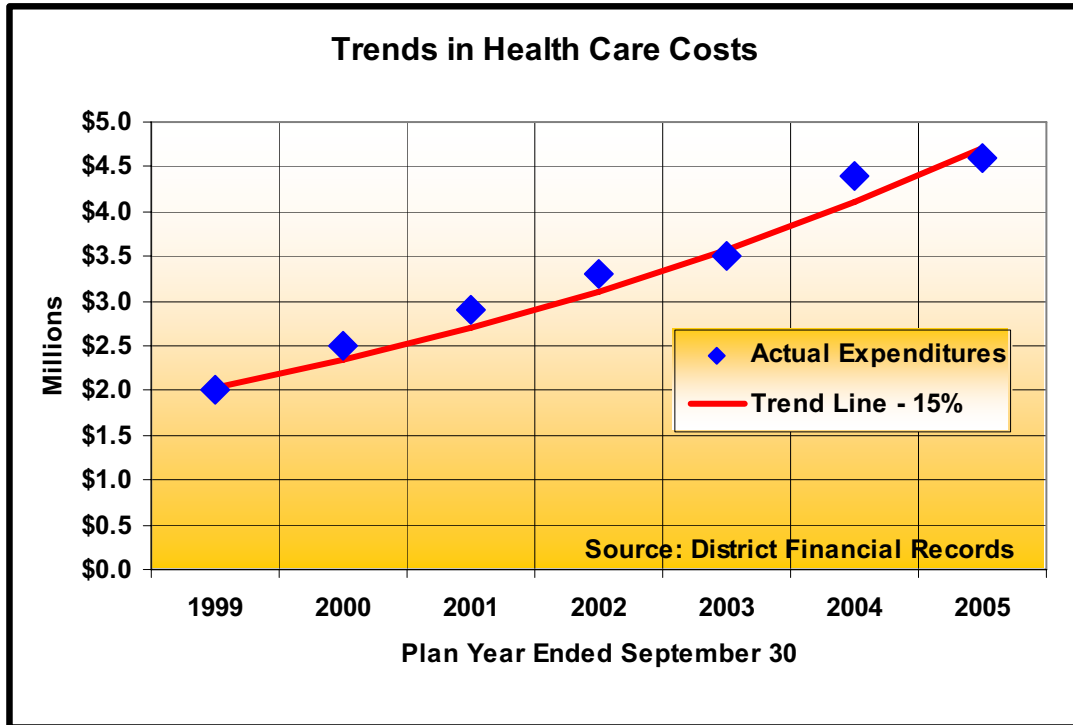
**Statement of budgetary comparisons** - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

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 2005 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 2005, 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, 2005, the Self-Insurance Fund has a fund balance of \$420,000. The District is concerned with spiraling health care costs. As illustrated in the graph below, health care costs have increased an average 15% annually the past five years. The District continues in its efforts to contain rising health care costs. With the co-operation of the District's unions, wages were frozen during fiscal year 2004 to help off-set rising healthcare costs. The Superintendent has created a Health Care Committee to redesign the School District's medical plan for the purpose of controlling costs.



**Financial Highlight - Agency Fund**

Included in this category are student managed activities assets held by the School District in a trustee capacity. Total assets in these funds at June 30, 2005 were \$81,477.

**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 sweep accounts that enables the Board to maintain minimum account balances. For the year ended June 30, 2005, the District's investment earnings totaled \$318,626 of which \$303,386 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 \$1 million per occurrence, \$2 million aggregate with a \$5 million supplemental umbrella policy. Automobile liability coverage is \$1 million for each occurrence with a \$5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in 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, 2005. The opinion appears at the beginning of the financial section of this report.

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

## **AWARDS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Olmsted City School District for its Comprehensive Annual Financial Report for the year ended June 30, 2004. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for twenty consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **ASBO International Certificate of Excellence**

The School District received the Association of School Business Officials (ASBO) International Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2004. This is the eighteenth consecutive Certificate of Excellence award that North Olmsted City Schools has received. 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.

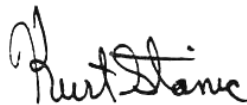
## **ACKNOWLEDGMENTS**

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 Cerney 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, CPA  
Chief Financial Officer



Dr. Kurt T. Stanic,  
Superintendent of Schools

North Olmsted City School District  
Principal Officials  
June 30, 2005

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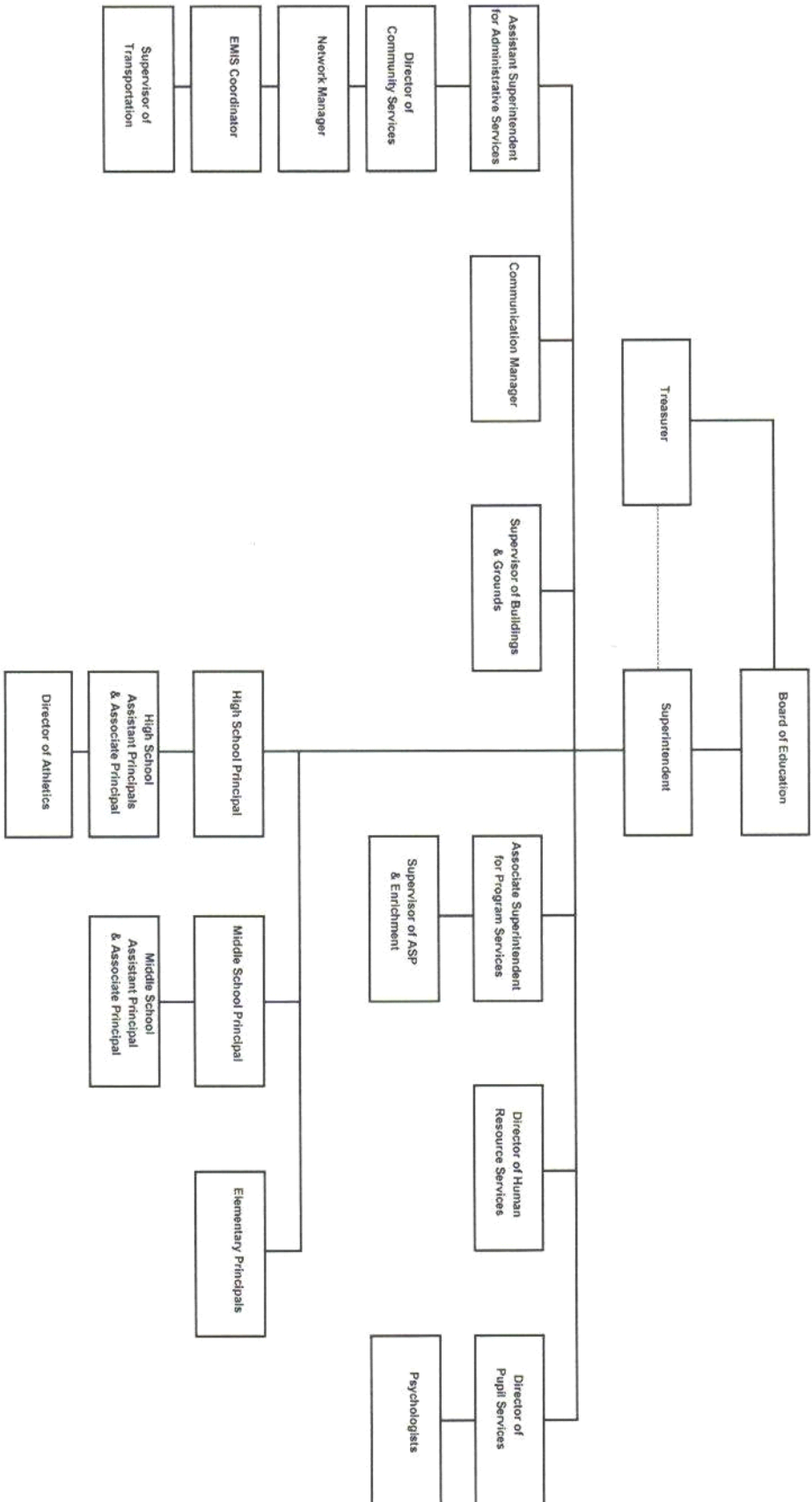
**Board of Education**

Mr. Michael Raig	President
Mr. Thomas Herbster	Vice-President
Mr. Donald Frazier	Member
Mrs. Joanne DiCarlo	Member
Mr. John J. Lasko, Jr.	Member

**Administration**

Dr. Kurt T. Stanic	Superintendent
Dr. Cheryl Dubsky	Associate Superintendent
Dr. Douglas A. Sebring	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, 2004

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Emmer*

Executive Director



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**North Olmsted City Schools**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules 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 20, 2006

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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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, 2005. The intent of this management discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key Financial Highlights for 2005 are as follows:

Net assets decreased \$ 321,708 from the previous year.

The General Fund maintains a strong unrestricted cash position of \$ 14.1 million at June 30, 2005.

Revenues for governmental activities totaled \$ 48.0 million in fiscal year 2005 as compared to \$ 50.5 million in fiscal year 2004.

In fiscal year 2005, 91.4 percent of total revenue consisted of General revenues while Program revenues accounted for the remaining balance of 8.6 percent.

In fiscal year 2005, total program expenses increased 6.7 percent from the previous year to \$ 48.3 million. Instructional expenses made up 58.6 percent of this total while support services accounted for 34.6 percent. Other expenses rounded out the remaining 6.8 percent.

### **Reporting the School District as a Whole**

#### **Statement of Net Assets and the Statement of Activities**

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

These two statements report the School District's net 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.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2005  
Unaudited

**Reporting the School District's Most Significant Funds**

Governmental Fund Financial Statements

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

Governmental Funds

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 2005 compared in 2004.

**TABLE 1**  
Net Assets  
Governmental Activities

	2005	2004
<b>Assets</b>		
Current and other assets	\$ 52,178,782	\$ 50,414,409
Capital assets, net	12,773,639	12,996,351
Total assets	\$ 64,952,421	\$ 63,410,760
<b>Liabilities</b>		
Current liabilities	\$ 35,033,998	\$ 34,442,668
Long-term liabilities		
Due in one year	844,321	667,762
Due in more than one year	3,962,665	2,867,185
Total liabilities	39,840,984	37,977,615
<b>Net Assets</b>		
Invested in capital assets, net of related debt	11,759,329	12,761,807
Restricted for	1,886,981	1,027,008
Unrestricted	11,465,127	11,644,330
Total net assets	\$ 25,111,437	\$ 25,433,145

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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The financial position of the School District can be derived from a comparison of its assets and liabilities. At June 30, 2005, the total net assets of the School District decreased \$ 321,708 from the previous year. The majority of this decrease is primarily attributable to an increase in the long-term liability of compensated absences. See Notes 2K and 13 to the Financial Statements for a detail analysis and discussion of this liability.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund cash balance of \$14.1 million at June 30, 2005. This cash reserve allows the School District to insulate itself from the effects of fluctuations in revenue due to adverse economic conditions and prevents the need to make dramatic cuts in programs and services.

#### Governmental Activities

The vast majority of revenues supporting all Governmental Activities is General revenues. General revenue totaled \$ 43.9 million or 91.4 percent of the total revenue. The most significant portion of the General revenues is local property tax. Property tax revenue in fiscal year 2005 decreased \$ 2.7 million from the previous year. The majority of the decrease represents normal year-to-year fluctuations in the tax collections by the County Treasurer.

The remaining amount of revenue received in the form of program revenues of \$ 4.1 million or only 8.6 percent of total revenue. Program revenues are derived from fees for services, sales from fund raising activities, operating grants, interest and contributions, and capital grants and contributions.

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

Table 2 summarizes the revenue, expenses and changes in net assets for fiscal years 2005 and 2004.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2005  
Unaudited

**TABLE 2**  
Governmental Activities

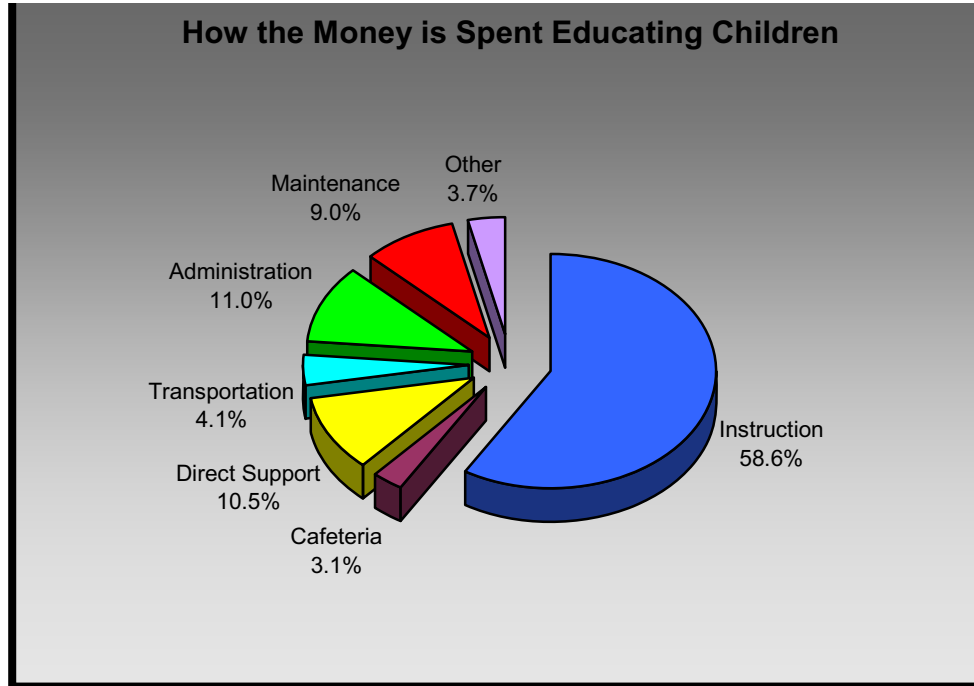
	2005	2004
Revenues		
Program revenues		
Charges for services and sales	\$ 2,015,633	\$ 2,159,872
Operating grants, interest and contributions	2,064,576	2,093,133
Capital grants and contributions	45,593	46,092
Total program revenues	<u>4,125,802</u>	<u>4,299,097</u>
General revenue		
Property tax	31,767,321	34,474,896
Grants and entitlements	11,824,292	11,446,852
Investment earnings	318,626	238,534
Miscellaneous	(46,165)	82,488
Total general revenues	<u>43,864,074</u>	<u>46,242,770</u>
Total revenues	<u>47,989,876</u>	<u>50,541,867</u>
Program expenses		
Instruction		
Regular	22,178,609	20,649,582
Special	5,526,298	4,639,555
Vocational	488,448	756,455
Adult/continuing	-	72,566
Other instruction	122,900	296,051
Supporting services		
Pupil	3,475,042	3,445,989
Instructional staff	1,604,238	1,200,750
Board of education	242,616	204,220
Administration	3,102,516	3,176,333
Fiscal services	1,011,324	955,088
Business	108,317	150,934
Operation and maintenance	4,335,829	4,057,511
Pupil transportation	1,997,265	1,840,301
Central services	833,133	786,758
Operation of non-instructional		
Food service operation	1,502,864	1,355,537
Community services	435,305	477,934
Extracurricular activities	1,305,977	1,198,455
Interest	40,903	11,474
Total program expenses	<u>48,311,584</u>	<u>45,275,493</u>
Increase (decrease) in net assets	(321,708)	5,266,374
Net assets, beginning of year	25,433,145	20,166,771
Net assets, end of year	<u>\$ 25,111,437</u>	<u>\$ 25,433,145</u>



**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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Approximately 69.1 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 11.0 percent of the budget is spent on administrative expenses. The remaining 19.9 percent of the budget is used to maintain the facilities, transport students, provide school lunches, offer sport and extracurricular programs to students. The relationship of these expenses is illustrated in the graph below.



The Administration continues to develop and implement cost containment and revenue enhancement programs to manage the School District's funds in an efficient and economic manner. One method to evaluate the effective use of funds is to compare our cost per pupil expenditures with those of neighboring school districts. Based upon the Ohio Department of Education "2005 Expenditure Flow Model Report", the North Olmsted City School's cost per pupil expenditure was the 20th lowest among the 31 school districts in Cuyahoga County.

**North Olmsted City School District**  
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**Table 3**  
Cost per Pupil as of June 30, 2005

<u>School District</u>	<u>Cost Per Pupil</u>	<u>Ranking in Cuyahoga County (31 Districts)</u>
Bay Village	\$ 10,109	22
Berea	10,185	21
Fairview Park	11,020	11
Lakewood	10,499	19
North Olmsted	10,220	20
Olmsted Falls	9,520	27
Rocky River	10,782	14
Strongsville	9,905	23
Westlake	10,998	12

Source: Ohio Department of Education

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

**Table 4**  
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Governmental Activities</b>				
Instruction	\$ 28,316,255	\$ 26,414,209	\$ (26,743,262)	\$ (24,403,880)
Supporting services	16,710,280	15,817,884	(15,780,861)	(15,105,560)
Operation of non-instructional				
Food service operation	1,502,864	1,355,537	(176,923)	(68,614)
Community services	435,305	477,934	(393,840)	(406,267)
Extracurricular activities	1,305,977	1,198,455	(1,049,993)	(980,601)
Debt service - interest	40,903	11,474	(40,903)	(11,474)
<b>Total</b>	<u>\$ 48,311,584</u>	<u>\$ 45,275,493</u>	<u>\$ (44,185,782)</u>	<u>\$ (40,976,396)</u>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax accounts for approximately 66.2 percent of the total revenues in 2005, down from 68.2 percent in 2004. Grants and entitlements not restricted to specific programs fund 24.1 percent of expenses, while program revenues fund only 8.6 percent. The remaining 1.1 percent of expenses is funded with investment earnings and other miscellaneous general revenues.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
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The primary source of general revenue is property taxes levied. In fiscal 2005, property taxes accounted for 72.4 percent of general revenue. For fiscal year 2004, it was 74.5 percent. Clearly, the North Olmsted community is by far the greatest source of financial support for the students of the North Olmsted City Schools.

**School District Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 48.0 million and expenditures of \$ 47.8 million. The net change in fund balance for the year was most significant in the General Fund, an increase of \$ .9 million as compared to an increase of \$ 2.7 million in fiscal year 2004.

**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 2005, the School District amended its General Fund Appropriation Budget several times, none significantly.

Investment earnings of \$ 303,386 exceeded budgetary estimates 68.7 percent because of rising interest rates.

Total expenses for the year were approximately \$ 2.0 million under budgetary estimates. The savings can be attributed to lower than anticipated health care and utility costs, and a one year delay the purchase of textbooks for the newly adopted mathematics and science curriculums.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
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**Capital Assets and Debt Administration**

Capital Assets

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2005, the School District had \$13.0 million invested in land, buildings, equipment and vehicles. Table 5 shows fiscal 2005 values compared to fiscal 2004.

**Table 5**  
Net Capital Assets at June 30

	2005	2004
Land	\$ 1,088,848	\$ 1,088,848
Land improvements	463,193	484,469
Building and improvements	8,337,056	8,383,444
Furniture and equipment	1,581,748	1,588,943
Vehicles	1,302,794	1,450,647
	<u>\$ 12,773,639</u>	<u>\$ 12,996,351</u>

During fiscal 2005, the School District purchased \$ 613,197 of capital assets. Approximately 52.7 percent or \$ 323,362 of the purchases was for renovations to the administrative center. More information on capital assets is presented in Note 8 of the notes to the basic financial statements.

**Debt Administration**

At June 30, 2005 the School District had outstanding \$ 855,000 bonds payable and \$ 32,000 note payable. Proceeds from the bonds were used for building and facility improvements. Proceeds from the note were used for the acquisition of school buses in fiscal year 1998. The bonds were issued in August 2004 and will mature in varying amounts through December 2014. The note is to be repaid in fiscal year 2006.

The School District's overall legal debt margin was \$ 76,500,569 with an unvoted debt margin of \$ 858,989.

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

**School District Outlook**

The School District has a strong financial position as indicated by its General Fund cash balance of \$ 14.1 million at June 30, 2005. However, the School District's financial future is not without challenges. 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.

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 during the past 14 years. The formula used to allocate state aide among school districts in Ohio redistributes these funds from school districts with large real estate tax bases, such as North Olmsted, to school districts with a smaller tax base.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
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In addition to the problem of limited growth in operating revenue, the District is facing the loss of operating revenue through legislative actions. In June 2005, the Ohio General Assembly passed House Bill 66. Although House Bill 66 guarantees no loss in State Aid for school districts during the next two years, the Bill contains a number of provisions that could reduce North Olmsted's share of state aid by \$1.1 million annually. House Bill 66 has phased-out the cost of doing business factors and the guaranteed minimum funding levels used in calculating the amount of funding each school district receives. These provisions of the Bill represents a form of "Robin Hood" in which state aid will be taken from wealthy school districts and redistributed to poor school districts.

House bill 66 will also eliminate over a period of twelve years, the taxes assessed on business inventories, equipment, fixtures and furniture. Once fully implemented, the District will lose over \$ 3.7 million annually.

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 several years. The administration implemented an early retirement incentive program in fiscal year 2005 to reduce operating costs. All programs and services are being reviewed with the goal of delivering these programs and services in a more economic manner.

The North Olmsted City School District has committed itself to financial excellence for many years. The School District was the first school district in Ohio to receive the Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting in 1985 and has received the award for twenty 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 eighteen 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, 27425 Butternut Ridge Road, North Olmsted, Ohio 44070, or by telephone at 440-779-3551.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash	\$ 17,137,050
Accounts receivable	5,330
Due from other governments	1,171,193
Inventories and supplies	150,095
Taxes receivable	33,715,114
Capital assets	
Nondepreciable capital assets	1,088,848
Depreciable capital assets	11,684,791
<b>Total assets</b>	<u>64,952,421</u>
<b>Liabilities</b>	
Accounts and contracts payable	144,576
Accrued salaries, wages and benefits	5,419,448
Accrued interest payable	2,800
Claims payable	580,000
Due to other governments	1,235,948
Unearned revenue	27,651,226
Long term liabilities	
Due within one year	844,321
Due in more than one year	3,962,665
<b>Total liabilities</b>	<u>39,840,984</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	11,759,329
Restricted for:	
Debt service	75,760
Capital projects	1,125,154
Set asides	223,073
School supplies	159,231
Extracurricular	91,897
Pupil transportation	95,543
State grants	50,629
Federal grants	1,628
Donations	57,436
Other purposes	6,630
Unrestricted (deficit)	11,465,127
<b>Total net assets</b>	<u>\$ 25,111,437</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

	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	\$ 22,178,609	\$ 715,901	\$ 703,120	\$ -	\$ (20,759,588)
Special	5,526,298	55,878	65,466	-	(5,404,954)
Vocational	488,448	-	32,628	-	(455,820)
Other instruction	122,900	-	-	-	(122,900)
Supporting services					
Pupil	3,475,042	-	637,300	-	(2,837,742)
Instructional staff	1,604,238	-	144,900	-	(1,459,338)
Board of education	242,616	4,836	-	-	(237,780)
Administration	3,102,516	625	-	-	(3,101,891)
Fiscal services	1,011,324	15,848	-	-	(995,476)
Business	108,317	-	-	9,398	(98,919)
Operation and maintenance	4,335,829	3,367	-	-	(4,332,462)
Pupil transportation	1,997,265	62,738	-	14,453	(1,920,074)
Central services	833,133	-	14,212	21,742	(797,179)
Operation of non-instructional					
Food service operation	1,502,864	901,660	424,281	-	(176,923)
Community services	435,305	-	41,465	-	(393,840)
Extracurricular activities	1,305,977	254,780	1,204	-	(1,049,993)
Interest	40,903	-	-	-	(40,903)
Totals	<u>\$ 48,311,584</u>	<u>\$ 2,015,633</u>	<u>\$ 2,064,576</u>	<u>\$ 45,593</u>	<u>(44,185,782)</u>

General revenues

Property taxes levied for:

General purpose	30,740,398
Capital improvements	1,026,923
Grants and entitlements not restricted to specific purposes	11,824,292
Investment earnings	318,626
Miscellaneous	(46,165)
Total general revenues	<u>43,864,074</u>

Change in net assets

Net assets at beginning of year	25,433,145
Net assets at end of year	<u>\$ 25,111,437</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -  
GOVERNMENTAL FUNDS

JUNE 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in pooled cash	\$ 14,130,979	\$ 1,782,998	\$ 15,913,977
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	31,363,849	1,052,765	32,416,614
Taxes, delinquent	1,256,300	42,200	1,298,500
Accounts and other	5,330	-	5,330
Due from other governments	802,042	369,151	1,171,193
Interfund receivable	504,503	-	504,503
Inventories and supplies	111,904	38,191	150,095
<b>Total assets</b>	<b>\$ 48,397,980</b>	<b>\$ 3,285,305</b>	<b>\$ 51,683,285</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 120,703	\$ 23,873	\$ 144,576
Accrued wages and benefits	5,258,813	160,635	5,419,448
Due to other governments	753,167	37,622	790,789
Interfund payable	-	504,503	504,503
Unearned revenue			
Taxes	28,009,522	940,204	28,949,726
Other	757,586	-	757,586
Compensated absences	661,585	12,833	674,418
<b>Total liabilities</b>	<b>35,561,376</b>	<b>1,679,670</b>	<b>37,241,046</b>
<b>Fund balances</b>			
Reserved for budget stabilization	223,073	-	223,073
Reserved for inventories	111,904	38,191	150,095
Reserved for property taxes	4,610,627	154,761	4,765,388
Reserved for encumbrances	378,755	395,715	774,470
Unreserved, reported in			
General Fund	7,512,245	-	7,512,245
Special Revenue Funds	-	375,087	375,087
Debt Service Fund	-	78,560	78,560
Capital Projects Funds	-	563,321	563,321
<b>Total fund balances</b>	<b>12,836,604</b>	<b>1,605,635</b>	<b>14,442,239</b>
<b>Total liabilities and fund balances</b>	<b>\$ 48,397,980</b>	<b>\$ 3,285,305</b>	<b>\$ 51,683,285</b>

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, 2005

Total governmental funds balances		\$ 14,442,239
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.		12,773,639
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	1,298,500	
Intergovernmental receivables	757,586	
		2,056,086
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.		420,000
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(445,159)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(3,118,258)	
Capital leases	(127,310)	
Notes payable	(32,000)	
Bonds payable	(855,000)	
Accrued interest payable	(2,800)	
		(4,135,368)
Net assets of governmental activities		\$ 25,111,437

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, 2005

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 30,774,066	\$ 1,024,523	\$ 31,798,589
Tuition and fees	147,648	3,024	150,672
Interest	303,386	15,240	318,626
Intergovernmental	11,292,472	2,659,132	13,951,604
Charges for services	-	960,088	960,088
Extracurricular	-	347,623	347,623
Other	118,084	392,999	511,083
<b>Total revenues</b>	<b>42,635,656</b>	<b>5,402,629</b>	<b>48,038,285</b>
<b>Expenditures</b>			
<b>Current</b>			
<b>Instruction</b>			
Regular	20,343,061	1,160,752	21,503,813
Special	5,315,014	72,584	5,387,598
Vocational	600,501	-	600,501
Other instruction	122,900	-	122,900
<b>Supporting services</b>			
Pupil	2,791,347	714,808	3,506,155
Instructional staff	1,318,307	179,799	1,498,106
Board of education	242,616	-	242,616
Administration	2,872,170	190,533	3,062,703
Fiscal services	987,761	14,525	1,002,286
Business	99,778	6,780	106,558
Operation and maintenance	3,642,902	1,006,853	4,649,755
Pupil transportation	1,754,479	72,940	1,827,419
Central services	815,961	41,212	857,173
<b>Operation of non-instructional</b>			
Food service operation	52,134	1,414,352	1,466,486
Community services	23,805	501,074	524,879
Extracurricular activities	1,039,546	257,679	1,297,225
<b>Debt service</b>			
Principal	46,234	29,000	75,234
Interest	5,413	32,690	38,103
<b>Total expenditures</b>	<b>42,073,929</b>	<b>5,695,581</b>	<b>47,769,510</b>
Excess (deficiency) of revenues over expenditures	561,727	(292,952)	268,775
<b>Other financing sources (uses)</b>			
Proceeds from bond issue	-	855,000	855,000
Transfers-in	550,221	243,250	793,471
Transfers-out	(235,050)	(658,421)	(893,471)
<b>Total other financing sources (uses)</b>	<b>315,171</b>	<b>439,829</b>	<b>755,000</b>
<b>Net change in fund balances</b>	<b>876,898</b>	<b>146,877</b>	<b>1,023,775</b>
Fund balances, beginning of year	11,961,113	1,455,820	13,416,933
Increase (decrease) in reserve for inventory	(1,407)	2,938	1,531
<b>Fund balances, end of year</b>	<b>\$ 12,836,604</b>	<b>\$ 1,605,635</b>	<b>\$ 14,442,239</b>

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, 2005

Net change in fund balances - total governmental funds		\$ 1,023,775
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation and deletions exceeded capital outlay in the current period.		
Capital outlay, net	586,210	
Depreciation expense	<u>(808,922)</u>	
Total		(222,712)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	71,700	
Intergovernmental revenue	(17,143)	
Other	<u>(102,968)</u>	
		(48,411)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.		
		(779,766)
Accrued interest expense on the statement of activities does not require the use of current financial resources and, therefore is not reported as an expenditure in the governmental funds.		
		(2,800)
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	(410,382)	
Intergovernmental payable	(30,943)	
Change in inventory	<u>1,531</u>	
		(439,794)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>148,000</u>
Change in net assets of governmental activities		<u>\$ (321,708)</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 31,344,000	\$ 31,344,000	\$ 31,111,133	\$ (232,867)
Tuition and fees	383,000	383,000	155,392	(227,608)
Interest	175,000	175,000	303,386	128,386
Intergovernmental	11,402,000	11,402,000	11,248,016	(153,984)
Other	163,000	163,000	155,463	(7,537)
Total revenues	<u>43,467,000</u>	<u>43,467,000</u>	<u>42,973,390</u>	<u>(493,610)</u>
Expenditures				
Current				
Instruction				
Regular	21,515,545	21,480,249	20,347,230	1,133,019
Special	5,418,160	5,597,632	5,420,261	177,371
Vocational	651,683	640,540	632,035	8,505
Other instruction	130,576	125,000	122,900	2,100
Supporting services				
Pupil	2,925,678	2,925,448	2,849,470	75,978
Instructional staff	1,352,645	1,400,666	1,329,214	71,452
Board of education	251,476	265,047	250,477	14,570
Administration	2,906,678	3,033,230	2,970,215	63,015
Fiscal services	1,014,446	1,013,287	974,276	39,011
Business	146,006	122,159	101,884	20,275
Operation and maintenance	3,864,152	3,844,088	3,612,112	231,976
Pupil transportation	1,849,636	1,824,753	1,759,730	65,023
Central services	890,954	924,344	881,405	42,939
Operation of non-instructional				
Food service operation	67,746	52,100	51,704	396
Community services	29,000	29,500	23,805	5,695
Extracurricular activities	1,031,554	1,052,900	1,030,216	22,684
Total expenditures	<u>44,045,935</u>	<u>44,330,943</u>	<u>42,356,934</u>	<u>1,974,009</u>
Excess (deficiency) of revenues over expenditures	<u>(578,935)</u>	<u>(863,943)</u>	<u>616,456</u>	<u>1,480,399</u>
Other financing sources (uses)				
Transfers-in	550,211	550,221	550,221	-
Advances-in	316,308	316,308	316,308	-
Refund prior year expenditure	10,000	10,000	9,932	(68)
Advances-out	-	(504,502)	(504,503)	(1)
Transfers-out	(168,550)	(237,550)	(237,550)	-
Total other financing sources (uses)	<u>707,969</u>	<u>134,477</u>	<u>134,408</u>	<u>(69)</u>
Net change in fund balances	129,034	(729,466)	750,864	1,480,330
Fund balances, beginning of year	12,829,081	12,829,081	12,829,081	-
Prior year encumbrances appropriated	274,649	274,649	274,649	-
Fund balances, end of year	<u>\$ 13,232,764</u>	<u>\$ 12,374,264</u>	<u>\$ 13,854,594</u>	<u>\$ 1,480,330</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS -  
INTERNAL SERVICE FUND

JUNE 30, 2005

	<u>Self Insurance</u>
Current assets	
Equity in pooled cash	\$ 1,000,000
Current liabilities	
Claims payable	<u>580,000</u>
Net assets	
Unrestricted	<u><u>\$ 420,000</u></u>

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, 2005

	Self Insurance
Operating revenues	
Charges for services	\$ 4,462,478
Operating expenses	
Purchased services	2,111
Claims	4,412,367
Total operating expenses	4,414,478
Operating income	48,000
Transfers-in	100,000
Change in net assets	148,000
Net assets, beginning of year	272,000
Net assets, end of year	\$ 420,000

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, 2005

	<u>Self Insurance</u>
Cash flows from operating activities	
Cash received from interfund services	\$ 4,462,478
Cash payments for goods and services	(2,111)
Cash payments for claims	<u>(4,460,367)</u>
Net cash provided by operating activities	<u>-</u>
Cash flows from noncapital financing activities	
Transfer from other funds	<u>100,000</u>
Net cash provided by noncapital financing activities	<u>100,000</u>
Net increase in cash and cash equivalents	100,000
Cash and cash equivalents, beginning of year	<u>900,000</u>
Cash and cash equivalents, end of year	<u>\$ 1,000,000</u>
Reconciliation of operating income to net cash used for operating activities	
Operating income	<u>\$ 48,000</u>
Adjustments	
Decrease in claims payable	<u>(48,000)</u>
	<u>(48,000)</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, 2005

	Student Activities
<b>Assets</b>	
Equity in pooled cash	\$ 81,477
Total assets	81,477
 <b>Liabilities</b>	
Accounts payable	3,755
Due to students	77,722
Total liabilities	\$ 81,477

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, 2005

**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, 2004 was 4,551. The District employs 400 certificated and 247 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 Schools Council, 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 10 and 17 of 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 proprietary fund 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 proprietary fund. 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, 2005

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, 2005

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, 2005

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 unearned 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, 2005

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 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the 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.

Unearned Revenue

Unearned 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, 2005, but which were levied to finance fiscal year 2005 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned 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, 2005

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 resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

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, 2005 totaled \$ 318,626.

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, 2005.

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, 2005

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 \$ 2,500. 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

J. 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, 2005

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 scholarships and data communications support.

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, 2005

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.

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 - CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers."

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditures/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not materially affect the presentation of financial statements of the District.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 4 - 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 Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis statements are the following:

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

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

Net Change in Fund Balance	
	General Fund
Budget basis	\$ 750,864
Adjustments, increase (decrease)	
Revenue accruals	(337,734)
Expenditure accruals	283,005
Other sources (uses)	180,763
GAAP basis, as reported	\$ 876,898

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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

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

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the District's deposits was \$ 15,189,197 and the bank balance was \$ 16,319,986. Of the bank balance, \$ 100,000 was covered by federal depository insurance and \$ 16,219,986 was uninsured. Of the remaining balance, \$ 16,219,986 was collateralized with securities held by the pledging institution's trust department not in the District's name.

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2005, the District had the following investments:

	Weighted Average Maturities Years	Fair Value
Federal Home Loan Bank	* .293	\$ 492,562
Federal National Mortgage Association	* .614	50,094
Investment in State Treasurer's Investment Pool	n/a	1,486,674
		\$ 2,029,330
Portfolio weighted average maturity	.227	

\* The securities have various call dates. The District believes no securities will be called.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

D. INTEREST RATE RISK

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

E. CREDIT RISK

The District follows the Ohio Revised Code that limits its investment choices. The investments in Federal Home Loan Bank (FHLB) and Federal National Mortgage Association (FNMA) carry a rating of AAA by Fitch Ratings. STAR Ohio carries a rating of AAA by Standard and Poor's.

F. CONCENTRATION OF CREDIT RISK

The District places no limit on the amount that may be invested in any one issuer. The District's total investments are 24.27% in FHLB, 2.47% in FNMA and 73.26% in STAR Ohio.

G. CUSTODIAL CREDIT RISK

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

NOTE 6 - 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 2004 represent the collection of calendar year 2004 taxes. Real property taxes for 2005 were levied after April 1, 2004, on the assessed values as of January 1, 2004, 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 2005 represents collections of calendar 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - PROPERTY TAXES (continued)

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three 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.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005/2006 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, 2005 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 2005 operations. The receivable is therefore offset by a credit to unearned 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, 2005, was \$ 4,610,627 in the General Fund and \$ 154,761 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2004, was \$ 4,921,999 in the General Fund and \$ 164,859 in the Permanent Improvements Fund.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 561,498,960	65.66 %	\$ 561,258,110	65.34 %
Other Commercial	234,285,150	27.40	234,722,760	27.33
Public Utility Tangible	16,245,870	1.90	15,759,330	1.83
Tangible Personal Property	43,142,745	5.04	47,248,786	5.50
	<u>\$ 855,172,725</u>	<u>100.00 %</u>	<u>\$ 858,988,986</u>	<u>100.00 %</u>
 Tax Rate per \$ 1,000 of Assessed Valuation:	 <u>77.0</u>		 <u>77.0</u>	

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2005, consisted of property taxes, accounts, interfund and due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year. A summary of the principal items of due from other governments follows:

	Amount
Governmental Activities	
General Fund	\$ 802,042
Food Service	168,751
Ohio Reads	18,723
Limited English Proficiency	977
Student Intervention	8,680
Alternative Education	2,892
Title VIB	144,613
Drug Free Schools	87
Preschool	1,708
Title II-A	4,208
Miscellaneous Federal Grants	18,512
Due from other governments	\$ 1,171,193

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Balance June 30, 2004	Additions	Disposals	Balance June 30, 2005
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,088,848	\$ -	\$ -	\$ 1,088,848
Depreciable capital assets				
Land improvements	835,157	12,678	11,954	835,881
Buildings and improvements	17,321,999	323,362	-	17,645,361
Furniture and equipment	2,645,782	256,381	25,801	2,876,362
Vehicles	2,794,973	20,776	19,351	2,796,398
Total capital assets being depreciated	23,597,911	613,197	57,106	24,154,002
Less accumulated depreciation				
Land improvements	350,688	25,865	3,865	372,688
Buildings and improvements	8,938,555	369,750	-	9,308,305
Furniture and equipment	1,056,839	251,989	14,214	1,294,614
Vehicles	1,344,326	161,318	12,040	1,493,604
Total accumulated depreciation	11,690,408	808,922	30,119	12,469,211
Depreciable capital assets, net of accumulated depreciation	11,907,503	(195,725)	26,987	11,684,791
Governmental activities capital assets, net	\$ 12,996,351	\$ (195,725)	\$ 26,987	\$ 12,773,639

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular	\$	285,628
Special		38,872
Vocational		17,884
Supporting services		
Pupil		699
Instructional staff		92,436
Administration		42,209
Fiscal		4,474
Business		1,759
Operation and maintenance of plant		123,984
Pupil transportation		158,971
Central services		15,491
Operation of non-instructional services		
Food service		13,202
Extracurricular activities		13,313
Total depreciation expense	\$	<u>808,922</u>

NOTE 9 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2005, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 504,503	\$ -
Special Revenue Funds		
Food Service	-	100,000
Other Grants	-	2,000
Athletic	-	6,000
Ohio Reads	-	20,679
Student Intervention	-	2,369
Limited English Proficiency	-	13,006
Alternative Education	-	4,283
Title VIB	-	292,965
Title V	-	3,483
Drug Free Schools	-	1,595
Preschool	-	4,474
Title II-A	-	4,208
Miscellaneous Federal Grants	-	49,441
	\$ 504,503	\$ 504,503

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



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 10 - 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 2005, the District contracted with Indiana Insurance Company for property insurance. General liability is protected by Indiana Insurance Company with a \$ 1 million per occurrence, \$ 2 million aggregate with a \$ 5 million supplemental umbrella policy. Vehicles are covered by Indiana Insurance Company. Automobile liability coverage is \$ 1 million for each occurrence with a \$ 5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from prior years. Position bonds of \$ 30,000 are maintained for the Superintendent and Board President and \$ 100,000 for the Treasurer from Ohio Casualty. The 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, 2005

NOTE 10 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS (continued)

The claim liability of \$ 580,000 reported at June 30, 2005 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, 2005 and 2004 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, 2005	June 30, 2004
Unpaid claims, beginning of year	\$ 628,000	\$ 510,000
Incurred claims	4,412,367	3,804,858
Claims payments	(4,460,367)	(3,686,858)
Unpaid claims, end of year	\$ 580,000	\$ 628,000

NOTE 11 - PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 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 School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$ 712,680, \$ 556,950 and \$ 500,048; 46 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 - PENSION PLANS (continued)

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$ 2,934,398, \$ 2,874,150, and \$ 2,882,922; 82 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$ 225,723 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$ 3.1 billion. For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$ 268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$ 27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, School District paid \$ 433,330 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$ 223,443,805 and the target level was \$ 335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$ 300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 13 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2005 were as follows:

	Balance June 30, 2004	Increase	Decrease	Balance June 30, 2005	Amounts Due In One Year
Notes payable - 1998, 5%					
Bus acquisition	\$ 61,000	\$ -	\$ 29,000	\$ 32,000	\$ 32,000
Bonds payable - 2004, 4.15%					
Building improvements	-	855,000	-	855,000	90,000
Capital lease	173,544	-	46,234	127,310	47,903
Compensated absences	3,300,403	1,084,800	592,527	3,792,676	674,418
	<u>\$ 3,534,947</u>	<u>\$ 1,939,800</u>	<u>\$ 667,761</u>	<u>\$ 4,806,986</u>	<u>\$ 844,321</u>

The School District's overall legal debt margin was \$ 76,500,569 with an unvoted debt margin of \$ 858,989.

Principal and interest requirements to retire the bus acquisition notes and building improvement bonds outstanding at June 30, 2005, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2006	\$ 122,000	\$ 35,215	\$ 157,215
2007	85,000	29,984	114,984
2008	85,000	26,456	111,456
2009	85,000	22,929	107,929
2010	85,000	19,401	104,401
2011-2015	425,000	44,094	469,094
Totals	<u>\$ 887,000</u>	<u>\$ 178,079</u>	<u>\$ 1,065,079</u>

Notes payable will be repaid from the Debt Service Fund. Bonds payable will be repaid from the Permanent Improvement 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.

During 2005, the Board of Education negotiated a retirement incentive plan for all certified non-administrative personnel. Each person who meets certain eligibility requirements will receive \$ 1,000 per year for each year of STRS service credit up to a maximum of \$ 30,000. Beginning July of the year of retirement, payment will be made in three equal annual installments into a qualified tax exempt Health Retirement Account.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 14 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2005 consisted of the following:

	Transfer from:		
	General Fund	Nonmajor Governmental Funds	Total Transfers-in
Transfer to:			
General Fund	\$ -	550,221	\$ 550,221
Nonmajor governmental funds	135,050	108,200	243,250
Internal Service	100,000	-	100,000
Total transfers-out	<u>\$ 235,050</u>	<u>\$ 658,421</u>	<u>\$ 893,471</u>

Transfers from the General Fund were to provide for payment of expenditures. Transfers from nonmajor governmental funds included \$ 550,221 to reimburse the General Fund for the acquisition of the administration building and \$ 108, 200 to the Debt Service Fund for payment of principal and interest.

NOTE 15 – 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, 2005. The assets acquired through capital lease consist of:

	Cost	Accumulated Depreciation	Net
Copier equipment	<u>\$ 237,000</u>	<u>\$ 118,506</u>	<u>\$ 118,494</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005, are as follow:

	Year ending June 30,	Amount
	2006	\$ 51,648
	2007	51,648
	2008	30,128
Total future minimum lease payments		133,424
Less amount representing interest		(6,114)
Net present value of minimum lease payments		<u>\$ 127,310</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

**NOTE 16 – OPERATING LEASES**

The District is obligated under certain leases accounted for as operating leases. During 2005, expenditures for operating leases totaled \$ 111,940.

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, 2005.

Year ending June 30,	Amount
2006	\$ 87,150
2007	48,000
2008	28,000
Future minimum lease payments	<u>\$ 163,150</u>

**NOTE 17 - 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, 2005, the District paid \$ 56,986 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 17 - JOINTLY GOVERNED ORGANIZATION (continued)

C. NORTH OLMSTED CITY SCHOOLS EDUCATION FOUNDATION

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

The ex officio trustees are composed of the following individuals: the Superintendent of the North Olmsted City School District, a member of the North Olmsted Board of Education, a member of the North Olmsted PTA Council, a member of the North Olmsted City Schools' Financial Advisory Board, and a member of the Community Education Advisory Board. All trustees are voting members. The Foundation is responsible for approving its own budgets, appointing personnel, creation of committees, and accounting and financial related activities. Financial information can be obtained by contacting Nickolas Mazzone, c/o The North Olmsted Board of Education, 24100 Palm Drive, North Olmsted, Ohio 44070.

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 2005 the District paid \$ 1,442 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 David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.



NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2005

NOTE 18 - 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, 2005.

NOTE 19 - 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 2005.

	<u>Textbook</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Set-aside reserve balances as of June 30, 2004	\$ -	\$ -	\$ 223,073
Set-aside balance carried forward	(2,209,548)	-	-
Current year set-aside requirement	649,028	649,028	-
Qualifying disbursements	(1,159,290)	(1,128,656)	-
Total	<u>\$ (2,719,810)</u>	<u>\$ (479,628)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ (2,719,810)</u>	<u>\$ -</u>	<u>\$ -</u>
Set-aside reserve balance as of June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,073</u>

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 20 – DEFICIT FUND EQUITY

At June 30, 2005, the following funds had deficit fund balances.

Special Revenue Funds		
Auxiliary Services	\$	24,937
Limited English Proficiency	\$	11,537
Alternative Education	\$	1,391
Title VIB	\$	41,764
Miscellaneous Federal Grants	\$	12,700

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 21 – NEWLY ENACTED LEGISLATION

In June, 2005 the State of Ohio enacted legislation, portions of which take effect at various times, that phases out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2006 to tax year 2009. New manufacturing machinery and equipment first reportable after 2004 is not subject to tangible personal property taxation. To compensate local government units for the foregone revenue, the recently enacted legislation provides for State distributions from revenue generated by a newly enacted commercial activities tax. The reimbursements are to be based on the aggregate value of tangible personal property reported for the local government for tax year 2004 (based on voted levies approved by the electors by September 1, 2005). Generally these distributions will fully reimburse the local government units at that base level through 2010 and then in declining amounts from 2011 through 2017.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

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

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 Communication 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.

Entry Year Teacher – This fund accounts for monies used to support an entry year program for beginning teachers that hold a two year provisional teaching license and are teaching in their license field.

Data Communication – 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.

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

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

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

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

Student Intervention – This fund accounts for state revenue received for the purpose of staff development and materials used to assist primary students with reading disabilities.

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.

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

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

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.

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

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

### **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.

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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 768,003	\$ 78,560	\$ 936,435	\$ 1,782,998
Receivables, net of allowance				
Taxes, current	-	-	1,052,765	1,052,765
Taxes, delinquent	-	-	42,200	42,200
Due from other governments	369,151	-	-	369,151
Inventories and supplies	38,191	-	-	38,191
<b>Total assets</b>	<b>\$ 1,175,345</b>	<b>\$ 78,560</b>	<b>\$ 2,031,400</b>	<b>\$ 3,285,305</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 15,631	\$ -	\$ 8,242	\$ 23,873
Accrued salaries, wages and benefits	160,635	-	-	160,635
Due to other governments	37,622	-	-	37,622
Interfund payable	504,503	-	-	504,503
Unearned revenue				
Taxes	-	-	940,204	940,204
Compensated absences	12,833	-	-	12,833
<b>Total liabilities</b>	<b>731,224</b>	<b>-</b>	<b>948,446</b>	<b>1,679,670</b>
<b>Fund balances</b>				
Reserved for inventories	38,191	-	-	38,191
Reserved for property taxes	-	-	154,761	154,761
Reserved for encumbrances	30,843	-	364,872	395,715
Unreserved	375,087	78,560	563,321	1,016,968
<b>Total fund balances</b>	<b>444,121</b>	<b>78,560</b>	<b>1,082,954</b>	<b>1,605,635</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,175,345</b>	<b>\$ 78,560</b>	<b>\$ 2,031,400</b>	<b>\$ 3,285,305</b>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 1,024,523	\$ 1,024,523
Tuition and fees	3,024	-	-	3,024
Interest	1,205	-	14,035	15,240
Intergovernmental	2,490,125	-	169,007	2,659,132
Charges for services	960,088	-	-	960,088
Extracurricular	347,623	-	-	347,623
Other	312,999	-	80,000	392,999
<b>Total revenues</b>	<b>4,115,064</b>	<b>-</b>	<b>1,287,565</b>	<b>5,402,629</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
Regular	1,125,832	-	34,920	1,160,752
Special	72,584	-	-	72,584
<b>Supporting services</b>				
Pupil	714,808	-	-	714,808
Instructional staff	179,799	-	-	179,799
Administration	625	-	189,908	190,533
Fiscal services	-	-	14,525	14,525
Business	6,780	-	-	6,780
Operation and maintenance	-	-	1,006,853	1,006,853
Pupil transportation	72,940	-	-	72,940
Central services	41,212	-	-	41,212
<b>Operation of non-instructional services</b>				
Food service operations	1,414,352	-	-	1,414,352
Community service	501,074	-	-	501,074
Extracurricular activities	257,679	-	-	257,679
<b>Debt service</b>				
Principal	-	29,000	-	29,000
Interest	-	32,690	-	32,690
<b>Total expenditures</b>	<b>4,387,685</b>	<b>61,690</b>	<b>1,246,206</b>	<b>5,695,581</b>
<b>Excess revenues over expenditures</b>	<b>(272,621)</b>	<b>(61,690)</b>	<b>41,359</b>	<b>(292,952)</b>
<b>Other financing sources (uses)</b>				
Proceeds from bond issue	-	-	855,000	855,000
Transfers-in	103,000	140,250	-	243,250
Transfers-out	-	-	(658,421)	(658,421)
<b>Total other financing sources (uses)</b>	<b>103,000</b>	<b>140,250</b>	<b>196,579</b>	<b>439,829</b>
<b>Excess (deficiency) of expenditures and other sources</b>	<b>(169,621)</b>	<b>78,560</b>	<b>237,938</b>	<b>146,877</b>
Fund balances, beginning of year	610,804	-	845,016	1,455,820
Increase in reserve for inventory	2,938	-	-	2,938
<b>Fund balances, end of year</b>	<b>\$ 444,121</b>	<b>\$ 78,560</b>	<b>\$ 1,082,954</b>	<b>\$ 1,605,635</b>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2005

	Food Service	Miscellaneous Local Projects	Uniform School Supplies	Rotary	Public Support Services	Other Grants
<b>Assets</b>						
Equity in pooled cash	\$ 58,146	\$ 1,239	\$ -	\$ 95,543	\$ 160,743	\$ 63,001
Due from other governments	168,751	-	-	-	-	-
Inventories and supplies	38,191	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 265,088</u></b>	<b><u>\$ 1,239</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 95,543</u></b>	<b><u>\$ 160,743</u></b>	<b><u>\$ 63,001</u></b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,512	\$ 3,565
Accrued salaries, wages and benefits	70,754	-	-	-	-	-
Due to other governments	18,344	-	-	-	-	-
Interfund payable	100,000	-	-	-	-	2,000
Compensated absences	2,534	-	-	-	-	-
<b>Total liabilities</b>	<b><u>191,632</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,512</u></b>	<b><u>5,565</u></b>
<b>Fund balances</b>						
Reserved for inventories	38,191	-	-	-	-	-
Reserved for encumbrances	800	-	-	-	1,198	1,350
Unreserved	34,465	1,239	-	95,543	158,033	56,086
<b>Total fund balances</b>	<b><u>73,456</u></b>	<b><u>1,239</u></b>	<b><u>-</u></b>	<b><u>95,543</u></b>	<b><u>159,231</u></b>	<b><u>57,436</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 265,088</u></b>	<b><u>\$ 1,239</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 95,543</u></b>	<b><u>\$ 160,743</u></b>	<b><u>\$ 63,001</u></b>



Data Communication Support	Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ 5,391	\$ 103,636	\$ -	\$ -	\$ -	\$ 16,870	\$ 4,968	\$ 893
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 5,391	\$ 103,636	\$ -	\$ -	\$ -	\$ 16,870	\$ 4,968	\$ 893
<hr/>							
\$ -	\$ 5,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	12,254	-	-	-	-	-
-	-	2,384	-	-	-	-	-
-	6,000	-	-	-	-	-	-
-	-	10,299	-	-	-	-	-
-	11,739	24,937	-	-	-	-	-
<hr/>							
-	-	-	-	-	-	-	-
-	5,616	-	-	-	-	-	2,015
5,391	86,281	(24,937)	-	-	16,870	4,968	(1,122)
5,391	91,897	(24,937)	-	-	16,870	4,968	893
<hr/>							
\$ 5,391	\$ 103,636	\$ -	\$ -	\$ -	\$ 16,870	\$ 4,968	\$ 893
<hr/>							

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2005

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Student Intervention	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
<b>Assets</b>						
Equity in pooled cash	\$ 4,639	\$ 12,900	\$ 1,863	\$ 3,810	\$ -	\$ 13,231
Due from other governments	18,723	977	8,680	-	2,892	-
Inventories and supplies	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 23,362</b>	<b>\$ 13,877</b>	<b>\$ 10,543</b>	<b>\$ 3,810</b>	<b>\$ 2,892</b>	<b>\$ 13,231</b>
<b>Liabilities and fund balances</b>						
<b>Liabilities</b>						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	-	10,236	-	-	-	-
Due to other governments	-	2,172	-	-	-	-
Interfund payable	20,679	13,006	2,369	-	4,283	-
Compensated absences	-	-	-	-	-	-
<b>Total liabilities</b>	<b>20,679</b>	<b>25,414</b>	<b>2,369</b>	<b>-</b>	<b>4,283</b>	<b>-</b>
<b>Fund balances</b>						
Reserved for inventories	-	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-	150
Unreserved	2,683	(11,537)	8,174	3,810	(1,391)	13,081
<b>Total fund balances</b>	<b>2,683</b>	<b>(11,537)</b>	<b>8,174</b>	<b>3,810</b>	<b>(1,391)</b>	<b>13,231</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,362</b>	<b>\$ 13,877</b>	<b>\$ 10,543</b>	<b>\$ 3,810</b>	<b>\$ 2,892</b>	<b>\$ 13,231</b>

Title VI-B	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 188,748	\$ 620	\$ 3,483	\$ 2,416	\$ 2,766	\$ 100	\$ 22,997	\$ 768,003
144,613	-	-	87	1,708	4,208	18,512	369,151
-	-	-	-	-	-	-	38,191
<u>\$ 333,361</u>	<u>\$ 620</u>	<u>\$ 3,483</u>	<u>\$ 2,503</u>	<u>\$ 4,474</u>	<u>\$ 4,308</u>	<u>\$ 41,509</u>	<u>\$ 1,175,345</u>
\$ 47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,768	\$ 15,631
67,391	-	-	-	-	-	-	160,635
14,722	-	-	-	-	-	-	37,622
292,965	-	3,483	1,595	4,474	4,208	49,441	504,503
-	-	-	-	-	-	-	12,833
<u>375,125</u>	<u>-</u>	<u>3,483</u>	<u>1,595</u>	<u>4,474</u>	<u>4,208</u>	<u>54,209</u>	<u>731,224</u>
-	-	-	-	-	-	-	38,191
7,483	-	-	-	-	-	12,231	30,843
(49,247)	620	-	908	-	100	(24,931)	375,087
<u>(41,764)</u>	<u>620</u>	<u>-</u>	<u>908</u>	<u>-</u>	<u>100</u>	<u>(12,700)</u>	<u>444,121</u>
<u>\$ 333,361</u>	<u>\$ 620</u>	<u>\$ 3,483</u>	<u>\$ 2,503</u>	<u>\$ 4,474</u>	<u>\$ 4,308</u>	<u>\$ 41,509</u>	<u>\$ 1,175,345</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, 2005

	Food Service	Miscellaneous Local Projects	Uniform School Supplies	Rotary	Public Support Services	Other Grants
<b>Revenues</b>						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ 3,024	\$ -
Interest	593	-	-	-	-	-
Intergovernmental	450,663	-	-	-	-	18,022
Charges for services	902,382	-	-	57,706	-	-
Extracurricular	-	-	-	-	176,555	-
Other	-	-	-	6,758	215,655	18,400
<b>Total revenues</b>	<u>1,353,638</u>	<u>-</u>	<u>-</u>	<u>64,464</u>	<u>395,234</u>	<u>36,422</u>
<b>Expenditures</b>						
<b>Current</b>						
<b>Instruction</b>						
Regular	-	-	-	1,726	388,904	37,483
Special	-	-	-	-	-	-
<b>Supporting services</b>						
Pupil	-	-	-	-	-	-
Instructional staff	-	1,000	-	-	-	2,000
Administration	-	-	-	-	625	-
Business	-	-	-	-	-	-
Pupil transportation	-	-	-	72,940	-	-
Central services	-	-	-	-	-	-
<b>Operation of non-instructional services</b>						
Food service operations	1,414,352	-	-	-	-	-
Community service	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	11,526	1,350
<b>Total expenditures</b>	<u>1,414,352</u>	<u>1,000</u>	<u>-</u>	<u>74,666</u>	<u>401,055</u>	<u>40,833</u>
<b>Excess revenues over expenditures</b>	<u>(60,714)</u>	<u>(1,000)</u>	<u>-</u>	<u>(10,202)</u>	<u>(5,821)</u>	<u>(4,411)</u>
<b>Other financing sources (uses)</b>						
Transfers-in	80,000	-	-	15,000	8,000	-
<b>Total other financing sources (uses)</b>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>8,000</u>	<u>-</u>
<b>Excess (deficiency) of expenditures and other sources</b>	19,286	(1,000)	-	4,798	2,179	(4,411)
Fund balances, beginning of year	51,232	2,239	-	90,745	157,052	61,847
Increase in reserve for inventory	2,938	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 73,456</u>	<u>\$ 1,239</u>	<u>\$ -</u>	<u>\$ 95,543</u>	<u>\$ 159,231</u>	<u>\$ 57,436</u>

Data Communication Support	Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	612	-	-	-	-	-
-	-	396,189	14,212	9,900	27,000	4,140	-
-	-	-	-	-	-	-	-
-	171,068	-	-	-	-	-	-
-	72,186	-	-	-	-	-	-
-	243,254	396,801	14,212	9,900	27,000	4,140	-
-	-	-	-	24,473	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	6,530	250	-
-	-	-	-	-	-	-	-
-	-	-	14,212	-	27,000	-	-
-	-	-	-	-	-	-	-
-	-	458,994	-	-	-	-	-
-	244,803	-	-	-	-	-	-
-	244,803	458,994	14,212	24,473	33,530	250	-
-	(1,549)	(62,193)	-	(14,573)	(6,530)	3,890	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(1,549)	(62,193)	-	(14,573)	(6,530)	3,890	-
5,391	93,446	37,256	-	14,573	23,400	1,078	893
-	-	-	-	-	-	-	-
\$ 5,391	\$ 91,897	\$ (24,937)	\$ -	\$ -	\$ 16,870	\$ 4,968	\$ 893

(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, 2005

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Student Intervention	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
<b>Revenues</b>						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	54,944	91,915	86,176	24,375	119,845	4,927
Charges for services	-	-	-	-	-	-
Extracurricular	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<u>54,944</u>	<u>91,915</u>	<u>86,176</u>	<u>24,375</u>	<u>119,845</u>	<u>4,927</u>
<b>Expenditures</b>						
<b>Current</b>						
<b>Instruction</b>						
Regular	58,348	45,084	77,134	-	90,076	3,018
Special	-	-	-	-	-	-
<b>Supporting services</b>						
Pupil	-	2,200	-	-	31,160	4,927
Instructional staff	1,000	56,036	6,000	24,226	-	-
Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Central services	-	-	-	-	-	-
<b>Operation of non-instructional services</b>						
Food service operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Academic	-	-	-	-	-	-
<b>Total expenditures</b>	<u>59,348</u>	<u>103,320</u>	<u>83,134</u>	<u>24,226</u>	<u>121,236</u>	<u>7,945</u>
<b>Excess revenues over expenditures</b>	<u>(4,404)</u>	<u>(11,405)</u>	<u>3,042</u>	<u>149</u>	<u>(1,391)</u>	<u>(3,018)</u>
<b>Other financing sources (uses)</b>						
Transfers-in	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of expenditures and other sources</b>	<u>(4,404)</u>	<u>(11,405)</u>	<u>3,042</u>	<u>149</u>	<u>(1,391)</u>	<u>(3,018)</u>
Fund balances, beginning of year	7,087	(132)	5,132	3,661	-	16,249
Increase in reserve for inventory	-	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 2,683</u>	<u>\$ (11,537)</u>	<u>\$ 8,174</u>	<u>\$ 3,810</u>	<u>\$ (1,391)</u>	<u>\$ 13,231</u>

Title VI-B	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,024
-	-	-	-	-	-	-	1,205
751,817	190,920	28,395	12,821	32,388	119,723	51,753	2,490,125
-	-	-	-	-	-	-	960,088
-	-	-	-	-	-	-	347,623
-	-	-	-	-	-	-	312,999
<u>751,817</u>	<u>190,920</u>	<u>28,395</u>	<u>12,821</u>	<u>32,388</u>	<u>119,723</u>	<u>51,753</u>	<u>4,115,064</u>
53,263	169,318	26,769	6,717	-	83,903	59,616	1,125,832
50,882	17,705	-	-	3,997	-	-	72,584
641,038	-	-	7,030	26,988	-	1,465	714,808
44,110	4,461	-	500	-	35,720	4,746	179,799
-	-	-	-	-	-	-	625
-	-	-	-	-	-	-	6,780
-	-	-	-	-	-	-	72,940
-	-	-	-	-	-	-	41,212
-	-	-	-	-	-	-	1,414,352
25,203	12,265	4,482	-	-	130	-	501,074
-	-	-	-	-	-	-	257,679
<u>814,496</u>	<u>203,749</u>	<u>31,251</u>	<u>14,247</u>	<u>30,985</u>	<u>119,753</u>	<u>65,827</u>	<u>4,387,685</u>
<u>(62,679)</u>	<u>(12,829)</u>	<u>(2,856)</u>	<u>(1,426)</u>	<u>1,403</u>	<u>(30)</u>	<u>(14,074)</u>	<u>(272,621)</u>
-	-	-	-	-	-	-	103,000
-	-	-	-	-	-	-	103,000
(62,679)	(12,829)	(2,856)	(1,426)	1,403	(30)	(14,074)	(169,621)
20,915	13,449	2,856	2,334	(1,403)	130	1,374	610,804
-	-	-	-	-	-	-	2,938
<u>\$ (41,764)</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ (12,700)</u>	<u>\$ 444,121</u>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2005

	Permanent Improvements	Schoolnet Plus	Total Non-Major Capital Projects Funds
<b>Assets</b>			
Equity in pooled cash	\$ 915,675	\$ 20,760	\$ 936,435
Receivables, net of allowance			
Taxes, current	1,052,765	-	1,052,765
Taxes, delinquent	42,200	-	42,200
<b>Total assets</b>	<u>\$ 2,010,640</u>	<u>\$ 20,760</u>	<u>\$ 2,031,400</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 8,242	\$ -	\$ 8,242
Unearned revenue			
Taxes	940,204	-	940,204
<b>Total liabilities</b>	<u>948,446</u>	<u>-</u>	<u>948,446</u>
<b>Fund balances</b>			
Reserved for property taxes	154,761	-	154,761
Reserved for encumbrances	364,872	-	364,872
Unreserved	542,561	20,760	563,321
<b>Total fund balances</b>	<u>1,062,194</u>	<u>20,760</u>	<u>1,082,954</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,010,640</u>	<u>\$ 20,760</u>	<u>\$ 2,031,400</u>



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, 2005

	Permanent Improvements	Schoolnet Plus	Total Non-Major Capital Projects Funds
Revenues			
Taxes	\$ 1,024,523	\$ -	\$ 1,024,523
Interest	14,035	-	14,035
Intergovernmental	126,272	42,735	169,007
Other	80,000	-	80,000
Total revenues	<u>1,244,830</u>	<u>42,735</u>	<u>1,287,565</u>
Expenditures			
Current			
Instruction			
Regular	12,945	21,975	34,920
Supporting services			
Administration	189,908	-	189,908
Fiscal services	14,525	-	14,525
Operation and maintenance	1,006,853	-	1,006,853
Total expenditures	<u>1,224,231</u>	<u>21,975</u>	<u>1,246,206</u>
Excess revenues over expenditures	<u>20,599</u>	<u>20,760</u>	<u>41,359</u>
Other financing sources (uses)			
Proceeds from bond issue	855,000	-	855,000
Transfers-out	(658,421)	-	(658,421)
Total other financing sources (uses)	<u>196,579</u>	<u>-</u>	<u>196,579</u>
Excess (deficiency) of expenditures and other sources	217,178	20,760	237,938
Fund balances, beginning of year	<u>845,016</u>	<u>-</u>	<u>845,016</u>
Fund balances, end of year	<u>\$ 1,062,194</u>	<u>\$ 20,760</u>	<u>\$ 1,082,954</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2005

	Beginning Balance, June 30, 2004	Additions	Deductions	Ending Balance, June 30, 2005
<b>Assets</b>				
Equity in pooled cash	\$ 71,661	\$ 239,948	\$ 230,132	\$ 81,477
<b>Total assets</b>	<u>71,661</u>	<u>239,948</u>	<u>230,132</u>	<u>81,477</u>
<b>Liabilities</b>				
Accounts payable	-	3,755	-	3,755
Due to students	71,661	236,193	230,132	77,722
<b>Total liabilities</b>	<u>\$ 71,661</u>	<u>\$ 239,948</u>	<u>\$ 230,132</u>	<u>\$ 81,477</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, 2005

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 31,344,000	\$ 31,344,000	\$ 31,111,133	\$ (232,867)
Tuition and fees	383,000	383,000	155,392	(227,608)
Interest	175,000	175,000	303,386	128,386
Intergovernmental	11,402,000	11,402,000	11,248,016	(153,984)
Other	163,000	163,000	155,463	(7,537)
Total revenues	<u>43,467,000</u>	<u>43,467,000</u>	<u>42,973,390</u>	<u>(493,610)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	14,843,210	14,846,598	14,555,061	291,537
Benefits	4,912,403	4,873,700	4,654,316	219,384
Purchased services	376,320	419,771	394,767	25,004
Materials and supplies	1,340,917	1,297,081	707,468	589,613
Capital outlay	6,695	7,176	5,155	2,021
Other	36,000	35,923	30,463	5,460
Total regular	<u>21,515,545</u>	<u>21,480,249</u>	<u>20,347,230</u>	<u>1,133,019</u>
Special				
Salaries	3,615,600	3,757,600	3,693,562	64,038
Benefits	1,196,593	1,226,400	1,172,413	53,987
Purchased services	549,701	557,201	505,093	52,108
Materials and supplies	56,266	56,431	49,193	7,238
Total special	<u>5,418,160</u>	<u>5,597,632</u>	<u>5,420,261</u>	<u>177,371</u>
Vocational				
Salaries	480,900	460,900	460,217	683
Benefits	159,155	154,100	147,165	6,935
Purchased services	1,760	1,258	1,258	-
Materials and supplies	9,868	9,713	8,826	887
Capital outlay	-	14,569	14,569	-
Total vocational	<u>651,683</u>	<u>640,540</u>	<u>632,035</u>	<u>8,505</u>
Other instruction				
Salaries	38,000	-	-	-
Benefits	12,576	-	-	-
Purchased services	80,000	125,000	122,900	2,100
Total other instruction	<u>130,576</u>	<u>125,000</u>	<u>122,900</u>	<u>2,100</u>
Total instruction	<u>27,715,964</u>	<u>27,843,421</u>	<u>26,522,426</u>	<u>1,320,995</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, 2005

GENERAL FUND - (CONTINUED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Supporting services				
Pupil				
Salaries	1,949,600	1,960,000	1,945,467	14,533
Benefits	645,226	660,600	631,793	28,807
Purchased services	276,220	250,220	218,307	31,913
Materials and supplies	54,632	54,628	53,903	725
Total pupil	<u>2,925,678</u>	<u>2,925,448</u>	<u>2,849,470</u>	<u>75,978</u>
Instructional staff				
Salaries	793,890	856,690	839,302	17,388
Benefits	262,740	269,700	258,907	10,793
Purchased services	185,261	159,611	136,000	23,611
Materials and supplies	96,812	96,575	79,131	17,444
Capital outlay	9,442	13,590	11,904	1,686
Other	4,500	4,500	3,970	530
Total instructional staff	<u>1,352,645</u>	<u>1,400,666</u>	<u>1,329,214</u>	<u>71,452</u>
Board of education				
Salaries	16,000	16,000	13,625	2,375
Benefits	5,295	1,900	1,885	15
Purchased services	224,581	241,081	229,529	11,552
Materials and supplies	600	600	267	333
Other	5,000	5,466	5,171	295
Total board of education	<u>251,476</u>	<u>265,047</u>	<u>250,477</u>	<u>14,570</u>
Administration				
Salaries	2,105,600	2,178,900	2,172,517	6,383
Benefits	702,454	720,900	689,960	30,940
Purchased services	55,500	89,110	68,583	20,527
Materials and supplies	28,124	29,320	25,639	3,681
Other	15,000	15,000	13,516	1,484
Total administration	<u>2,906,678</u>	<u>3,033,230</u>	<u>2,970,215</u>	<u>63,015</u>
Fiscal services				
Salaries	320,900	313,300	310,508	2,792
Benefits	107,126	119,200	113,891	5,309
Purchased services	7,500	8,500	3,634	4,866
Materials and supplies	8,900	9,900	8,853	1,047
Capital outlay	30,000	11,867	335	11,532
Other	540,020	550,520	537,055	13,465
Total fiscal services	<u>1,014,446</u>	<u>1,013,287</u>	<u>974,276</u>	<u>39,011</u>
Business				
Purchased services	146,006	122,159	101,884	20,275
Total business	<u>146,006</u>	<u>122,159</u>	<u>101,884</u>	<u>20,275</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, 2005

GENERAL FUND - (CONTINUED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation and maintenance				
Salaries	1,801,900	1,833,700	1,800,961	32,739
Benefits	606,444	579,700	558,137	21,563
Purchased services	1,200,445	1,166,425	1,004,027	162,398
Materials and supplies	137,533	139,433	127,195	12,238
Capital outlay	4,000	4,000	2,113	1,887
Other	113,830	120,830	119,679	1,151
Total operation and maintenance	<u>3,864,152</u>	<u>3,844,088</u>	<u>3,612,112</u>	<u>231,976</u>
Pupil transportation				
Salaries	987,400	980,000	977,078	2,922
Benefits	331,283	313,500	301,838	11,662
Purchased services	328,283	307,283	266,750	40,533
Materials and supplies	196,670	217,970	214,064	3,906
Capital outlay	6,000	6,000	-	6,000
Total pupil transportation	<u>1,849,636</u>	<u>1,824,753</u>	<u>1,759,730</u>	<u>65,023</u>
Central services				
Salaries	380,800	386,900	383,805	3,095
Benefits	147,827	145,300	138,211	7,089
Purchased services	263,230	272,697	256,989	15,708
Materials and supplies	99,097	119,447	102,400	17,047
Total central services	<u>890,954</u>	<u>924,344</u>	<u>881,405</u>	<u>42,939</u>
Total supporting services	<u>15,201,671</u>	<u>15,353,022</u>	<u>14,728,783</u>	<u>624,239</u>
Operation of non-instructional				
Food service operation				
Salaries	67,746	52,100	51,704	396
Total food service operation	<u>67,746</u>	<u>52,100</u>	<u>51,704</u>	<u>396</u>
Community services				
Purchased services	29,000	29,500	23,805	5,695
Total community services	<u>29,000</u>	<u>29,500</u>	<u>23,805</u>	<u>5,695</u>
Total operation of non-instructional	<u>96,746</u>	<u>81,600</u>	<u>75,509</u>	<u>6,091</u>
Extracurricular activities				
Academic and subject oriented				
Salaries	189,000	184,100	174,642	9,458
Benefits	62,550	88,500	84,607	3,893
Total academic and subject oriented	<u>251,550</u>	<u>272,600</u>	<u>259,249</u>	<u>13,351</u>
Sports oriented				
Salaries	572,300	594,800	593,870	930
Benefits	189,404	163,600	156,719	6,881
Purchased services	18,300	21,900	20,378	1,522
Total sports oriented	<u>780,004</u>	<u>780,300</u>	<u>770,967</u>	<u>9,333</u>
Total extracurricular activities	<u>1,031,554</u>	<u>1,052,900</u>	<u>1,030,216</u>	<u>22,684</u>
Total expenditures	<u>44,045,935</u>	<u>44,330,943</u>	<u>42,356,934</u>	<u>1,974,009</u>
Excess (deficiency) of revenues over expenditures	<u>(578,935)</u>	<u>(863,943)</u>	<u>616,456</u>	<u>1,480,399</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, 2005

GENERAL FUND - (CONCLUDED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Transfers-in	550,211	550,221	550,221	-
Advances-in	316,308	316,308	316,308	-
Refund prior year expenditure	10,000	10,000	9,932	(68)
Advances-out	-	(504,502)	(504,503)	(1)
Transfers-out	(168,550)	(237,550)	(237,550)	-
Total other financing sources (uses)	<u>707,969</u>	<u>134,477</u>	<u>134,408</u>	<u>(69)</u>
Net change in fund balance	129,034	(729,466)	750,864	1,480,330
Fund balance, beginning of year	12,829,081	12,829,081	12,829,081	-
Prior year encumbrances appropriated	<u>274,649</u>	<u>274,649</u>	<u>274,649</u>	-
Fund balance, end of year	<u>\$ 13,232,764</u>	<u>\$ 12,374,264</u>	<u>\$ 13,854,594</u>	<u>\$ 1,480,330</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, 2005

	FOOD SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ 500	\$ 593	\$ 93
Charges for services	937,805	893,134	895,133	1,999
Intergovernmental	309,852	323,639	325,049	1,410
Other	6,500	7,500	8,528	1,028
Total revenues	<u>1,254,157</u>	<u>1,224,773</u>	<u>1,229,303</u>	<u>4,530</u>
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	439,912	443,640	443,452	188
Benefits	250,530	265,509	259,409	6,100
Purchased services	619,930	653,000	652,123	877
Materials and supplies	3,200	7,200	6,807	393
Total food service operation	<u>1,313,572</u>	<u>1,369,349</u>	<u>1,361,791</u>	<u>7,558</u>
Total operation of non-instructional	<u>1,313,572</u>	<u>1,369,349</u>	<u>1,361,791</u>	<u>7,558</u>
Capital outlay	-	-	-	-
Total expenditures	<u>1,313,572</u>	<u>1,369,349</u>	<u>1,361,791</u>	<u>7,558</u>
Excess (deficiency) of revenues over expenditures	<u>(59,415)</u>	<u>(144,576)</u>	<u>(132,488)</u>	<u>12,088</u>
Other financing sources (uses)				
Transfers-in	80,000	80,000	80,000	-
Advances-in	-	100,000	100,000	-
Total other financing sources (uses)	<u>80,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net change in fund balance	20,585	35,424	47,512	12,088
Fund balance, beginning of year	9,834	9,834	9,834	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 30,419</u>	<u>\$ 45,258</u>	<u>\$ 57,346</u>	<u>\$ 12,088</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, 2005

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000
Materials and supplies	239	239	-	239
Total instructional staff	<u>2,239</u>	<u>2,239</u>	<u>1,000</u>	<u>1,239</u>
Total supporting services	<u>2,239</u>	<u>2,239</u>	<u>1,000</u>	<u>1,239</u>
Total expenditures	<u>2,239</u>	<u>2,239</u>	<u>1,000</u>	<u>1,239</u>
Net change in fund balance	(2,239)	(2,239)	(1,000)	1,239
Fund balance, beginning of year	2,239	2,239	2,239	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239</u>	<u>\$ 1,239</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, 2005

	ROTARY FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	54,000	\$ 57,000	\$ 57,706	\$ 706
Other	4,300	3,700	6,758	3,058
Total revenues	<u>58,300</u>	<u>60,700</u>	<u>64,464</u>	<u>3,764</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	2,200	1,900	1,726	174
Total regular	<u>2,200</u>	<u>1,900</u>	<u>1,726</u>	<u>174</u>
Total instruction	<u>2,200</u>	<u>1,900</u>	<u>1,726</u>	<u>174</u>
Supporting services				
Pupil transportation				
Purchased services	65,000	75,000	72,940	2,060
Total pupil transportation	<u>65,000</u>	<u>75,000</u>	<u>72,940</u>	<u>2,060</u>
Total supporting services	<u>65,000</u>	<u>75,000</u>	<u>72,940</u>	<u>2,060</u>
Total expenditures	<u>67,200</u>	<u>76,900</u>	<u>74,666</u>	<u>2,234</u>
Excess (deficiency) of revenues over expenditures	<u>(8,900)</u>	<u>(16,200)</u>	<u>(10,202)</u>	<u>5,998</u>
Other financing sources (uses)				
Transfers-in	15,000	15,000	15,000	-
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	6,100	(1,200)	4,798	5,998
Fund balance, beginning of year	90,745	90,745	90,745	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 96,845</u>	<u>\$ 89,545</u>	<u>\$ 95,543</u>	<u>\$ 5,998</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, 2005

PUBLIC SUPPORT SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and fees	\$ 3,000	\$ 3,000	\$ 3,024	\$ 24
Extracurricular	235,640	172,426	176,555	4,129
Other	292,825	214,335	215,655	1,320
<b>Total revenues</b>	<b>531,465</b>	<b>389,761</b>	<b>395,234</b>	<b>5,473</b>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction</b>				
<b>Regular</b>				
Purchased services	131,350	96,510	64,106	32,404
Materials and supplies	170,677	133,149	124,259	8,890
Capital outlay	22,550	5,300	2,404	2,896
Other	267,465	206,434	199,883	6,551
<b>Total regular</b>	<b>592,042</b>	<b>441,393</b>	<b>390,652</b>	<b>50,741</b>
<b>Total instruction</b>	<b>592,042</b>	<b>441,393</b>	<b>390,652</b>	<b>50,741</b>
<b>Supporting services</b>				
<b>Instructional staff</b>				
Materials and supplies	1,000	-	-	-
<b>Total instructional staff</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administration</b>				
Materials and supplies	650	1,150	625	525
<b>Total administration</b>	<b>650</b>	<b>1,150</b>	<b>625</b>	<b>525</b>
<b>Total supporting services</b>	<b>1,650</b>	<b>1,150</b>	<b>625</b>	<b>525</b>
<b>Extracurricular activities</b>				
<b>Sports oriented</b>				
Other	8,000	11,530	11,526	4
<b>Total sports oriented</b>	<b>8,000</b>	<b>11,530</b>	<b>11,526</b>	<b>4</b>
<b>Total extracurricular activities</b>	<b>8,000</b>	<b>11,530</b>	<b>11,526</b>	<b>4</b>
<b>Total expenditures</b>	<b>601,692</b>	<b>454,073</b>	<b>402,803</b>	<b>51,270</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(70,227)</b>	<b>(64,312)</b>	<b>(7,569)</b>	<b>56,743</b>
<b>Other financing sources (uses)</b>				
Transfers-in	-	8,000	8,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(70,227)</b>	<b>(56,312)</b>	<b>431</b>	<b>56,743</b>
Fund balance, beginning of year	157,400	157,400	157,400	-
Prior year encumbrances appropriated	202	202	202	-
<b>Fund balance, end of year</b>	<b>\$ 87,375</b>	<b>\$ 101,290</b>	<b>\$ 158,033</b>	<b>\$ 56,743</b>

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, 2005

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	17,199	\$ 17,960	\$ 18,022	\$ 62
Other	13,038	18,400	18,400	-
Total revenues	<u>30,237</u>	<u>36,360</u>	<u>36,422</u>	<u>62</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	5,219	5,219	5,200	19
Benefits	869	869	780	89
Purchased services	9,855	9,855	7,720	2,135
Materials and supplies	3,295	7,393	6,663	730
Other	29,516	28,266	13,554	14,712
Total regular	<u>48,754</u>	<u>51,602</u>	<u>33,917</u>	<u>17,685</u>
Total instruction	<u>48,754</u>	<u>51,602</u>	<u>33,917</u>	<u>17,685</u>
Supporting services				
Instructional staff				
Purchased services	-	2,000	2,000	-
Total instructional staff	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total supporting services	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Extracurricular activities				
Academic and subject oriented				
Other	3,566	6,266	6,265	1
Total academic and subject oriented	<u>3,566</u>	<u>6,266</u>	<u>6,265</u>	<u>1</u>
Total extracurricular activities	<u>3,566</u>	<u>6,266</u>	<u>6,265</u>	<u>1</u>
Total expenditures	<u>52,320</u>	<u>59,868</u>	<u>42,182</u>	<u>17,686</u>
Excess (deficiency) of revenues over expenditures	<u>(22,083)</u>	<u>(23,508)</u>	<u>(5,760)</u>	<u>17,748</u>
Other financing sources (uses)				
Advances-in	-	2,000	2,000	-
Total other financing sources (uses)	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	(22,083)	(21,508)	(3,760)	17,748
Fund balance, beginning of year	59,107	59,107	59,107	-
Prior year encumbrances appropriated	<u>2,740</u>	<u>2,740</u>	<u>2,740</u>	<u>-</u>
Fund balance, end of year	<u>\$ 39,764</u>	<u>\$ 40,339</u>	<u>\$ 58,087</u>	<u>\$ 17,748</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, 2005

DATA COMMUNICATION SUPPORT FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund balance, beginning of year	5,391	5,391	5,391	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 5,391</u>	<u>\$ 5,391</u>	<u>\$ 5,391</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, 2005

	ATHLETIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 212,300	\$ 170,150	\$ 171,068	\$ 918
Other	68,400	71,540	72,186	646
Total revenues	<u>280,700</u>	<u>241,690</u>	<u>243,254</u>	<u>1,564</u>
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	59,300	56,294	52,960	3,334
Materials and supplies	57,795	29,395	27,400	1,995
Other	156,561	116,262	108,644	7,618
Total sports oriented	<u>273,656</u>	<u>201,951</u>	<u>189,004</u>	<u>12,947</u>
Total extracurricular activities	<u>273,656</u>	<u>201,951</u>	<u>189,004</u>	<u>12,947</u>
Capital outlay	72,900	68,107	64,173	3,934
Total expenditures	<u>346,556</u>	<u>270,058</u>	<u>253,177</u>	<u>16,881</u>
Excess (deficiency) of revenues over expenditures	<u>(65,856)</u>	<u>(28,368)</u>	<u>(9,923)</u>	<u>18,445</u>
Other financing sources (uses)				
Advances-in		6,000	6,000	-
Total other financing sources (uses)	<u>-</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance	(65,856)	(22,368)	(3,923)	18,445
Fund balance, beginning of year	91,348	91,348	91,348	-
Prior year encumbrances appropriated	4,856	4,856	4,856	-
Fund balance, end of year	<u>\$ 30,348</u>	<u>\$ 73,836</u>	<u>\$ 92,281</u>	<u>\$ 18,445</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, 2005

AUXILIARY SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 700	\$ 612	\$ 612	\$ -
Intergovernmental	397,000	396,189	396,189	-
Total revenues	<u>397,700</u>	<u>396,801</u>	<u>396,801</u>	<u>-</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	87,689	81,892	82,622	(730)
Benefits	22,235	26,559	26,893	(334)
Purchased services	149,518	122,343	119,151	3,192
Materials and supplies	182,100	206,844	208,972	(2,128)
Other	15,991	15,848	15,848	-
Total community services	<u>457,533</u>	<u>453,486</u>	<u>453,486</u>	<u>-</u>
Total operation of non-instructional	<u>457,533</u>	<u>453,486</u>	<u>453,486</u>	<u>-</u>
Capital outlay	-	3,618	3,618	-
Total expenditures	<u>457,533</u>	<u>457,104</u>	<u>457,104</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(59,833)</u>	<u>(60,303)</u>	<u>(60,303)</u>	<u>-</u>
Other financing sources (uses)				
Refund prior year receipts	(865)	(865)	(865)	-
Total other financing sources (uses)	<u>(865)</u>	<u>(865)</u>	<u>(865)</u>	<u>-</u>
Net change in fund balance	(60,698)	(61,168)	(61,168)	-
Fund balance, beginning of year	17,698	17,698	17,698	-
Prior year encumbrances appropriated	<u>43,470</u>	<u>43,470</u>	<u>43,470</u>	<u>-</u>
Fund balance, end of year	<u>\$ 470</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, 2005

	EDUCATION M.I.S. FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	16,500	\$ 14,212	\$ 14,212	\$ -
Total revenues	<u>16,500</u>	<u>14,212</u>	<u>14,212</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	-	14,212	14,212	-
Total central services	-	<u>14,212</u>	<u>14,212</u>	<u>-</u>
Total supporting services	-	<u>14,212</u>	<u>14,212</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>14,212</u>	<u>14,212</u>	<u>-</u>
Net change in fund balance	16,500	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 16,500</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, 2005

ENTRY YEAR TEACHER FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,900	\$ 9,900	\$ 9,900	\$ -
Total revenues	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	11,876	18,266	18,539	(273)
Benefits	2,298	3,557	3,284	273
Purchased services	-	1,423	1,423	-
Materials and supplies	399	1,227	1,227	-
Total regular	<u>14,573</u>	<u>24,473</u>	<u>24,473</u>	<u>-</u>
Total instruction	<u>14,573</u>	<u>24,473</u>	<u>24,473</u>	<u>-</u>
Total expenditures	<u>14,573</u>	<u>24,473</u>	<u>24,473</u>	<u>-</u>
Net change in fund balance	(4,673)	(14,573)	(14,573)	-
Fund balance, beginning of year	14,573	14,573	14,573	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 9,900</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, 2005

DATA COMMUNICATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Business				
Purchased services	3,600	3,600	2,000	1,600
Total business	<u>3,600</u>	<u>3,600</u>	<u>2,000</u>	<u>1,600</u>
Central services				
Purchased services	-	9,600	9,600	-
Total central services	<u>-</u>	<u>9,600</u>	<u>9,600</u>	<u>-</u>
Total supporting services	<u>3,600</u>	<u>13,200</u>	<u>11,600</u>	<u>1,600</u>
Capital outlay	19,800	37,200	21,930	15,270
Total expenditures	<u>23,400</u>	<u>50,400</u>	<u>33,530</u>	<u>16,870</u>
Net change in fund balance	3,600	(23,400)	(6,530)	16,870
Fund balance, beginning of year	23,400	23,400	23,400	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 27,000</u>	<u>\$ -</u>	<u>\$ 16,870</u>	<u>\$ 16,870</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, 2005

	SCHOOLNET FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
Total revenues	4,140	4,140	4,140	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	-	4,140	-	4,140
Total instructional staff	-	4,140	-	4,140
Business				
Purchased services	1,078	1,078	250	828
Total business	1,078	1,078	250	828
Total supporting services	1,078	5,218	250	4,968
Total expenditures	1,078	5,218	250	4,968
Net change in fund balance	3,062	(1,078)	3,890	4,968
Fund balance, beginning of year	1,078	1,078	1,078	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 4,140	\$ -	\$ 4,968	\$ 4,968

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, 2005

VIDEO DISTANCE LEARNING FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Refund prior year receipt	\$ (893)	\$ (893)	\$ -	\$ 893
Total other financing sources (uses)	<u>(893)</u>	<u>(893)</u>	<u>-</u>	<u>893</u>
Net change in fund balance	(893)	(893)	-	893
Fund balance, beginning of year	893	893	893	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893</u>	<u>\$ 893</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, 2005

	OHIO READS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 48,900	\$ 56,900	\$ 36,221	\$ (20,679)
Total revenues	<u>48,900</u>	<u>56,900</u>	<u>36,221</u>	<u>(20,679)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	11,280	17,964	17,964	-
Benefits	2,220	3,536	3,529	7
Materials and supplies	41,368	41,368	38,750	2,618
Total regular	<u>54,868</u>	<u>62,868</u>	<u>60,243</u>	<u>2,625</u>
Total instruction	<u>54,868</u>	<u>62,868</u>	<u>60,243</u>	<u>2,625</u>
Supporting services				
Instructional staff				
Salaries	1,000	1,000	1,000	-
Total instructional staff	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total supporting services	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>55,868</u>	<u>63,868</u>	<u>61,243</u>	<u>2,625</u>
Excess (deficiency) of revenues over expenditures	<u>(6,968)</u>	<u>(6,968)</u>	<u>(25,022)</u>	<u>(18,054)</u>
Other financing sources (uses)				
Advances-in	-	-	20,679	20,679
Refund prior year receipts	(119)	(119)	(119)	-
Total other financing sources (uses)	<u>(119)</u>	<u>(119)</u>	<u>20,560</u>	<u>20,679</u>
Net change in fund balance	(7,087)	(7,087)	(4,462)	2,625
Fund balance, beginning of year	119	119	119	-
Prior year encumbrances appropriated	<u>6,968</u>	<u>6,968</u>	<u>6,968</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,625</u>	<u>\$ 2,625</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, 2005

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 95,512	\$ 103,944	\$ 90,938	\$ (13,006)
Total revenues	<u>95,512</u>	<u>103,944</u>	<u>90,938</u>	<u>(13,006)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	21,867	21,867	19,829	2,038
Benefits	3,589	3,598	4,281	(683)
Materials and supplies	3,024	10,593	10,593	-
Total regular	<u>28,480</u>	<u>36,058</u>	<u>34,703</u>	<u>1,355</u>
Total instruction	<u>28,480</u>	<u>36,058</u>	<u>34,703</u>	<u>1,355</u>
Supporting services				
Pupil				
Purchased services	2,000	2,000	2,000	-
Materials and supplies	200	200	200	-
Total pupil	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	<u>-</u>
Instructional staff				
Salaries	38,089	38,089	29,899	8,190
Benefits	5,406	5,406	4,374	1,032
Purchased services	10,944	10,944	9,460	1,484
Materials and supplies	1,120	2,107	2,068	39
Total instructional staff	<u>55,559</u>	<u>56,546</u>	<u>45,801</u>	<u>10,745</u>
Total supporting services	<u>57,759</u>	<u>58,746</u>	<u>48,001</u>	<u>10,745</u>
Capital outlay	9,008	9,008	8,208	800
Total expenditures	<u>95,247</u>	<u>103,812</u>	<u>90,912</u>	<u>12,900</u>
Excess (deficiency) of revenues over expenditures	<u>265</u>	<u>132</u>	<u>26</u>	<u>(106)</u>
Other financing sources (uses)				
Advances-in	-	-	13,006	13,006
Refund of prior year receipts	(133)	-	-	-
Advances-out	(35,547)	(35,547)	(35,547)	-
Total other financing sources (uses)	<u>(35,680)</u>	<u>(35,547)</u>	<u>(22,541)</u>	<u>13,006</u>
Net change in fund balance	(35,415)	(35,415)	(22,515)	12,900
Fund balance, beginning of year	24,482	24,482	24,482	-
Prior year encumbrances appropriated	10,933	10,933	10,933	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,900</u>	<u>\$ 12,900</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, 2005

STUDENT INTERVENTION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 79,865	\$ 79,865	\$ 77,496	\$ (2,369)
Total revenues	<u>79,865</u>	<u>79,865</u>	<u>77,496</u>	<u>(2,369)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	59,690	59,690	59,690	-
Benefits	11,675	11,675	9,820	1,855
Materials and supplies	7,632	7,632	7,624	8
Total regular	<u>78,997</u>	<u>78,997</u>	<u>77,134</u>	<u>1,863</u>
Total instruction	<u>78,997</u>	<u>78,997</u>	<u>77,134</u>	<u>1,863</u>
Supporting services				
Instructional staff				
Purchased services	3,500	3,500	3,500	-
Materials and supplies	2,500	2,500	2,500	-
Total instructional staff	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total supporting services	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total expenditures	<u>84,997</u>	<u>84,997</u>	<u>83,134</u>	<u>1,863</u>
Excess (deficiency) of revenues over expenditures	<u>(5,132)</u>	<u>(5,132)</u>	<u>(5,638)</u>	<u>(506)</u>
Other financing sources (uses)				
Advances-in	-	-	2,369	2,369
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,369</u>	<u>2,369</u>
Net change in fund balance	(5,132)	(5,132)	(3,269)	1,863
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>5,132</u>	<u>5,132</u>	<u>5,132</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,863</u>	<u>\$ 1,863</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, 2005

PARENT MENTOR PROGRAM FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 24,375	\$ 24,375	\$ 24,375	\$ -
Total revenues	<u>24,375</u>	<u>24,375</u>	<u>24,375</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Instructional staff				
Salaries	16,805	16,805	16,805	-
Benefits	6,783	6,783	6,741	42
Purchased services	787	787	675	112
Total instructional staff	<u>24,375</u>	<u>24,375</u>	<u>24,221</u>	<u>154</u>
Total supporting services	<u>24,375</u>	<u>24,375</u>	<u>24,221</u>	<u>154</u>
Total expenditures	<u>24,375</u>	<u>24,375</u>	<u>24,221</u>	<u>154</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>154</u>	<u>154</u>
Other financing sources (uses)				
Refund prior year receipts	(3,661)	(3,661)	(5)	3,656
Total other financing sources (uses)	<u>(3,661)</u>	<u>(3,661)</u>	<u>(5)</u>	<u>3,656</u>
Net change in fund balance	(3,661)	(3,661)	149	3,810
Fund balance, beginning of year	3,661	3,661	3,661	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,810</u>	<u>\$ 3,810</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, 2005

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 134,347	\$ 134,347	\$ 130,064	\$ (4,283)
Total revenues	<u>134,347</u>	<u>134,347</u>	<u>130,064</u>	<u>(4,283)</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	88,686	88,686	88,686	-
Total regular	<u>88,686</u>	<u>88,686</u>	<u>88,686</u>	<u>-</u>
Total instruction	<u>88,686</u>	<u>88,686</u>	<u>88,686</u>	<u>-</u>
Supporting services				
Pupil				
Purchased services	31,160	31,160	31,160	-
Total pupil	<u>31,160</u>	<u>31,160</u>	<u>31,160</u>	<u>-</u>
Total supporting services	<u>31,160</u>	<u>31,160</u>	<u>31,160</u>	<u>-</u>
Total expenditures	<u>119,846</u>	<u>119,846</u>	<u>119,846</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>14,501</u>	<u>14,501</u>	<u>10,218</u>	<u>(4,283)</u>
Other financing sources (uses)				
Refund of prior year expenditure	-	-	4,283	4,283
Advances-out	(13,110)	(13,110)	(13,110)	-
Refund of prior year receipts	(1,391)	(1,391)	(1,391)	-
Total other financing sources (uses)	<u>(14,501)</u>	<u>(14,501)</u>	<u>(10,218)</u>	<u>4,283</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, 2005

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,927	\$ 4,927	\$ 4,927	\$ -
Total revenues	4,927	4,927	4,927	-
Expenditures				
Current				
Instruction				
Regular				
Purchased services	12,500	9,500	-	9,500
Materials and supplies	3,003	3,003	193	2,810
Total regular	15,503	12,503	193	12,310
Total instruction	15,503	12,503	193	12,310
Supporting services				
Pupil				
Purchased services	-	4,927	4,927	-
Total pupil	-	4,927	4,927	-
Total supporting services	-	4,927	4,927	-
Capital outlay	746	3,746	2,975	771
Total expenditures	16,249	21,176	8,095	13,081
Net change in fund balance	(11,322)	(16,249)	(3,168)	13,081
Fund balance, beginning of year	16,249	16,249	16,249	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 4,927	\$ -	\$ 13,081	\$ 13,081

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, 2005

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 1,071,051	\$ 1,071,051	\$ 778,085	\$ (292,966)
Total revenues	<u>1,071,051</u>	<u>1,071,051</u>	<u>778,085</u>	<u>(292,966)</u>
Expenditures				
Current				
Instruction				
Special				
Salaries	97,637	48,669	23,644	25,025
Benefits	16,048	11,956	8,452	3,504
Purchased services	104,334	25,230	24,829	401
Materials and supplies	2,499	25,034	14,290	10,744
Total special	<u>220,518</u>	<u>110,889</u>	<u>71,215</u>	<u>39,674</u>
Total instruction	<u>220,518</u>	<u>110,889</u>	<u>71,215</u>	<u>39,674</u>
Supporting services				
Pupil				
Salaries	258,025	377,416	308,490	68,926
Benefits	71,253	137,512	125,990	11,522
Purchased services	260,602	197,118	173,861	23,257
Materials and supplies	3,977	3,977	3,977	-
Total pupil	<u>593,857</u>	<u>716,023</u>	<u>612,318</u>	<u>103,705</u>
Instructional staff				
Salaries	14,568	14,568	13,795	773
Benefits	2,396	2,396	1,877	519
Purchased services	31,000	21,000	18,119	2,881
Materials and supplies	12,000	12,000	10,319	1,681
Total instructional staff	<u>59,964</u>	<u>49,964</u>	<u>44,110</u>	<u>5,854</u>
Total supporting services	<u>653,821</u>	<u>765,987</u>	<u>656,428</u>	<u>109,559</u>
Operation of non-instructional				
Community services				
Salaries	15,294	15,294	12,353	2,941
Benefits	4,247	4,247	589	3,658
Purchased services	21,494	21,494	21,494	-
Total community services	<u>41,035</u>	<u>41,035</u>	<u>34,436</u>	<u>6,599</u>
Total operation of non-instructional	<u>41,035</u>	<u>41,035</u>	<u>34,436</u>	<u>6,599</u>
Capital outlay	46,554	46,554	24,006	22,548
Total expenditures	<u>961,928</u>	<u>964,465</u>	<u>786,085</u>	<u>178,380</u>
Excess (deficiency) of revenues over expenditures	<u>109,123</u>	<u>106,586</u>	<u>(8,000)</u>	<u>(114,586)</u>
Other financing sources (uses)				
Advances-in	-	-	292,965	292,965
Refund of prior year receipts	(2,840)	(2,840)	-	2,840
Advances-out	(194,634)	(194,634)	(194,634)	-
Transfers-out	(2,535)	-	-	-
Total other financing sources (uses)	<u>(200,009)</u>	<u>(197,474)</u>	<u>98,331</u>	<u>295,805</u>
Net change in fund balance	(90,886)	(90,888)	90,331	181,219
Fund balance, beginning of year	70,550	70,550	70,550	-
Prior year encumbrances appropriated	20,338	20,338	20,338	-
Fund balance, end of year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 181,219</u>	<u>\$ 181,219</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, 2005

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 205,387	\$ 205,918	\$ 205,918	\$ -
Total revenues	<u>205,387</u>	<u>205,918</u>	<u>205,918</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	131,798	131,798	138,546	(6,748)
Benefits	30,772	30,772	30,772	-
Total regular	<u>162,570</u>	<u>162,570</u>	<u>169,318</u>	<u>(6,748)</u>
Special				
Salaries	18,028	18,028	18,028	-
Total special	<u>18,028</u>	<u>18,028</u>	<u>18,028</u>	<u>-</u>
Total instruction	<u>180,598</u>	<u>180,598</u>	<u>187,346</u>	<u>(6,748)</u>
Supporting services				
Instructional staff				
Purchased services	9,575	8,709	3,257	5,452
Materials and supplies	2,500	2,500	1,204	1,296
Total instructional staff	<u>12,075</u>	<u>11,209</u>	<u>4,461</u>	<u>6,748</u>
Total supporting services	<u>12,075</u>	<u>11,209</u>	<u>4,461</u>	<u>6,748</u>
Operation of non-instructional				
Community services				
Salaries	11,850	11,850	13,036	(1,186)
Benefits	2,294	2,294	2,523	(229)
Purchased services	500	615	460	155
Materials and supplies	1,100	2,539	660	1,879
Total community services	<u>15,744</u>	<u>17,298</u>	<u>16,679</u>	<u>619</u>
Total operation of non-instructional	<u>15,744</u>	<u>17,298</u>	<u>16,679</u>	<u>619</u>
Total expenditures	<u>208,417</u>	<u>209,105</u>	<u>208,486</u>	<u>619</u>
Excess (deficiency) of revenues over expenditures	<u>(3,030)</u>	<u>(3,187)</u>	<u>(2,568)</u>	<u>619</u>
Other financing sources (uses)				
Transfers-in	-	-	-	-
Advances-out	(14,998)	(14,998)	(14,997)	1
Transfers-out	(157)	-	-	-
Total other financing sources (uses)	<u>(15,155)</u>	<u>(14,998)</u>	<u>(14,997)</u>	<u>1</u>
Net change in fund balance	(18,185)	(18,185)	(17,565)	620
Fund balance, beginning of year	18,185	18,185	18,185	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ 620</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, 2005

	TITLE V FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 45,439	\$ 55,801	\$ 52,319	\$ (3,482)
Total revenues	<u>45,439</u>	<u>55,801</u>	<u>52,319</u>	<u>(3,482)</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Materials and supplies	1,176	2,190	2,190	-
Total community services	<u>1,176</u>	<u>2,190</u>	<u>2,190</u>	<u>-</u>
Total operation of non-instructional	<u>1,176</u>	<u>2,190</u>	<u>2,190</u>	<u>-</u>
Capital outlay	20,606	31,735	28,253	3,482
Total expenditures	<u>21,782</u>	<u>33,925</u>	<u>30,443</u>	<u>3,482</u>
Excess (deficiency) of revenues over expenditures	<u>23,657</u>	<u>21,876</u>	<u>21,876</u>	<u>-</u>
Other financing sources (uses)				
Advances-in	-	-	3,483	3,483
Advances-out	(23,925)	(23,925)	(23,925)	-
Refund of prior year receipts	(808)	(808)	(808)	-
Transfers-out	(1,781)	-	-	-
Total other financing sources (uses)	<u>(26,514)</u>	<u>(24,733)</u>	<u>(21,250)</u>	<u>3,483</u>
Net change in fund balance	(2,857)	(2,857)	626	3,483
Fund balance, beginning of year	2,588	2,588	2,588	-
Prior year encumbrances appropriated	269	269	269	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,483</u>	<u>\$ 3,483</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, 2005

DRUG FREE SCHOOLS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 17,480	\$ 17,480	\$ 15,885	\$ (1,595)
Total revenues	<u>17,480</u>	<u>17,480</u>	<u>15,885</u>	<u>(1,595)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	5,690	6,918	5,898	1,020
Benefits	936	1,138	695	443
Materials and supplies	200	169	124	45
Total regular	<u>6,826</u>	<u>8,225</u>	<u>6,717</u>	<u>1,508</u>
Total instruction	<u>6,826</u>	<u>8,225</u>	<u>6,717</u>	<u>1,508</u>
Supporting services				
Pupil				
Purchased services	5,903	7,030	7,030	-
Total pupil	<u>5,903</u>	<u>7,030</u>	<u>7,030</u>	<u>-</u>
Instructional staff				
Purchased services	500	500	500	-
Total instructional staff	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Total supporting services	<u>6,403</u>	<u>7,530</u>	<u>7,530</u>	<u>-</u>
Total expenditures	<u>13,229</u>	<u>15,755</u>	<u>14,247</u>	<u>1,508</u>
Excess (deficiency) of revenues over expenditures	<u>4,251</u>	<u>1,725</u>	<u>1,638</u>	<u>(87)</u>
Other financing sources (uses)				
Advances-in	-	-	1,595	1,595
Advances-out	(4,251)	(4,251)	(4,251)	-
Refund of prior year receipts	(3,434)	(908)	-	908
Total other financing sources (uses)	<u>(7,685)</u>	<u>(5,159)</u>	<u>(2,656)</u>	<u>2,503</u>
Net change in fund balance	(3,434)	(3,434)	(1,018)	2,416
Fund balance, beginning of year	3,434	3,434	3,434	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,416</u>	<u>\$ 2,416</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, 2005

	PRESCHOOL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 32,388	\$ 35,154	\$ 30,680	\$ (4,474)
Total revenues	<u>32,388</u>	<u>35,154</u>	<u>30,680</u>	<u>(4,474)</u>
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	23,199	25,575	23,199	2,376
Benefits	3,789	4,179	3,789	390
Total pupil	<u>26,988</u>	<u>29,754</u>	<u>26,988</u>	<u>2,766</u>
Total supporting services	<u>26,988</u>	<u>29,754</u>	<u>26,988</u>	<u>2,766</u>
Capital outlay	3,944	3,944	3,944	-
Total expenditures	<u>30,932</u>	<u>33,698</u>	<u>30,932</u>	<u>2,766</u>
Excess (deficiency) of revenues over expenditures	<u>1,456</u>	<u>1,456</u>	<u>(252)</u>	<u>(1,708)</u>
Other financing sources (uses)				
Advances-in	-	-	4,474	4,474
Advances-out	(5,400)	(5,400)	(5,400)	-
Refund of prior year receipts	(53)	(53)	(53)	-
Total other financing sources (uses)	<u>(5,453)</u>	<u>(5,453)</u>	<u>(979)</u>	<u>4,474</u>
Net change in fund balance	(3,997)	(3,997)	(1,231)	2,766
Fund balance, beginning of year	53	53	53	-
Prior year encumbrances appropriated	3,944	3,944	3,944	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,766</u>	<u>\$ 2,766</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, 2005

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 120,104	\$ 123,026	\$ 118,818	\$ (4,208)
Total revenues	<u>120,104</u>	<u>123,026</u>	<u>118,818</u>	<u>(4,208)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	64,325	67,011	66,899	112
Benefits	16,675	16,992	17,004	(12)
Total regular	<u>81,000</u>	<u>84,003</u>	<u>83,903</u>	<u>100</u>
Total instruction	<u>81,000</u>	<u>84,003</u>	<u>83,903</u>	<u>100</u>
Supporting services				
Instructional staff				
Purchased services	34,632	34,552	34,552	-
Materials and supplies	1,168	1,168	1,168	-
Total instructional staff	<u>35,800</u>	<u>35,720</u>	<u>35,720</u>	<u>-</u>
Total supporting services	<u>35,800</u>	<u>35,720</u>	<u>35,720</u>	<u>-</u>
Operation of non-instructional				
Community services				
Purchased services	131	130	130	-
Total community services	<u>131</u>	<u>130</u>	<u>130</u>	<u>-</u>
Total operation of non-instructional	<u>131</u>	<u>130</u>	<u>130</u>	<u>-</u>
Capital outlay				
Total expenditures	<u>116,931</u>	<u>119,853</u>	<u>119,753</u>	<u>100</u>
Excess (deficiency) of revenues over expenditures	<u>3,173</u>	<u>3,173</u>	<u>(935)</u>	<u>(4,108)</u>
Other financing sources (uses)				
Advances-in	-	-	4,208	4,208
Advances-out	(3,304)	(3,304)	(3,304)	-
Total other financing sources (uses)	<u>(3,304)</u>	<u>(3,304)</u>	<u>904</u>	<u>4,208</u>
Net change in fund balance	(131)	(131)	(31)	100
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>131</u>	<u>131</u>	<u>131</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</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, 2005

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 66,181	\$ 101,806	\$ 52,366	\$ (49,440)
Total revenues	<u>66,181</u>	<u>101,806</u>	<u>52,366</u>	<u>(49,440)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	9,000	23,229	23,558	(329)
Benefits	1,480	3,821	3,698	123
Purchased services	29,322	29,721	25,781	3,940
Materials and supplies	198	18,856	18,810	46
Total regular	<u>40,000</u>	<u>75,627</u>	<u>71,847</u>	<u>3,780</u>
Total instruction	<u>40,000</u>	<u>75,627</u>	<u>71,847</u>	<u>3,780</u>
Supporting services				
Pupil				
Purchased services	1,465	1,465	1,465	-
Total pupil	<u>1,465</u>	<u>1,465</u>	<u>1,465</u>	<u>-</u>
Instructional staff				
Purchased services	5,039	5,039	4,746	293
Total instructional staff	<u>5,039</u>	<u>5,039</u>	<u>4,746</u>	<u>293</u>
Total supporting services	<u>6,504</u>	<u>6,504</u>	<u>6,211</u>	<u>293</u>
Total expenditures	<u>46,504</u>	<u>82,131</u>	<u>78,058</u>	<u>4,073</u>
Excess (deficiency) of revenues over expenditures	<u>19,677</u>	<u>19,675</u>	<u>(25,692)</u>	<u>(45,367)</u>
Other financing sources (uses)				
Advances-in	-	-	49,441	49,441
Advances-out	(21,140)	(21,140)	(21,140)	-
Refund of prior year receipts	(1,924)	(1,924)	-	1,924
Total other financing sources (uses)	<u>(23,064)</u>	<u>(23,064)</u>	<u>28,301</u>	<u>51,365</u>
Net change in fund balance	(3,387)	(3,389)	2,609	5,998
Fund balance, beginning of year	3,389	3,389	3,389	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5,998</u>	<u>\$ 5,998</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, 2005

	DEBT SERVICE FUND			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Expenditures				
Debt service				
Principal	\$ 29,000	\$ 29,000	\$ 29,000	\$ -
Interest and fiscal charges	38,618	32,690	32,690	-
Total debt service	<u>67,618</u>	<u>61,690</u>	<u>61,690</u>	<u>-</u>
Total expenditures	<u>67,618</u>	<u>61,690</u>	<u>61,690</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(67,618)</u>	<u>(61,690)</u>	<u>(61,690)</u>	<u>-</u>
Other financing sources (uses)				
Transfers-in	<u>140,233</u>	<u>140,250</u>	<u>140,250</u>	<u>-</u>
Total other financing sources (uses)	<u>140,233</u>	<u>140,250</u>	<u>140,250</u>	<u>-</u>
Net change in fund balance	72,615	78,560	78,560	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 72,615</u>	<u>\$ 78,560</u>	<u>\$ 78,560</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, 2005

PERMANENT IMPROVEMENTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 994,546	\$ 1,033,000	\$ 1,034,621	\$ 1,621
Interest	5,000	14,000	14,035	35
Intergovernmental	175,000	126,000	126,272	272
Other	-	80,000	80,000	-
Total revenues	<u>1,174,546</u>	<u>1,253,000</u>	<u>1,254,928</u>	<u>1,928</u>
Expenditures				
Capital outlay	2,175,880	1,860,942	1,654,078	206,864
Total expenditures	<u>2,175,880</u>	<u>1,860,942</u>	<u>1,654,078</u>	<u>206,864</u>
Excess (deficiency) of revenues over expenditures	<u>(1,001,334)</u>	<u>(607,942)</u>	<u>(399,150)</u>	<u>208,792</u>
Other financing sources (uses)				
Proceeds from bond issue	856,091	856,091	856,091	-
Advances-out	(108,200)	-	-	-
Transfers-out	-	(658,421)	(658,421)	-
Total other financing sources (uses)	<u>747,891</u>	<u>197,670</u>	<u>197,670</u>	<u>-</u>
Net change in fund balance	(253,443)	(410,272)	(201,480)	208,792
Fund balance, beginning of year	434,878	434,878	434,878	-
Prior year encumbrances appropriated	309,163	309,163	309,163	-
Fund balance, end of year	<u>\$ 490,598</u>	<u>\$ 333,769</u>	<u>\$ 542,561</u>	<u>\$ 208,792</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, 2005

	SCHOOLNET PLUS FUND			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 42,735	\$ 42,735	\$ 42,735	\$ -
Total revenues	<u>42,735</u>	<u>42,735</u>	<u>42,735</u>	<u>-</u>
Expenditures				
Capital outlay	42,735	42,735	21,975	20,760
Total expenditures	<u>42,735</u>	<u>42,735</u>	<u>21,975</u>	<u>20,760</u>
Net change in fund balance	-	-	20,760	20,760
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,760</u>	<u>\$ 20,760</u>

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**North Olmsted City School District**  
 Governmental Activities Revenues by Source  
 and Expenses by Function  
 Last Four Fiscal Years (1)

	2005	2004	2003	2002
<b>Program Revenues</b>				
Charges for Services	\$ 2,015,633	\$ 2,159,872	\$ 1,843,031	\$ 1,810,182
Operating Grants, Interest and Contributions	2,064,576	2,093,133	2,220,495	1,725,183
Capital grants and contributions	45,593	46,092	36,718	41,767
<b>General Revenues</b>				
Property taxes levied for:				
General purposes	30,742,798	33,372,329	25,577,053	29,109,564
Capital improvements	1,024,523	1,102,567	930,097	1,148,089
Grants and entitlements not restricted to to specific purposes	11,582,975	11,446,852	11,377,257	10,659,176
Investment earnings	318,626	238,534	439,975	660,300
Miscellaneous	195,152	82,488	278,610	334,286
<b>Total</b>	<b>47,989,876</b>	<b>50,541,667</b>	<b>42,703,236</b>	<b>45,488,547</b>
<b>Expenses</b>				
Instruction:				
Regular	22,178,609	20,648,982	20,216,074	19,996,444
Special	5,526,298	4,639,355	5,011,288	4,279,749
Vocational	486,448	756,455	726,168	662,107
Adult/continuing	0	72,566	120,007	148,210
Other instructional	122,900	296,051	100,779	537,866
Support Services:				
Pupil	3,475,042	3,445,989	3,061,499	3,012,740
Instructional staff	1,604,238	1,200,750	1,326,206	1,539,103
Board of education	242,616	204,220	224,903	121,763
Administration	3,102,516	3,176,333	3,275,867	3,089,415
Fiscal services	1,011,324	955,088	861,122	855,813
Business	108,317	150,934	138,036	306,056
Operation and Maintenance	4,335,829	4,057,511	3,950,519	3,878,826
Pupil transportation	1,937,265	1,840,301	1,892,034	1,696,739
Central services	833,133	786,768	917,579	663,277
Operation of non-instructional:				
Food service operation	1,502,864	1,355,537	1,346,509	1,446,434
Community services	435,305	477,934	514,523	508,363
Extracurricular activities:				
Academic and subject oriented	255,984	235,171	278,589	150,952
Sport oriented	1,049,993	963,284	806,648	805,261
Debt service	40,903	11,474	65,557	99,571
<b>Total</b>	<b>48,311,584</b>	<b>45,275,493</b>	<b>44,835,927</b>	<b>43,639,489</b>
<b>Change in Net Assets</b>	<b>\$ (321,709)</b>	<b>\$ 5,266,374</b>	<b>\$ (2,132,691)</b>	<b>\$ 1,650,058</b>

Source: School District Financial Records

(1) GASB Statement Number 34 was implemented in fiscal year 2002.

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Taxes	\$ 30,774,066	\$ 32,937,250	\$ 25,618,372	\$ 29,278,504	\$ 25,376,330	\$ 23,836,563	\$ 25,245,354	\$ 24,813,394	\$ 24,005,517	\$ 21,847,971
Intergovernmental	11,292,472	11,143,504	11,292,756	10,550,937	10,239,639	9,646,045	9,586,604	9,243,646	9,149,386	8,734,330
Tuition and Fees	147,648	426,529	158,368	382,047	197,485	199,896	496,914	682,765	199,349	161,871
Interest	303,386	231,900	375,050	566,962	1,036,705	870,069	723,425	613,270	403,054	265,550
Other	118,084	250,037	393,482	284,262	299,947	233,905	115,764	453,364	151,853	92,144
Other Financing Sources	550,221	0	237,000	23,648	0	0	76	454,668	215,183	133,753
Total	<u>\$ 43,185,877</u>	<u>\$ 44,989,220</u>	<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>

Source: School District Financial Records.

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Instruction	\$ 26,381,476	\$ 25,509,446	\$ 24,617,116	\$ 24,107,877	23,144,002	\$ 21,776,367	\$ 21,085,160	\$ 19,072,572	\$ 18,172,464	\$ 17,296,675
Supporting Services	2,791,347	2,928,867	2,764,921	2,830,694	2,620,635	1,914,163	1,861,866	1,836,245	1,957,389	1,838,305
Instructional Support	1,318,307	1,170,766	1,260,719	1,479,975	1,365,748	1,272,092	1,168,332	1,157,305	1,042,688	983,066
Administration and Board of Education	3,114,786	3,641,975	2,887,046	2,933,233	2,980,985	2,561,035	2,321,846	2,322,301	2,381,844	2,278,410
Fiscal and Business Services	1,087,539	1,052,267	1,020,879	1,074,553	952,772	986,219	982,947	898,038	818,814	783,065
Operation & Maintenance	3,642,902	3,618,720	3,374,440	3,365,077	3,313,353	3,004,340	2,891,050	2,970,069	2,898,677	2,969,427
Pupil Transportation	1,754,479	1,628,191	1,627,123	1,506,495	1,380,383	1,328,668	1,210,791	1,189,912	1,259,103	1,273,524
Central and Community Services	891,900	823,383	1,141,640	793,734	804,239	773,102	661,963	803,487	949,443	638,399
Extra-Curricular Activities	1,039,546	976,524	880,353	771,580	891,638	785,949	724,963	706,111	662,175	551,319
Capital Outlay	0	0	0	39,426	126,048	98,724	78,826	90,928	73,571	76,816
Debt Service	51,647	51,649	21,520	46,972	97,944	97,944	125,740	457,652	190,629	230,672
Other Financing Uses	235,050	844,450	251,484	231,578	314,865	216,317	269,754	118,823	364,121	505,000
<b>Total</b>	<b>\$ 42,308,979</b>	<b>\$ 42,246,138</b>	<b>\$ 39,847,241</b>	<b>\$ 39,183,194</b>	<b>\$ 37,992,612</b>	<b>\$ 34,814,940</b>	<b>\$ 33,383,238</b>	<b>\$ 31,623,443</b>	<b>\$ 30,770,918</b>	<b>\$ 29,424,668</b>

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
2004	\$ 32,600,071	\$ 1,810,229	\$ 34,410,300	\$ 31,186,760	95.7%	\$ 1,036,087	\$ 32,222,847	98.8%
2003	31,865,015	1,281,930	33,146,945	30,317,124	95.1%	710,490	31,027,614	97.4%
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%

**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. 2005 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	
2005	\$ 795,980,870	\$ 2,274,231,057	\$ 15,759,330	\$ 17,908,330	\$ 47,248,786	\$ 196,869,942	\$ 859,986,986	\$ 2,489,009,329	34.5%
2004	795,784,110	2,273,668,886	16,245,870	18,461,216	43,142,745	179,761,438	855,172,725	2,471,891,540	34.6%
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	688,471,450	1,909,916,429	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%

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.

(3) This amount is calculated based upon an assessed value of 24 percentage of actual value from 2004 to 2002, 25 percentage of actual value from 1994 to 2001.

**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 Improvements</u>			<u>Vocational School</u>		
	<u>General</u>	<u>County</u>	<u>Total</u>	<u>City</u>	<u>School</u>	<u>Total</u>
2005	75.10	1.90	77.00	20.30	2.40	113.00
2004	75.10	1.90	77.00	19.40	2.40	112.20
2003	75.10	1.90	77.00	19.40	2.40	112.20
2002	67.20	1.90	69.10	17.60	2.40	102.70
2001	67.20	1.90	69.10	17.60	2.40	102.80
2000	67.20	1.90	69.10	16.70	2.40	100.90
1999	67.20	1.90	69.10	16.70	2.40	100.90
1998	67.20	1.90	69.10	18.00	2.40	102.20
1997	67.20	1.90	69.10	18.00	2.40	102.20
1996	67.20	1.90	69.10	18.00	2.50	102.40

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>
2005	\$ -0-	\$ 858,988,986	33,105	0.000%	\$ -0-
2004	-0-	855,172,725	33,786	0.000%	-0-
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

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, 2005

Assessed Valuation	<u>\$ 858,989,986</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$ 77,309,009</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Notes	887,000
Revenue Anticipation Notes	-0-
Less: Amount Available in Debt Service Fund	<u>(78,560)</u>
Total	808,440
Overall Debt Margin	<u>\$ 76,500,569</u>
Debt Limit - 10% of Assessed Value (1)	\$ 85,898,989
Amount of Debt Applicable	-0-
Unvoted Debt Margin	<u>\$ 85,898,989</u>

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, 2004

Jurisdiction	Debt Outstanding	Percentage Applicable to School District	Amount (1) Applicable to School District
<b>Direct Debt:</b>			
North Olmsted City School District	\$ 916,000	100.00%	\$ 916,000
<b>Underlying Debt:</b>			
Cuyahoga County	249,645,029	2.80%	6,990,061
Regional Transit Authority	147,025,000	2.80%	4,116,700
Polaris Joint Vocational School	0	100.00%	-
North Olmsted City	65,180,000	100.00%	65,180,000
Subtotal	<u>461,850,029</u>		<u>76,286,761</u>
<b>Total</b>	<b>\$ 462,766,029</b>		<b>\$ 77,202,761</b>

**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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Percent of Debt Service to General Fund Expenditures
2005	\$ -0-	\$ -0-	\$ -0-	\$ 42,308,979	0.00%
2004	-0-	-0-	-0-	42,246,138	0.00%
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%

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>
2005	1,351,009	33,105	4,577	5.9%
2004	1,363,888	33,786	4,605	6.8%
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%

**Source of 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

Year	Real Estate Property Value (1)	Bank Deposits Cuyahoga County (000's)	Value of Residential Building Permits Issued	Value of Commercial Building Permits Issued
2004	\$ 795,980,870	\$ 101,838,959	\$ 6,712,977	\$ 19,197,115
2003	795,784,110	97,238,973	7,180,459	20,052,718
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	21,562,756
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

**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, 2004

Name of Taxpayer	Assessed Value (1)	Percent of Total
Moen, Inc.	\$ 2,205,810	4.67%
Mercantile Stores	1,884,420	3.99%
Riser Foods Company	1,793,980	3.80%
Sears Roebuck & Company	1,648,100	3.49%
May Department Stores Company	1,642,020	3.48%
Wal-Mart Stores, Inc.	1,513,400	3.20%
Great Northern Dodge, Inc.	1,414,970	2.99%
Home Depot USA, Inc.	1,192,360	2.52%
Nissan of North Olmsted, LLC	1,055,620	2.23%
JC Penney Company	1,017,880	2.15%
Sunnyside Cars, Inc.	998,760	2.11%
Solarcom, Inc.	943,780	2.00%
Sunnyside Automotive, Inc.	862,510	1.83%
Tops Markets, LLC	849,420	1.80%
Toys R Us of Ohio	804,950	1.70%
Ganley Pontiac, Inc.	728,120	1.54%
Mercedes Benz of North Olmsted, Inc.	691,610	1.46%
Motorcars USA, Inc.	685,940	1.45%
Motorcars Acquisition III, LLC	626,384	1.33%
Best Buy Stores LP	573,210	1.21%
CompUSA, Inc.	518,850	1.10%
Marc Glassman, Inc.	516,930	1.09%
Bed Bath & Beyond, Inc.	504,380	1.07%
Circuit City Stores, Inc.	486,560	1.03%
Ganley Westside Imports, Inc.	465,550	0.99%
<b>Total</b>	<b>\$ 25,625,524</b>	<b>54.24%</b>
<b>Total Value in the School District</b>	<b>\$ 47,248,786</b>	

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2004 collection year.

**North Olmsted City School District**  
Principal Taxpayers  
Real Estate Tax  
December 31, 2004

Name of Tax Payer	Assessed Value (1)	Percent of Total
DDRC Great Northern, LLC	\$ 21,872,220	2.75%
Great Northern Partnership	20,866,170	2.62%
Great Northern Property Company	6,970,790	0.88%
Higbee Company	6,213,030	0.78%
Butternut Ridge Apartment, LLC	5,642,880	0.71%
B&G Properties, LTD	5,012,880	0.63%
WEA Great Northern Mall LLC	4,967,310	0.62%
Water Towers Apartments, LTD	4,790,670	0.60%
Wal Mart	4,305,810	0.54%
Sears Roebuck & Company	3,603,500	0.45%
Great Northern Partnership & Pennstead	3,088,060	0.39%
Victoria Plaza, LTD	3,021,660	0.38%
The Westbury Tower Corporation	2,711,630	0.34%
Manor Care of North Olmsted, Inc.	2,628,860	0.33%
GC Acquisition Corporation	2,596,440	0.33%
Jamestown Development Company	2,518,420	0.32%
Bridlewood Apartments	2,467,510	0.31%
BRE/HV Propertites, LLC	2,409,750	0.30%
Ozre Lodging I LLC	2,257,510	0.28%
Candlewood of Cleveland	2,214,840	0.28%
Chg-Ham, 1, LLC	2,150,050	0.27%
Country Club Hotel Association LLC	2,100,010	0.26%
Brooklor, LLC	1,963,500	0.25%
EAI Realty, Inc.	1,807,050	0.23%
Wellington Place, LTD	1,800,510	0.23%
<b>Total</b>	<b>\$ 119,981,060</b>	<b>15.07%</b>
Total Value in the School District	<b>\$ 795,980,870</b>	

**Source: Cuyahoga County Auditor**

(1) Assessed values are for the 2004 collection year.

**North Olmsted City School District**  
Principal Taxpayers  
Public Utilities Tax  
December 31, 2004

Name of Tax Payer	Assessed Value (1)	Percent of Total
Cleveland Illuminating Company	\$ 7,615,210	48.3%
Ohio Bell Telephone Company	5,039,530	32.0%
East Ohio Gas Company	851,530	5.4%
American Transmission System	828,770	5.3%
Alltel Ohio Limited Partnership	291,120	1.9%
New Par	199,470	1.3%
Sprintcon, Inc.	182,260	1.2%
<b>Total</b>	<b>\$ 15,007,890</b>	<b>95.2%</b>
<b>Total Value in the School District</b>	<b>\$ 15,759,330</b>	

**Source: Cuyahoga County Auditor**

(1) Assessed values are for the 2004 collection year.

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

<b>Year</b>	<b>General Fund Expenditures</b>	<b>Average Daily Student Enrollment</b>	<b>Cost Per Pupil</b>
2005	\$ 42,308,979	4,577	\$ 9,244
2004	42,246,138	4,605	9,174
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

**North Olmsted City School District**  
 Teacher Education and Experience  
 June 30, 2005

<u>Degree</u>	<u>Number Of Teachers</u>	<u>Percent of Total</u>
Bachelor's	30	9.2%
Bachelor's + 15 credit hours	20	6.1%
Bachelor's + 30 credit hours	32	9.8%
Master's	70	21.5%
Master's + 15 credit hours	49	15.1%
Master's + 30 credit hours	28	8.6%
Master's + 45 credit hours	29	8.9%
Master's + 60 credit hours	65	19.9%
Ph. D.	3	0.9%
<b>Total</b>	<b>326</b>	<b>100.0%</b>

<u>Years of Experience</u>	<u>Number Of Teachers</u>	<u>Percent of Total</u>
0-5	72	22.1%
6-10	78	23.9%
11 and Over	176	54.0%
<b>Total</b>	<b>326</b>	<b>100.0%</b>

Source: School District Personnel Records.





**Auditor of State  
Betty Montgomery**

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**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  
MARCH 7, 2006**