

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2007**



**Mary Taylor, CPA**  
Auditor of State



**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2007**

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>						
Food Distribution Program	N/A	10.550	\$0	\$53,345	\$0	\$47,075
National School Lunch Program	044529-LLP4-2006	10.555	100,809	0	100,809	0
National School Lunch Program	044529-LLP4-2007	10.555	266,021	0	266,021	0
Subtotal National School Lunch Program			366,830	0	366,830	0
Total Nutrition Cluster			366,830	0	366,830	0
<b>Total U.S. Department of Agriculture</b>			366,830	53,345	366,830	47,075
<b>U.S. Department of Education</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States, IDEA Part B	044529-6BSF-2006	84.027	117,241	0	121,743	0
Special Education Grants to States, IDEA Part B	044529-6BSF-2006	84.027	(1,113)	0	0	0
Special Education Grants to States, IDEA Part B	044529-6BSF-2007	84.027	720,973	0	839,734	0
Special Education Grants to States, IDEA Part B	044529-6BSF-2007	84.027	1,113	0	1,113	0
Subtotal Special Education Grants to States, IDEA Part B			838,214	0	962,590	0
Special Education Preschool Grants	044529-PGS1-2007	84.173	28,372	0	28,872	0
Subtotal Special Education Preschool Grants			28,372	0	28,872	0
Total Special Education Cluster			866,586	0	991,462	0
Title I, Part A, ESEA	044529-C1S1-2006	84.010	633	0	660	0
Title I, Part A, ESEA	044529-C1S1-2007	84.010	183,683	0	171,247	0
Total Title I, Part A, ESEA			184,316	0	171,907	0
Safe and Drug Free Schools and Communities	044529-DRS1-2006	84.186	1,985	0	1,985	0
Safe and Drug Free Schools and Communities	044529-DRS1-2007	84.186	8,697	0	8,984	0
Total Safe and Drug Free Schools and Communities			10,682	0	10,969	0
Innovative Education Program Strategies	044529-C2S1-2006	84.298	16,333	0	596	0
Innovative Education Program Strategies	044529-C2S1-2007	84.298	1,433	0	4,832	0
Total Innovative Education Program			17,766	0	5,428	0
Technology Literacy Challenge Fund Grant	044529-TJS1-2006	84.318	1,643	0	0	0
Technology Literacy Challenge Fund Grant	044529-TJS1-2007	84.318	624	0	3,117	0
Total Technology Literacy Challenge Fund Grant			2,267	0	3,117	0
Improving Teacher Quality, Title II, Part A	044529-TRS1-2006	84.367	4,636	0	263	0
Improving Teacher Quality, Title II, Part A	044529-TRS1-2007	84.367	58,108	0	55,412	0
Total Title II, Part A - Teacher and Principal Training and Recruiting			62,744	0	55,675	0
Limited English Proficiency Grant, Title III	044529-T3S1-2006	84.365	(16)	0	4,214	0
Limited English Proficiency Grant, Title III	044529-T3S1-2007	84.365	16	0	16	0
Limited English Proficiency Grant, Title III	044529-T3S1-2007	84.365	74,670	0	69,307	0
Limited English Proficiency Grant, Title III	044529-T3S2-2007	84.365	1,217	0	3,587	0
Total Title III - Limited English Proficiency Grant			75,887	0	77,124	0
Learn and Serve America	044529-SVHS-2006	94.004A	33,962	0	8,976	0
Learn and Serve America	044529-SVHS-2006	94.004A	(834)	0	0	0
Learn and Serve America	044529-SVS1-2007	94.004	21,317	0	30,000	0
Total Learn and Serve America			54,445	0	38,976	0
<b>Total U.S. Department of Education</b>			1,274,693	0	1,354,658	0
<b>Total Federal Financial Assistance</b>			1,641,523	53,345	1,721,488	47,075

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

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2007**

**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, 2007, 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 amount of \$834 from the Learn and Serve America grant (CFDA #94.004A) to the Ohio Department of Education because all of the grant funds had not been expended within the allowable grant period.

**NOTE E – FEDERAL TRANSFERS**

The Ohio Department of Education (ODE) transferred federal grant monies from grant year 2006 to grant year 2007 for the Special Education IDEA Part B Grant (CFDA #84.027) and the Limited English Proficiency Grant (CFDA #84.365). These transfers appear as negative receipts in the 2006 grant year and as positive receipts in the 2007 grant year. This transfer by ODE allowed the District to extend the availability period for expenditure of this receipt.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.



# Mary Taylor, CPA

Auditor of State

## **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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 11, 2008. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the District's management in a separate letter dated February 11, 2008.

### **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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

February 11, 2008





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 each of its major federal programs for the year ended June 30, 2007. 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 each 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 North Olmsted City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2007.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the North Olmsted City School District (the District) as of and for the year ended June 30, 2007, and have issued our report thereon dated February 11, 2008. 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.



**Mary Taylor, CPA**  
Auditor of State

February 11, 2008

**NORTH OLMSTED CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2007**

**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 weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control 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>	Nutrition Cluster—CFDA #10.555  Special Education Cluster: Special Education Grants to States – CFDA #84.027 and Special Education, Preschool Grant – CFDA #84.173
<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, 2007  
(CONTINUED)**

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**NORTH OLMSTED**  
**CITY SCHOOL DISTRICT**  
North Olmsted, Ohio

**Comprehensive**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2007**

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, 2007**  
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**North Olmsted City School District**  
**Administrative Offices**  
27425 Butternut Ridge Road  
North Olmsted, Ohio 44070



February 11, 2008

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, 2007. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the North Olmsted City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Olmsted Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

### **THE REPORTING ENTITY**

The School District has reviewed its reporting entity definition in order to insure conformance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". In evaluating how to define the 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. The School District has no component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of North Olmsted, the North Olmsted Parent Teacher Organization, and Polaris Career Center.

The Lake Erie Educational Computer Association and the Ohio Schools Council Association are jointly governed organizations whose relationships to the School District are described in Note 2, to the basic financial statements.

A complete discussion of the District's reporting entity is provided in Note 1 to the basic financial statements.

### **ORGANIZATIONAL STRUCTURE**

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

The District is one of 876 public school districts and community schools in the State of Ohio. The District provides education to 4,587 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively stable over the last several years.

### **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.

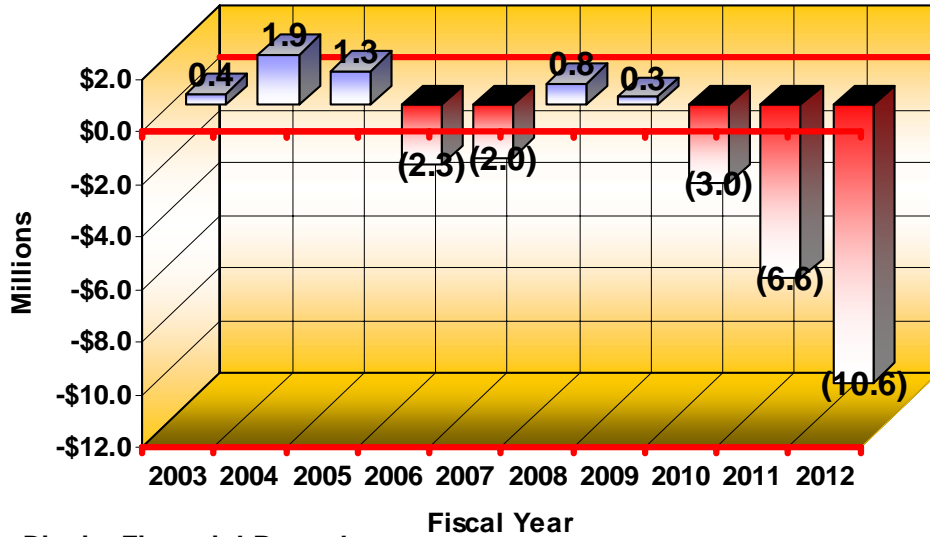
Excluded from the reporting entity because they are fiscally independent of the School District are the City of North Olmsted, the Cuyahoga County Public Library and the Parent Teacher Association. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial 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 16 of the basic financial statements.

### **ECONOMIC CONDITION AND OUTLOOK**

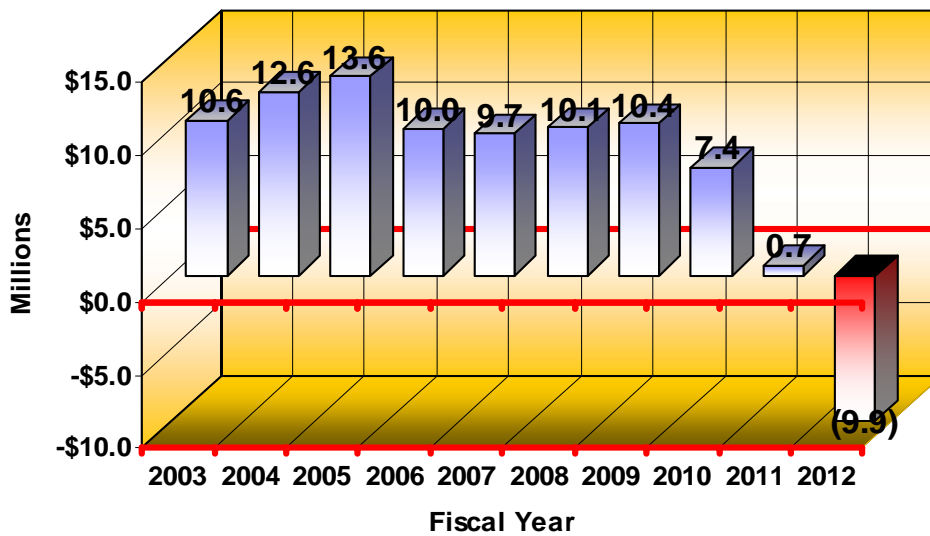
The School District faces a serious financial challenge in the near future because of limited growth in revenue. Although the District was successful in the passage of a 6.5 mill operating levy in February 2007, the additional \$5.8 million of tax revenue will not keep pace with inflationary increases in expenditures and the loss of tax revenues from legislative actions. It is anticipated the School District will start incurring operating deficits in fiscal year 2010 and will exhaust its cash reserves at the end of fiscal year 2011. Graphics of the District's General Fund's forecasted operating deficits and unencumbered cash balances have been included on the next page. A detail analysis of the District's five year financial forecast and the assumptions used in its preparation can be found on the District's website "northolmstedschools.org".

### Forecast of General Fund Operating Surplus (Deficit)



Source: District Financial Records

### Forecast of General Fund Unencumbered Cash Balance (Deficit)

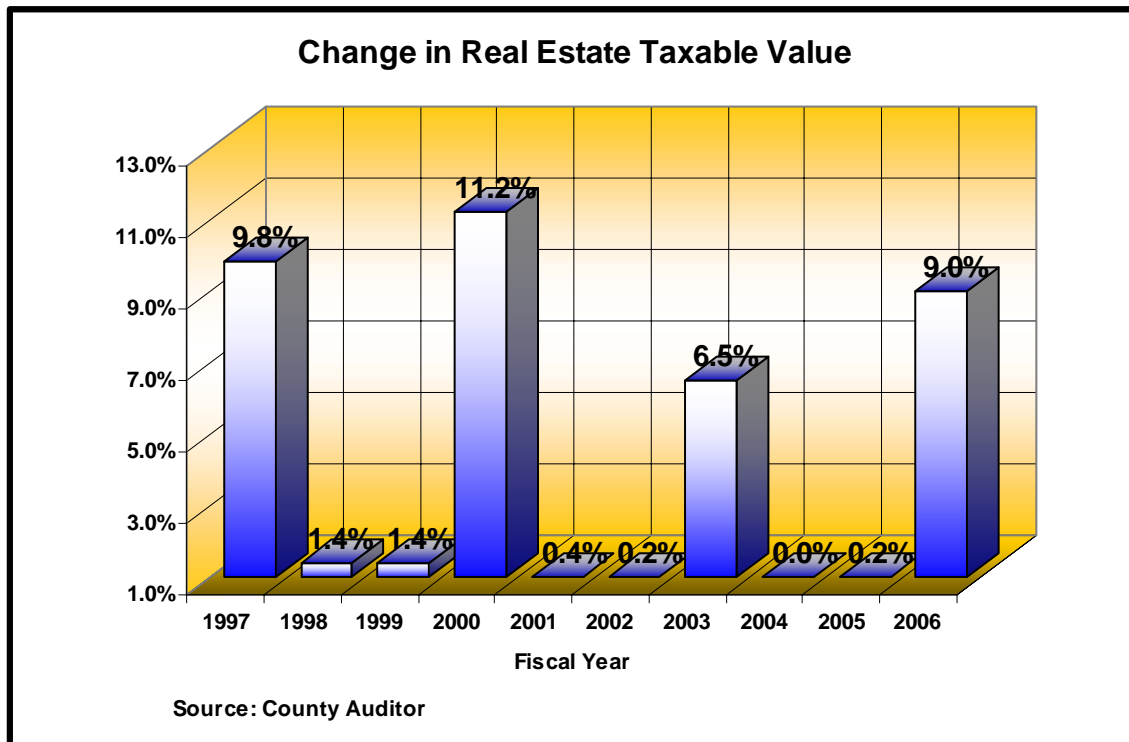


Source: District Financial Records

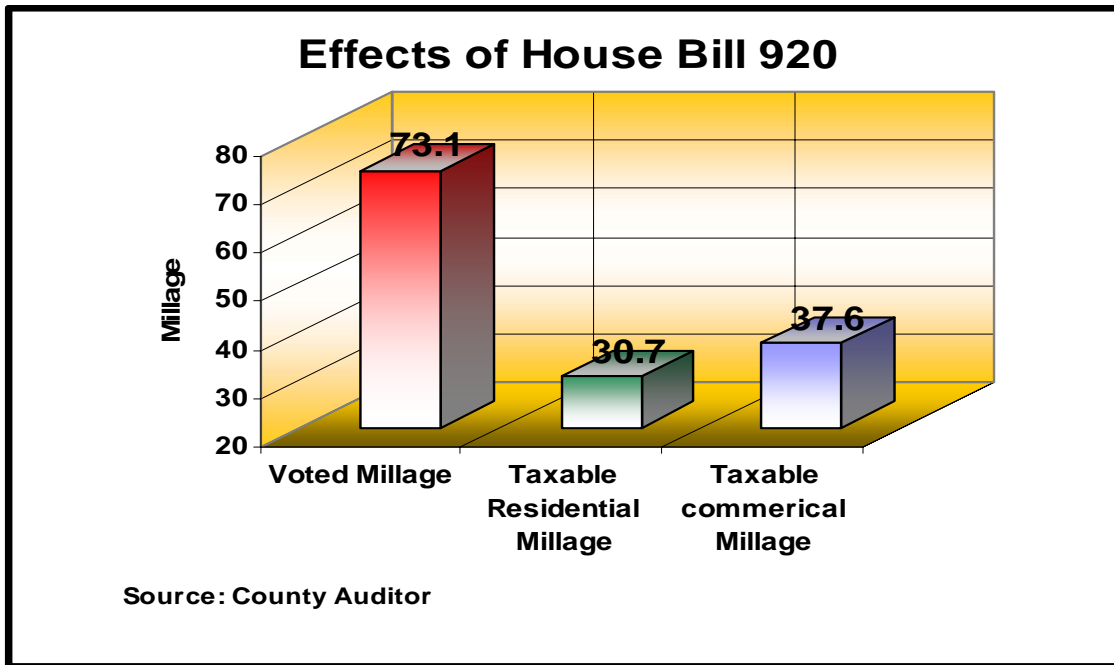
In an effort to stabilize the School District's finances and extend the time for the passage of a new operating levy, the Administration has drafted a comprehensive cost containment plan to reduce staffing and program costs approximately \$1.5 million next year. The teachers and hourly employees unions have recognized the seriousness of the District's positional position and have agreed to a salary freeze effective August 1, 2007.

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 (71.5 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 \$187,000 each year. Increases in the taxable value of 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 30.7 mills for residential properties and 37.6 mills for commercial property and is illustrated in the graph below.



In effect, House Bill 920 removes inflationary 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 is facing the loss of approximately 8.7% of its' operating revenues through legislative action. In June 2005, the Ohio General Assembly eliminated the assessment of tangible personal property taxes. This tax was assessed on the value of inventory and equipment owned by businesses located within the community.

The School District will be partially reimbursed by the State of Ohio for the loss of this revenue over a period of 12 years. Even with the State's reimbursement, the District is projected to lose over \$25.8 million of operating revenue during the 12 year period. Once fully phased-out, the School District will lose approximately \$3.9 million annually in operating revenue, which is the equivalent of 4.0 mills of taxation. A Schedule of anticipated loss in operating revenues during the phase-out period is summarized in Table 1.

**TABLE 1**

**Schedule of Projected Loss in Tangible Property Tax Collections**

		<b>Estimated</b>	<b>Net</b>	<b>Accumulated</b>
		<b>State</b>	<b>Annual Loss</b>	<b>Loss In</b>
<b>Fiscal</b>	<b>Tax</b>	<b>Reimbursement</b>	<b>In Tax</b>	<b>Tax</b>
<b>Year</b>	<b>Collections</b>		<b>Revenue</b>	<b>Revenue</b>
2006	\$3,900,000			
2007	2,775,000	\$873,000	\$252,000	\$252,000
2008	1,850,000	1,575,000	475,000	727,000
2009	925,000	2,269,000	706,000	1,433,000
2010	0	2,959,000	941,000	2,374,000
2011	0	2,959,000	941,000	3,315,000
2012	0	2,437,000	1,463,000	4,778,000
2013	0	1,914,000	1,986,000	6,764,000
2014	0	1,566,000	2,334,000	9,098,000
2015	0	1,218,000	2,682,000	11,780,000
2016	0	870,000	3,030,000	14,810,000
2017	0	522,000	3,378,000	18,188,000
2018	0	174,000	3,726,000	21,914,000
2019	0	0	3,900,000	25,814,000

**MAJOR INITIATIVES - FISCAL YEAR 2007**

**Excellence in Academics**

For the second year in a row, the North Olmsted City School District earned the top ranking of Excellent on the State Report Card.

The High School received a ranking of Excellent on the state report card for the fifth consecutive year.

Students continued to score above the national average on the American College Test (ACT) with a composite of 22.7 and on the Scholastic Aptitude Test (SAT) with a verbal composite of 625 and a math composite of 657. A junior student at the High School achieved a perfect score of 2400 on the SAT test.

Two students were named National Merit Scholar Finalist and two students received Certificates of Merit in the 2007 National Merit Scholarship Program.

The NOHS Class of 2006 received a record high total of \$7.3 million in renewable college scholarship offers. The community awarded almost \$60,000 in scholarships from local organizations, civic groups, school associations and special memorials.



Birch, Butternut, Forest, and Spruce Elementary Schools received the 2007 Ohio State Superintendent's School of Distinction Award which recognizes academic success of students with disabilities.

Eighty-four seniors earned Honors diplomas, 93 earned the Ohio Award of Merit, and 64 were presented with the Presidential Award of Educational Excellence.

### **Excellence in Athletics**

The Varsity Boys Soccer Team won the Southwest Conference (SWC) Championship and earned recognition as an Academic All Ohio Team for their high team and individual grade point average (GPA).

The Boys Varsity Tennis team won the Southwest Conference (SWC) Championship for the second consecutive year.

### **Excellence in the Arts**

A student received Honorable Mention in the Ohio governor's Youth Art Criticism Open.

One senior received a Blue Ribbon Award as part of the Cleveland Clinic's expressions program combining art and science studies.

Senior Orchestra members participated in the Baldwin Wallace College Youth orchestra, contemporary Youth Orchestra, Cleveland Youth Symphony, Northern Ohio Youth Orchestra, and the OMEA Northeast Ohio Regional Orchestra.

The vocal jazz group "Special Edition" was selected by **Acappella.com** to contribute one song track to the "Best of High School A cappella 2007 CD and performed at the 29<sup>th</sup> Annual Gold Company Invitational Vocal Jazz Festival in Michigan.

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

The SITES (Social Involvement Through Education and Service) program was recognized by the State of Ohio as a model program for service-learning.

Eight-one seniors received the Presidential Volunteer Service Gold Award for volunteer and community service.

### **LONG-TERM FINANCIAL PLANNING**

As part of the District's long-term planning, the Treasurer prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expenses over the next five years and is accompanied by financial assumptions. The Board of Education reviews this document on a quarterly basis for changes that might impact their district financial decisions. The School District's five year financial forecast and the assumptions used in its preparation can be found on the District's website "northholmstedschools.org".

### **FINANCIAL POLICIES IMPACTING THE FINANCIAL STATEMENTS**

The Board of Education has adopted guidelines to maintain a prudent level of financial resources to protect the School District against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. To achieve this goal, the Board of Education has established a budget stabilization fund and a medical claims reserve fund. A detailed discussion of these funds is provided in Notes 9.C and 18 to the basic financial statements.

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

## **FINANCIAL INFORMATION**

### **Internal Accounting and Budgetary Control**

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

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

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. The legal level of appropriations is at the fund/object level for the General Fund 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 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.

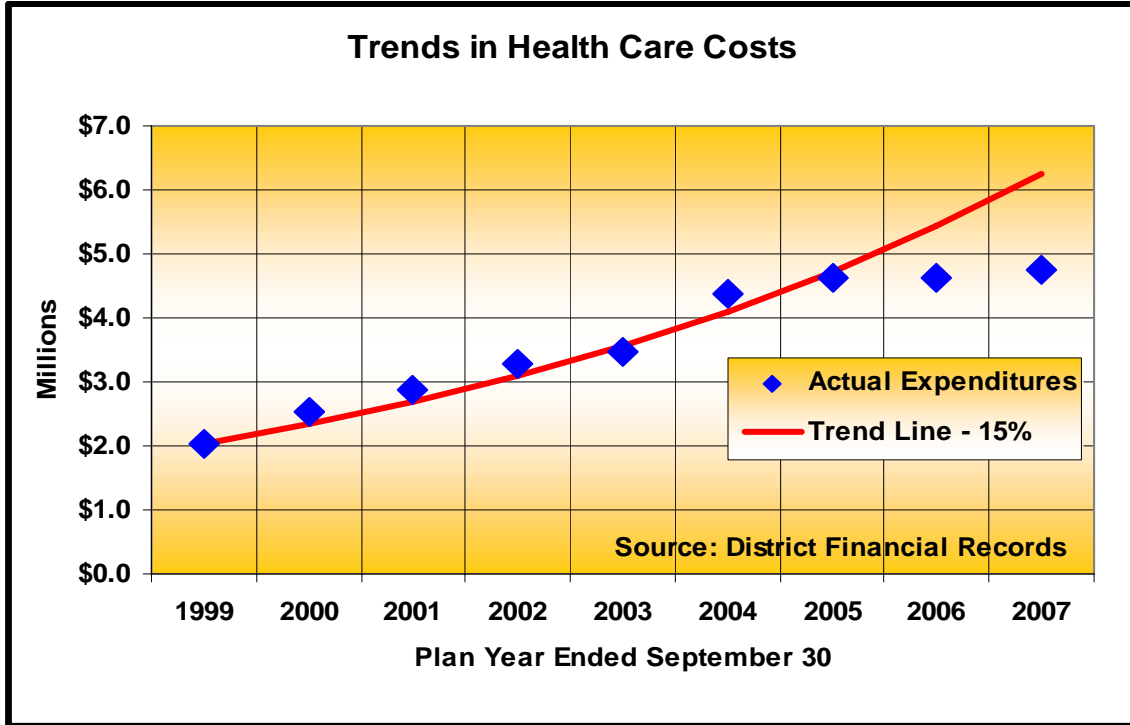
**Statement of budgetary comparisons** - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

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 2007 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 2007, 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, 2007, the Self-Insurance Fund has a fund balance of \$854,688. The District is concerned with spiraling health care costs. As illustrated in the graph below, health care costs have increased 12% to 15% annually during 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 and Administration, wages were frozen during fiscal year 2004 and 2007 to help off-set rising healthcare costs. The Unions also agreed to pay 5 percent of the cost of their monthly healthcare premiums beginning August 1, 2007. Administrators will pay 10 percent of the cost of their monthly healthcare premiums.



#### 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, 2007 were \$95,726.

#### 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 enable the Board to maintain minimum account balances. For the year ended June 30, 2007, the District's investment earnings totaled \$1,043,975 of which \$986,380 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.

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.

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 54 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. The Independent Auditor of State was selected to render an opinion on the School District's financial statements for the year ended June 30, 2007. 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, 2007. 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-two 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, 2007. This is the twentieth 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.

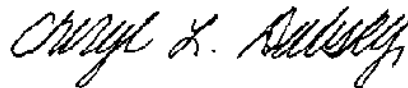
### **ACKNOWLEDGMENTS**

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. for the advice and guidance rendered to the production of this report.

Respectfully submitted,



Robert J. Matson, CPA  
Chief Financial Officer



Cheryl L. Dubsky Ed.D.  
Superintendent of Schools

North Olmsted City School District  
Principal Officials  
June 30, 2007

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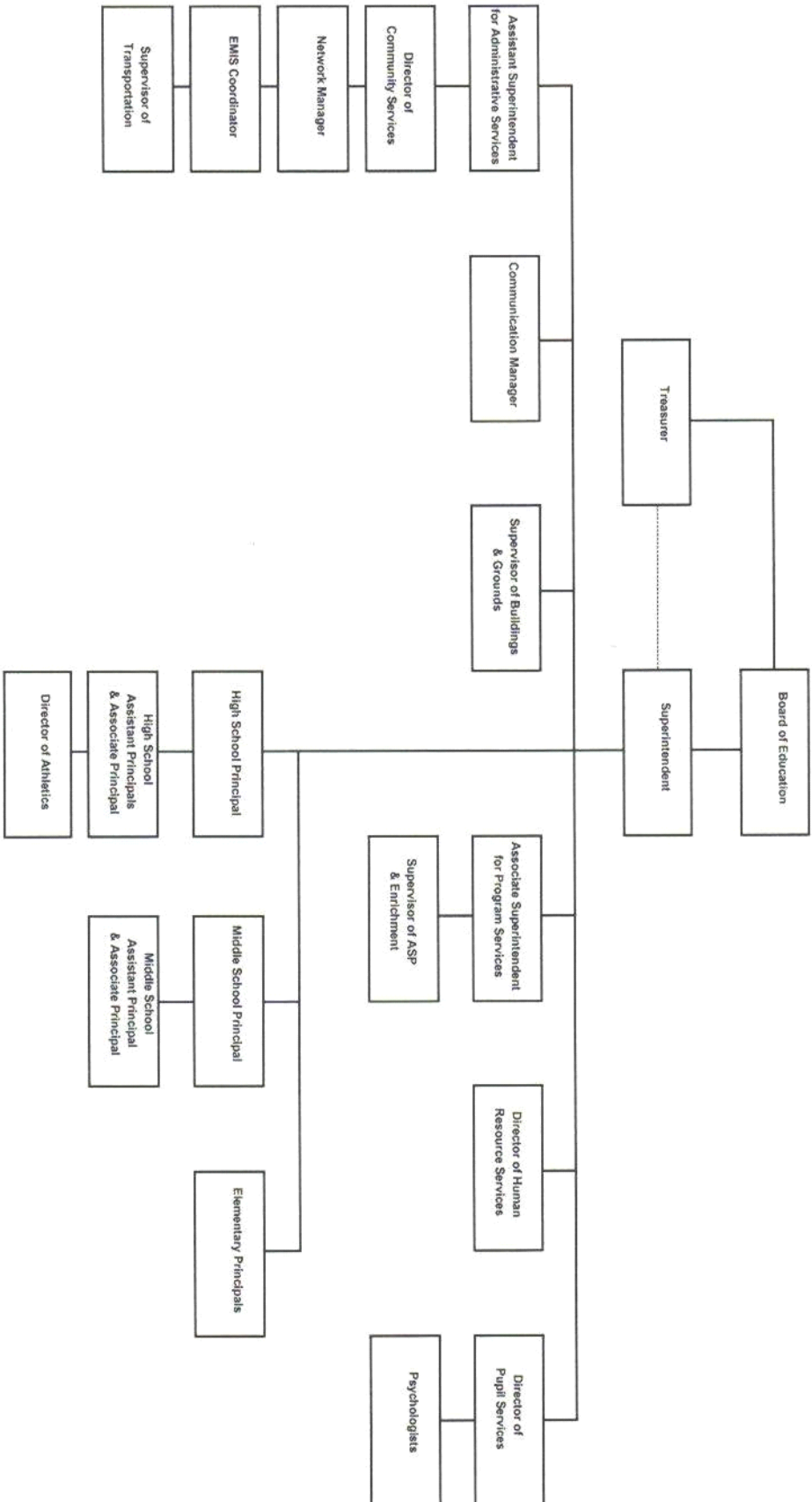
**Board of Education**

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

**Administration**

Dr. Cheryl Dubsky	Superintendent
Mr. Stephen Barrett	Associate Superintendent
Dr. Douglas A. Sebring	Assistant Superintendent
Mr. Robert J. Matson, CPA	Treasurer
Mr. Gary Novak	Director of Personnel
Ms. Kimberly Dittmann	Director of Pupil Services
Ms. 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, 2006

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.



*Clive S. Cox*

President

*Jeffrey R. Emery*

Executive Director

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**NORTH OLMSTED CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2006

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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# Mary Taylor, CPA

Auditor of State

## 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, 2007, 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, 2007, and the respective changes in financial position and where applicable, cash flows, 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 February 11, 2008, 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 inquiries 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 cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

February 11, 2008

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*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, 2007. 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 2007 are as follows:

Net assets increased \$ 802,544 from the previous year.

The General Fund maintains a strong unrestricted cash position of \$ 9.9 million at June 30, 2007.

Revenues for governmental activities totaled \$ 51.8 million in fiscal year 2007 as compared to \$ 47.9 million in fiscal year 2006.

In fiscal year 2007, 90.9 percent of total revenue consisted of general revenues while Program revenues accounted for the remaining balance of 9.1 percent.

In fiscal year 2007, total program expenses increased 1.0 percent from the previous year to \$ 51.0 million. Instructional expenses made up 57.5 percent of this total while support services accounted for 36.3 percent. Other expenses rounded out the remaining 6.2 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, 2007*  
*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 2007 compared to 2006.

**TABLE 1**  
**Net Assets**  
**Governmental Activities**

	2007	2006
<b>Assets</b>		
Current and other assets	\$ 51,782,932	\$ 49,677,241
Capital assets, net	13,725,669	12,458,904
Total assets	\$ 65,508,601	\$ 62,136,145
<b>Liabilities</b>		
Current liabilities	\$ 37,975,019	\$ 35,346,916
Long-term liabilities		
Due in one year	1,062,672	914,613
Due in more than one year	3,214,270	3,420,520
Total liabilities	42,251,961	39,682,049
<b>Net Assets</b>		
Invested in capital assets, net of related debt	13,015,895	11,614,498
Restricted	2,171,192	2,027,283
Unrestricted	8,069,553	8,812,315
Total net assets	\$ 23,256,640	\$ 22,454,096



**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

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Total assets increased by \$ 3,372,456. The majority of this increase can be attributed to increases of \$ 3,161,354 in taxes receivable, \$ 1,266,765 in depreciable capital assets and \$ 624,062 in due from other governments. This increase was offset with a decrease of \$ 1,400,474 in equity in pooled cash.

Total liabilities increased by \$ 2,569,912. The majority of the increase can be attributed to the increase in unearned revenue of \$ 2,087,496.

To determine the overall financial performance of the School District one must consider the relative changes in net assets. By comparing assets and liabilities, one can see that the overall position of the School District has improved as evidenced by the increase in net assets of \$ 802,544. A change in net assets indicates how an entity is providing for future generations.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund cash balance of \$ 9.9 million at June 30, 2007. 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 are general revenues. General revenue totaled \$ 47.1 million or 90.9 percent of the total revenue. The most significant portion of the general revenues is local property tax. Property tax revenue in fiscal year 2007 increased \$ 3.1 million from the previous year. The majority of the increase 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 \$ 4.7 million or only 9.1 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 2007 and 2006.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

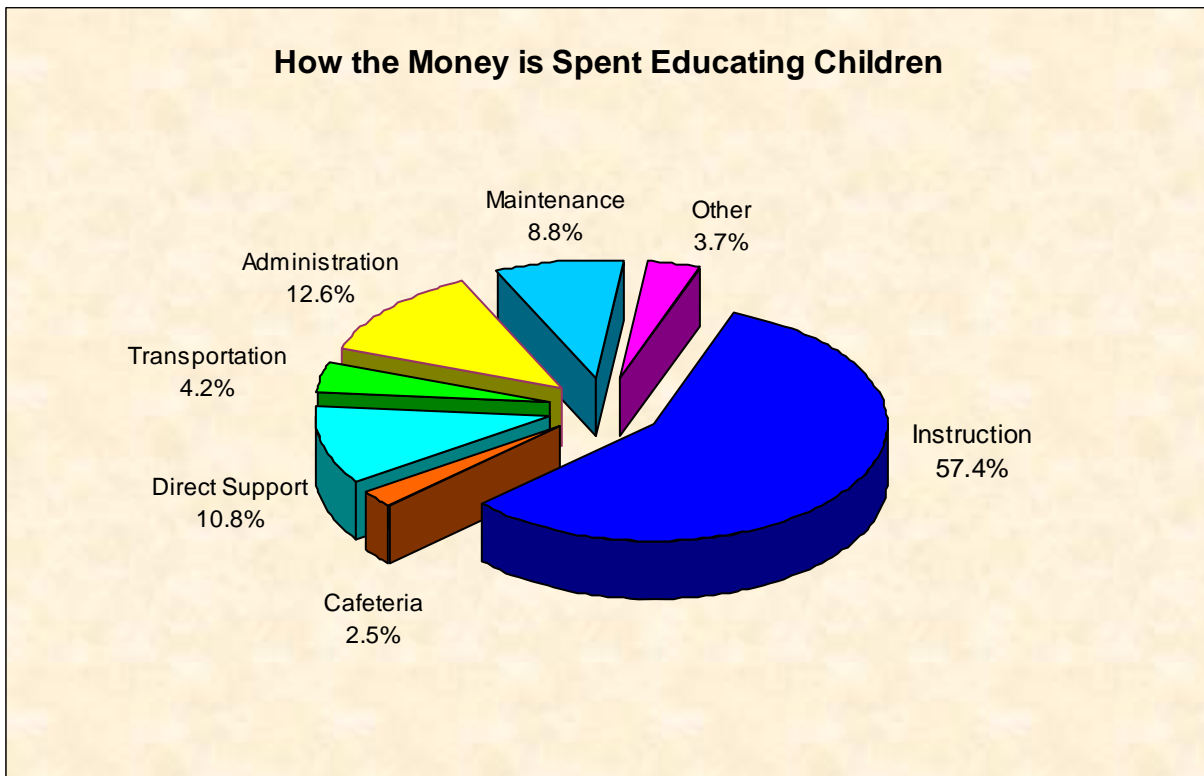
**TABLE 2**  
 Governmental Activities

	<u>2007</u>	<u>2006</u>
Revenues		
Program revenues		
Charges for services and sales	\$ 2,515,256	\$ 2,237,741
Operating grants, interest and contributions	2,146,233	2,136,649
Capital grants and contributions	67,713	56,601
Total program revenues	<u>4,729,202</u>	<u>4,430,991</u>
General revenue		
Property tax	34,385,594	31,323,241
Grants and entitlements	11,535,169	11,137,742
Investment earnings	1,043,975	885,550
Miscellaneous	132,201	80,176
Total general revenues	<u>47,096,939</u>	<u>43,426,709</u>
Total revenues	<u>51,826,141</u>	<u>47,857,700</u>
Program expenses		
Instruction		
Regular	22,397,614	22,750,693
Special	6,171,430	5,977,408
Vocational	625,254	697,855
Other instruction	146,458	114,260
Supporting services		
Pupil	3,896,669	3,621,533
Instructional staff	1,591,941	1,545,736
Board of education	181,592	200,594
Administration	4,135,156	3,667,390
Fiscal services	1,035,686	1,026,671
Business	99,760	101,859
Operation and maintenance	4,477,751	4,341,689
Pupil transportation	2,130,173	2,242,536
Central services	963,951	972,098
Operation of non-instructional		
Food service operation	1,280,058	1,379,737
Community services	539,954	428,796
Extracurricular activities	1,318,465	1,407,527
Interest	31,685	38,659
Total program expenses	<u>51,023,597</u>	<u>50,515,041</u>
Change in net assets	802,544	(2,657,341)
Net assets, beginning of year	22,454,096	25,111,437
Net assets, end of year	<u>\$ 23,256,640</u>	<u>\$ 22,454,096</u>

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

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Approximately 68.2 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 12.6 percent of the budget is spent on administrative expenses. The remaining 19.2 percent of the budget is used to maintain the facilities, transport students, providing school lunches, offering sport and extracurricular programs to students. The relationship of these expenses is illustrated in the graph below.



The Administration continues to develop and implement cost containment and revenue enhancement programs to manage the School District's funds in an efficient and economic manner. 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 "2007 Expenditure Flow Model Report", the North Olmsted City School's cost per pupil expenditure was the 20<sup>th</sup> lowest among the 31 school districts in Cuyahoga County.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
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**Table 3**  
 Cost per Pupil as of June 30, 2007

School District	Cost Per Pupil	Ranking in Cuyahoga County (31 Districts)
Bay Village	\$ 10,418	23
Berea	10,277	27
Fairview Park	9,892	28
Lakewood	11,913	12
North Olmsted	10,908	20
Olmsted Falls	9,763	29
Rocky River	10,818	21
Strongsville	10,388	24
Westlake	11,518	15
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

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
<b>Governmental Activities</b>				
Instruction	\$ 29,340,756	\$ 29,540,216	\$ (27,275,097)	\$ (27,654,107)
Supporting services	18,512,679	17,720,106	(17,365,811)	(16,696,082)
Operation of non-instructional				
Food service operation	1,280,058	1,379,737	(124,784)	(236,910)
Community services	539,954	428,796	(471,660)	(374,798)
Extracurricular activities	1,318,465	1,407,527	(1,025,358)	(1,083,494)
Debt service - interest	31,685	38,659	(31,685)	(38,659)
<b>Total</b>	<b>\$ 51,023,597</b>	<b>\$ 50,515,041</b>	<b>\$ (46,294,395)</b>	<b>\$ (46,084,050)</b>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax funded approximately 67.4 percent of the total expenses in 2007, up from 62.0 percent in 2006. Grants and entitlements not restricted to specific programs fund 22.6 percent of expenses, while program revenues fund only 9.3 percent.

**North Olmsted City School District**  
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The primary source of general revenue is property taxes levied. In fiscal 2007 and 2006, property taxes accounted for 73.0 and 72.1 percent, respectively, of general revenue. Clearly, the North Olmsted community is by far the greatest source of financial support for the students of the North Olmsted City Schools.

### **School District Funds**

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

As of June 30, 2007, the School District's governmental funds reported combined ending fund balances of \$ 10,151,251, a decrease of \$ 561,126 in comparison with the prior year. Of that amount \$ 5,029,106 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remaining \$ 5,122,145 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period or other restricted purposes.

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 52.3 million and expenditures of \$ 52.6 million. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$ .7 million as compared to a decrease of \$ 3.8 million in fiscal year 2006.

Total revenues reported in fiscal year 2007 increased \$ 4.7 million or 9.8% from the previous year. The increase is due primarily to: additional tax revenue received from new building construction and the Cuyahoga County Auditors' reappraisal of property values; and an increase in intergovernmental revenue received from the State of Ohio to partially reimburse the School District for the loss tangible personal property tax revenue from legislative action of the Ohio General Assembly.

Total expenditures reported in fiscal year 2007 increased \$ 1.5 million or 3.0% from the previous year. The increase is due primarily to increase salary and fringe benefits costs.

### **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 2007, the School District amended its General Fund Appropriation Budget several times, none significantly.

Investment earnings of \$ 986,380 exceeded budgetary estimates by 31.5 percent because of rising interest rates.

Total expenses for the year were approximately \$ 2.1 million under budgetary estimates. The savings can be attributed to lower than anticipated health care and utility costs, and the timing in the purchase of textbooks for the newly adopted mathematics and science curriculums.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

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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 2007, the School District had \$ 13.7 million invested in land, buildings, equipment and vehicles. Table 5 shows fiscal 2007 values compared to fiscal 2006.

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

	2007	2006
Land	\$ 1,088,848	\$ 1,088,848
Land improvements	401,227	432,718
Buildings and improvements	9,295,779	7,986,640
Furniture and equipment	1,396,680	1,534,696
Vehicles	1,543,135	1,416,002
	<u>\$ 13,725,669</u>	<u>\$ 12,458,904</u>

During fiscal 2007, the School District purchased \$ 2,143,828 of capital assets. Approximately 80.4 percent or \$ 1,722,798 of the purchases was for buildings and improvements. More information on capital assets is presented in Note 7 of the notes to the basic financial statements.

Debt Administration

At June 30, 2007, the School District had outstanding \$ 680,000 bonds payable. Proceeds from the bonds were used for building and facility improvements. The bonds were issued in August 2006 and will mature in varying amounts through December 2014.

The School District's overall legal debt margin was \$ 83,404,415 with an unvoted debt margin of \$ 926,716

More information on debt is presented in Note 12 of the notes to the basic financial statements.

**School District Outlook**

The District's financial condition has stabilized with the passage of a 6.5 mill operating levy in February 2007. This levy is scheduled to raise an additional \$ 5.8 million in revenue annually. Unfortunately, because the passage of the levy was delayed two years, the additional funds raised may not be adequate to maintain the current level of District programs and services.

To compensate for the delay in the passage of this operating levy, the Administration has completed a comprehensive cost containment plan that is projected to reduce expenditures \$ 1.5 million annually when implemented during the 2007-08 school year. The Administration's cost containment plan will not eliminate the District's financial problems completely. It does represent the first step in the continuing effort to contain rising costs. The Administration will be required to review the District's staffing needs, the impact of future retirements, and the potential changes in state funding annually in order to reduce the size and timing of the next operating levy.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2007*  
*Unaudited*

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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-two 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 nineteen years. In July 2006, the Auditor of State, presented to the District "The Auditor of State Award" for the District's outstanding commitment to the highest standards of financial reporting.

**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, 2007

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash	\$ 13,993,909
Due from other governments	1,770,299
Inventories and supplies	135,588
Taxes receivable	35,883,136
Capital assets	
Nondepreciable capital assets	1,088,848
Depreciable capital assets	12,636,821
<b>Total assets</b>	<u>65,508,601</u>
<b>Liabilities</b>	
Accounts and contracts payable	212,725
Accrued salaries, wages and benefits	4,825,081
Accrued interest payable	2,100
Claims payable	705,500
Due to other governments	1,401,610
Unearned revenue	30,828,003
Long term liabilities	
Due within one year	1,062,672
Due in more than one year	3,214,270
<b>Total liabilities</b>	<u>42,251,961</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	13,015,895
Restricted for:	
Debt service	54,092
Capital projects	1,284,899
Set asides	223,073
Food service	96,418
School supplies	154,048
Extracurricular	102,710
Pupil transportation	109,070
State grants	43,072
Federal grants	16,040
Donations	85,531
Other purposes	2,239
Unrestricted (deficit)	8,069,553
<b>Total net assets</b>	<u>\$ 23,256,640</u>

See accompanying notes to the basic financial statements.



NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

	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	\$ 22,397,614	\$ 756,788	\$ 670,728	\$ -	\$ (20,970,098)
Special	6,171,430	586,604	26,280	-	(5,558,546)
Vocational	625,254	-	25,259	-	(599,995)
Other instruction	146,458	-	-	-	(146,458)
Supporting services					
Pupil	3,896,669	-	746,177	-	(3,150,492)
Instructional staff	1,591,941	1,236	90,480	13,300	(1,486,925)
Board of education	181,592	4,219	-	-	(177,373)
Administration	4,135,156	71,841	57,290	-	(4,006,025)
Fiscal services	1,035,686	-	-	-	(1,035,686)
Business	99,760	16,700	-	-	(83,060)
Operation and maintenance	4,477,751	5,345	-	-	(4,472,406)
Pupil transportation	2,130,173	59,643	11,767	27,413	(2,031,350)
Central services	963,951	-	14,457	27,000	(922,494)
Operation of non-instructional					
Food service operation	1,280,058	719,773	435,501	-	(124,784)
Community services	539,954	-	68,294	-	(471,660)
Extracurricular activities	1,318,465	293,107	-	-	(1,025,358)
Interest	31,685	-	-	-	(31,685)
Totals	<u>\$ 51,023,597</u>	<u>\$ 2,515,256</u>	<u>\$ 2,146,233</u>	<u>\$ 67,713</u>	<u>(46,294,395)</u>
General revenues					
Property taxes levied for:					
General purpose					33,293,525
Capital improvements					1,092,069
Grants and entitlements not restricted to specific purposes					11,535,169
Investment earnings					1,043,975
Miscellaneous					132,201
Total general revenues					<u>47,096,939</u>
Change in net assets					802,544
Net assets at beginning of year					22,454,096
Net assets at end of year					<u>\$ 23,256,640</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -  
GOVERNMENTAL FUNDS

JUNE 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in pooled cash	\$ 9,890,470	\$ 2,320,178	\$ 12,210,648
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	33,922,292	1,045,644	34,967,936
Taxes, delinquent	887,700	27,500	915,200
Due from other governments	1,497,008	273,291	1,770,299
Interfund receivable	550,798	-	550,798
Inventories and supplies	103,509	32,079	135,588
<b>Total assets</b>	<b>\$ 47,074,850</b>	<b>\$ 3,698,692</b>	<b>\$ 50,773,542</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 137,721	\$ 75,004	\$ 212,725
Accrued wages and benefits	4,713,020	112,061	4,825,081
Due to other governments	1,272,394	129,216	1,401,610
Interfund payable	-	550,798	550,798
Unearned revenue			
Taxes	30,789,858	953,345	31,743,203
Other	940,976	-	940,976
Compensated absences	945,381	2,517	947,898
<b>Total liabilities</b>	<b>38,799,350</b>	<b>1,822,941</b>	<b>40,622,291</b>
<b>Fund balances</b>			
Reserved for budget stabilization	223,073	-	223,073
Reserved for inventories	103,509	32,079	135,588
Reserved for property taxes	3,869,161	119,799	3,988,960
Reserved for encumbrances	387,124	387,400	774,524
Unreserved, reported in			
General Fund	3,692,633	-	3,692,633
Special Revenue Funds	-	497,204	497,204
Debt Service Fund	-	56,192	56,192
Capital Projects Funds	-	783,077	783,077
<b>Total fund balances</b>	<b>8,275,500</b>	<b>1,875,751</b>	<b>10,151,251</b>
<b>Total liabilities and fund balances</b>	<b>\$ 47,074,850</b>	<b>\$ 3,698,692</b>	<b>\$ 50,773,542</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, 2007

Total governmental fund balances		\$ 10,151,251
Amounts 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.		13,725,669
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	915,200	
Other receivables	940,976	
		1,856,176
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.		854,688
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(2,619,270)	
Capital leases	(29,774)	
Bonds payable	(680,000)	
Accrued interest payable	(2,100)	
		(3,331,144)
Net assets of governmental activities		\$ 23,256,640

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, 2007

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 33,456,809	\$ 1,097,769	\$ 34,554,578
Tuition and fees	340,244	1,422	341,666
Interest	986,380	57,595	1,043,975
Intergovernmental	11,968,646	2,642,715	14,611,361
Charges for services	-	769,876	769,876
Extracurricular	-	458,162	458,162
Other	218,172	280,401	498,573
Total revenues	<u>46,970,251</u>	<u>5,307,940</u>	<u>52,278,191</u>
Expenditures			
Current			
Instruction			
Regular	22,929,127	1,084,854	24,013,981
Special	6,168,590	15,411	6,184,001
Vocational	615,693	19,498	635,191
Other instruction	146,458	-	146,458
Supporting services			
Pupil	3,326,219	719,220	4,045,439
Instructional staff	1,496,840	118,134	1,614,974
Board of education	181,592	-	181,592
Administration	3,477,563	73,212	3,550,775
Fiscal services	1,031,259	-	1,031,259
Business	98,001	-	98,001
Operation and maintenance	3,851,508	762,913	4,614,421
Pupil transportation	1,910,609	334,463	2,245,072
Central services	916,432	39,921	956,353
Operation of non-instructional			
Food service operation	44,854	1,254,721	1,299,575
Community services	25,028	518,164	543,192
Extracurricular activities	1,047,808	271,644	1,319,452
Debt service			
Principal	49,632	85,000	134,632
Interest	2,017	30,068	32,085
Total expenditures	<u>47,319,230</u>	<u>5,327,223</u>	<u>52,646,453</u>
Excess (deficiency) of revenues over expenditures	<u>(348,979)</u>	<u>(19,283)</u>	<u>(368,262)</u>
Other financing sources (uses)			
Transfers-in	-	289,047	289,047
Transfers-out	(380,847)	(108,200)	(489,047)
Total other financing sources (uses)	<u>(380,847)</u>	<u>180,847</u>	<u>(200,000)</u>
Net change in fund balances	<u>(729,826)</u>	<u>161,564</u>	<u>(568,262)</u>
Fund balances, beginning of year	9,010,356	1,702,021	10,712,377
Increase (decrease) in reserve for inventory	(5,030)	12,166	7,136
Fund balances, end of year	<u>\$ 8,275,500</u>	<u>\$ 1,875,751</u>	<u>\$ 10,151,251</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds		\$	(568,262)
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	2,106,912	
	Depreciation expense	<u>(840,147)</u>	
	Total		1,266,765
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Property taxes	(168,984)	
	Intergovernmental revenue	<u>(283,066)</u>	
			(452,050)
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.			
			134,632
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.			
			400
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Compensated absences	202,235	
	Change in inventory	<u>7,136</u>	
			209,371
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>211,688</u>
Change in net assets of governmental activities		\$	<u><u>802,544</u></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, 2007

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 32,206,500	\$ 32,206,500	\$ 32,524,657	\$ 318,157
Tuition and fees	1,086,000	686,000	340,244	(345,756)
Interest	750,000	750,000	986,380	236,380
Intergovernmental	10,926,000	11,104,000	11,261,641	157,641
Other	155,500	133,500	218,172	84,672
Total revenues	<u>45,124,000</u>	<u>44,880,000</u>	<u>45,331,094</u>	<u>451,094</u>
Expenditures				
Current				
Instruction				
Regular	24,139,837	23,705,472	22,916,220	789,252
Special	6,659,995	6,737,027	6,473,601	263,426
Vocational	578,028	572,493	566,566	5,927
Other instruction	120,000	149,000	146,458	2,542
Supporting services				
Pupil	3,354,825	3,323,910	3,172,456	151,454
Instructional staff	1,491,269	1,502,331	1,410,424	91,907
Board of education	257,100	255,900	199,717	56,183
Administration	3,398,065	3,467,951	3,379,551	88,400
Fiscal services	1,046,925	1,071,488	1,038,329	33,159
Business	133,100	108,100	97,832	10,268
Operation and maintenance	4,281,112	4,203,112	3,868,805	334,307
Pupil transportation	2,173,498	2,107,598	1,898,963	208,635
Central services	1,012,426	1,021,795	973,282	48,513
Operation of non-instructional				
Food service operation	65,600	47,100	44,220	2,880
Community services	40,000	31,000	25,028	5,972
Extracurricular activities	1,180,900	1,099,900	1,045,647	54,253
Total expenditures	<u>49,932,680</u>	<u>49,404,177</u>	<u>47,257,099</u>	<u>2,147,078</u>
Excess (deficiency) of revenues over expenditures	<u>(4,808,680)</u>	<u>(4,524,177)</u>	<u>(1,926,005)</u>	<u>2,598,172</u>
Other financing sources (uses)				
Transfers-in	-	-	2,500	2,500
Advances-in	366,903	366,903	366,903	-
Refund prior year expenditure	-	-	8,007	8,007
Advances-out	(450,000)	(600,000)	(550,798)	49,202
Transfers-out	(265,000)	(383,347)	(383,347)	-
Total other financing sources (uses)	<u>(348,097)</u>	<u>(616,444)</u>	<u>(556,735)</u>	<u>59,709</u>
Net change in fund balances	(5,156,777)	(5,140,621)	(2,482,740)	2,657,881
Fund balances, beginning of year	10,222,433	10,222,433	10,222,433	-
Prior year encumbrances appropriated	1,849,005	1,849,005	1,849,005	-
Fund balances, end of year	<u>\$ 6,914,661</u>	<u>\$ 6,930,817</u>	<u>\$ 9,588,698</u>	<u>\$ 2,657,881</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS -  
INTERNAL SERVICE FUND

JUNE 30, 2007

	<u>Self Insurance</u>
Current assets	
Equity in pooled cash	\$ 1,560,188
Current liabilities	
Claims payable	<u>705,500</u>
Total liabilities	<u>705,500</u>
Net assets	
Unrestricted	<u>\$ 854,688</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, 2007

	Self Insurance
Operating revenues	
Charges for services	\$ 4,701,570
Operating expenses	
Claims	4,689,882
Total operating expenses	4,689,882
Operating income	11,688
Transfers-in	200,000
Change in net assets	211,688
Net assets, beginning of year	643,000
Net assets, end of year	\$ 854,688

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, 2007

	Self Insurance
Cash flows from operating activities	
Cash received from interfund services	\$ 4,701,570
Cash payments for claims	(4,541,382)
Net cash provided by operating activities	160,188
Cash flows from noncapital financing activities	
Transfer from other funds	200,000
Net cash provided by noncapital financing activities	200,000
Net increase in cash and cash equivalents	360,188
Cash and cash equivalents, beginning of year	1,200,000
Cash and cash equivalents, end of year	\$ 1,560,188
Reconciliation of operating income to net cash used for operating activities	
Operating income	\$ 11,688
Adjustments	
Decrease in claims payable	148,500
	148,500
Net cash used for operating activities	\$ 160,188

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -  
 AGENCY FUND  
 JUNE 30, 2007

	Student Activities
<b>Assets</b>	
Equity in pooled cash	\$ 95,726
Total assets	95,726
 <b>Liabilities</b>	
Accounts payable	511
Due to students	95,215
Total liabilities	\$ 95,726

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, 2007

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, 2006 was 4,420. The District employs 356 certificated and 289 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 9 and 16 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, 2007

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. However, internal fund services provided and used are not eliminated in the process of consolidation.

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, 2007

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, 2007

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 basis 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, 2007

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 5). 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, 2007, but which were levied to finance fiscal year 2008 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, 2007

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, 2007 totaled \$ 1,043,975.

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

The District has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2007.

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, 2007

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, 2007

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. As of June 30, 2007, net assets restricted by enabling legislation were \$ 1,284,899 in the statement of net assets.

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, 2007

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 - 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).

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (continued)

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	\$ (2,482,740)
Adjustments, increase (decrease)	
Revenue accruals	1,639,157
Expenditure accruals	(62,131)
Other sources (uses)	175,888
GAAP basis, as reported	\$ (729,826)

NOTE 4 - 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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.

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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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 \$ 10,117,791 and the bank balance was \$ 11,096,496. Of the bank balance, \$ 200,000 was covered by federal depository insurance and \$ 10,896,496 was uninsured. Of the remaining balance, \$ 10,896,496 was collateralized with securities held by the pledging institution's trust department not in the District's name.

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

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, 2007, the District had the following investments:

	Weighted Average Maturities Years	Fair Value
Investment in State Treasurer's Investment Pool	n/a	\$ 3,969,803

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 as discussed in Note 4 - A above. STAR Ohio carries a rating of AAA by Standard and Poor's and is an authorized investment under the Ohio Revised Code.

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 (100%) are in STAR Ohio.

G. CUSTODIAL CREDIT RISK

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - 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 2007 represent the collection of calendar year 2006 taxes. Real property taxes for 2007 were levied after April 1, 2006, on the assessed values as of January 1, 2006, 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 2007 represents collections of calendar 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory is 12.5 percent for 2007. This will be reduced to 6.25 percent for 2008 and zero for 2009. 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, 2007, are available to finance fiscal year 2007/2008 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, 2007 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 2007 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 5 - PROPERTY TAXES (continued)

The amount available as an advance at June 30, 2007, was \$ 3,869,161 in the General Fund and \$ 119,799 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2006, was \$ 2,859,379 in the General Fund and \$ 95,496 in the Permanent Improvements Fund.

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second Half Collections		2007 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 562,125,960	65.09 %	\$ 620,194,210	66.92 %
Other Commercial	237,578,290	27.51	252,741,580	27.27
Public Utility Tangible	14,629,810	1.70	14,491,560	1.57
Tangible Personal Property	49,263,743	5.70	39,288,377	4.24
	\$ 863,597,803	100.00 %	\$ 926,715,727	100.00 %
 Tax Rate per \$ 1,000 of Assessed Valuation:	 77.0		 83.5	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2007, 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	\$ 1,497,008
Food Service	71,742
Alternative Education	3,988
Title VIB	162,725
Limited English Proficiency	2,370
Title V	3,399
Drug Free Schools	286
Preschool	500
Miscellaneous Federal Grants	11,177
Permanent Improvements	17,104
Due from other governments	\$ 1,770,299



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance June 30, 2006	Additions	Disposals	Balance June 30, 2007
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,088,848	\$ -	\$ -	\$ 1,088,848
Depreciable capital assets				
Land improvements	835,881	-	-	835,881
Buildings and improvements	17,668,955	1,722,798	9,242	19,382,511
Furniture and equipment	3,047,349	113,861	120,642	3,040,568
Vehicles	2,932,969	307,169	257,675	2,982,463
Total capital assets being depreciated	<u>24,485,154</u>	<u>2,143,828</u>	<u>387,559</u>	<u>26,241,423</u>
Less accumulated depreciation				
Land improvements	403,163	31,491	-	434,654
Buildings and improvements	9,682,315	410,333	5,916	10,086,732
Furniture and equipment	1,512,653	236,594	105,359	1,643,888
Vehicles	1,516,967	161,729	239,368	1,439,328
Total accumulated depreciation	<u>13,115,098</u>	<u>840,147</u>	<u>350,643</u>	<u>13,604,602</u>
Depreciable capital assets, net of accumulated depreciation	<u>11,370,056</u>	<u>1,303,681</u>	<u>36,916</u>	<u>12,636,821</u>
Governmental activities capital assets, net	<u>\$ 12,458,904</u>	<u>\$ 1,303,681</u>	<u>\$ 36,916</u>	<u>\$ 13,725,669</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 296,205
Special	45,537
Vocational	19,553
Supporting services	
Pupil	806
Instructional staff	71,278
Administration	45,922
Fiscal	6,458
Business	1,759
Operation and maintenance of plant	136,857
Pupil transportation	163,770
Central services	15,792
Operation of non-instructional services	
Food service	13,142
Auxiliary services	9,746
Extracurricular activities	13,322
Total depreciation expense	<u>\$ 840,147</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 8 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2007, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 550,798	\$ -
Nonmajor governmental funds	-	550,798
	\$ 550,798	\$ 550,798

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

NOTE 9 - 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 2007, 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 9 - RISK MANAGEMENT (continued)

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.

The claim liability of \$ 705,500 reported at June 30, 2007 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, 2007 and 2006 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, 2007	June 30, 2006
Unpaid claims, beginning of year	\$ 557,000	\$ 580,000
Incurred claims	4,689,882	4,579,613
Claims payments	(4,541,382)	(4,602,613)
Unpaid claims, end of year	\$ 705,500	\$ 557,000

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 10 - 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 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at [ohsers.org](http://ohsers.org).

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 2007, 10.68 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 a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$ 808,372, \$ 779,100, and \$ 712,680, respectively; 44 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

B. STATE TEACHERS RETIREMENT SYSTEM OF OHIO

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, by calling (614) 227-4090, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 10 - PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM OF OHIO (continued)

A DB or Combined Plan member with five or more years of 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, 2007, 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. For fiscal year 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations 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 STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005, were \$ 3,151,946, \$ 3,173,826, and \$ 2,934,398, respectively; 83 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

C. SOCIAL SECURITY SYSTEM

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2007, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial 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 on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$ 242,457 for fiscal year 2007.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$ 3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS Ohio were \$ 282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

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, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. 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 2007, the minimum pay was established at \$ 35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$ 362,347.

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 the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$ 158,751,207. As of June 30, 2006, SERS had net assets available for payment of health care benefits of \$ 295.6 million. SERS had 59,492 participants eligible to receive benefits.

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2007 were as follows:

	Balance June 30, 2006	Increase	Decrease	Balance June 30, 2007	Amounts Due In One Year
Bonds payable - 2004, 4.15%					
Building improvements	\$ 765,000	\$ -	\$ 85,000	\$ 680,000	\$ 85,000
Capital lease	79,406	-	49,632	29,774	29,774
Compensated absences	3,490,727	856,422	779,981	3,567,168	947,898
	<u>\$ 4,335,133</u>	<u>\$ 856,422</u>	<u>\$ 914,613</u>	<u>\$ 4,276,942</u>	<u>\$ 1,062,672</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 12 - LONG-TERM OBLIGATIONS (continued)

The School District's overall legal debt margin was \$ 83,404,415 with an unvoted debt margin of \$ 926,716.

Principal and interest requirements to retire the building improvement bonds outstanding at June 30, 2007, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2008	\$ 85,000	\$ 26,456	\$ 111,456
2009	85,000	22,929	107,929
2010	85,000	19,401	104,401
2011	85,000	15,874	100,874
2012	85,000	12,346	97,346
2013 - 2015	255,000	15,874	270,874
Totals	\$ 680,000	\$ 112,880	\$ 792,880

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

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. At June 30, 2007, the District's liability for the retirement incentive plan was \$ 203,000. This liability is recorded as part of compensated absences in the General Fund.

NOTE 13 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2007 consisted of the following:

	Transfer from:		
	Nonmajor		
	General Fund	Governmental Funds	Total Transfers-in
Transfer to:			
Nonmajor			
governmental funds	\$ 180,847	\$ 108,200	\$ 289,047
Internal Service	200,000	-	200,000
Total transfers-out	\$ 380,847	\$ 108,200	\$ 489,047

Transfers from the General Fund were to provide for payment of expenditures. Transfers from nonmajor governmental funds included \$ 108,200 to the Debt Service Fund for payment of principal and interest. Not apparent in the basic financial statements was a transfer of \$ 2,500 from the General Fund to the Student Activities Agency Fund.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 14 – 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, 2007. The assets acquired through capital lease consist of:

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

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, are as follow:

	Year ending June 30, 2008	Amount
Total future minimum lease payments	2008	\$ 30,128
Less amount representing interest		(354)
Net present value of minimum lease payments		\$ 29,774

NOTE 15 – OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. During 2007, expenditures for operating leases totaled \$ 48,000.

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, 2007.

	Year ending June 30, 2008	Amount
Total future minimum lease payments	2008	\$ 28,000



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 16 - 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, 2007, the District paid \$ 80,478 to LEECA.

B. POLARIS CAREER CENTER

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

C. NORTH OLMSTED CITY SCHOOLS EDUCATION FOUNDATION

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007

NOTE 16 - JOINTLY GOVERNED ORGANIZATION (continued)

D. OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among ninety-one 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 2007 the District paid \$ 2,525 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.

NOTE 17 - 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, 2007.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007

NOTE 18 - 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 2007.

	<u>Textbook</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Set-aside reserve balances as of June 30, 2006	\$ -	\$ -	\$ 223,073
Set-aside balance carried forward	(3,525,393)	-	-
Current year set-aside requirement	686,211	686,211	-
Qualifying offsets and disbursements	(999,545)	(1,186,941)	-
Total	<u>\$ (3,838,727)</u>	<u>\$ (500,730)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ (3,838,727)</u>	<u>\$ -</u>	<u>\$ -</u>
Set-aside reserve balance as of June 30, 2007	<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.

NOTE 19 – DEFICIT FUND EQUITY

At June 30, 2007, the following funds had deficit fund balances.

Special Revenue Funds	
Auxiliary Services	\$ 17,749
Limited English Proficiency	\$ 836
Title VIB	\$ 52,846

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.

**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.

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.

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

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

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

Data 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.

(continued)

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (continued)**

### **SPECIAL REVENUE FUNDS**

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

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

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

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

Title VI B – 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.

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (concluded)**

### **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.

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 1,091,336	\$ 56,192	\$ 1,172,650	\$ 2,320,178
Receivables, net of allowance				
Taxes, current	-	-	1,045,644	1,045,644
Taxes, delinquent	-	-	27,500	27,500
Due from other governments	256,187	-	17,104	273,291
Inventories and supplies	32,079	-	-	32,079
<b>Total assets</b>	<b>\$ 1,379,602</b>	<b>\$ 56,192</b>	<b>\$ 2,262,898</b>	<b>\$ 3,698,692</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 22,850	\$ -	\$ 52,154	\$ 75,004
Accrued salaries, wages and benefits	112,061	-	-	112,061
Due to other governments	129,216	-	-	129,216
Interfund payable	550,798	-	-	550,798
Unearned revenue				
Taxes	-	-	953,345	953,345
Compensated absences	2,517	-	-	2,517
<b>Total liabilities</b>	<b>817,442</b>	<b>-</b>	<b>1,005,499</b>	<b>1,822,941</b>
<b>Fund balances</b>				
Reserved for inventories	32,079	-	-	32,079
Reserved for property taxes	-	-	119,799	119,799
Reserved for encumbrances	32,877	-	354,523	387,400
Unreserved	497,204	56,192	783,077	1,336,473
<b>Total fund balances</b>	<b>562,160</b>	<b>56,192</b>	<b>1,257,399</b>	<b>1,875,751</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,379,602</b>	<b>\$ 56,192</b>	<b>\$ 2,262,898</b>	<b>\$ 3,698,692</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, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 1,097,769	\$ 1,097,769
Tuition and fees	1,422	-	-	1,422
Interest	13,778	-	43,817	57,595
Intergovernmental	2,505,244	-	137,471	2,642,715
Charges for services	769,876	-	-	769,876
Extracurricular	458,162	-	-	458,162
Other	280,401	-	-	280,401
Total revenues	<u>4,028,883</u>	<u>-</u>	<u>1,279,057</u>	<u>5,307,940</u>
Expenditures				
Current				
Instruction				
Regular	963,226	-	121,628	1,084,854
Special	15,411	-	-	15,411
Vocational	19,498	-	-	19,498
Supporting services				
Pupil	719,220	-	-	719,220
Instructional staff	118,134	-	-	118,134
Administration	55,922	-	17,290	73,212
Operation and maintenance	-	-	762,913	762,913
Pupil transportation	77,695	-	256,768	334,463
Central services	39,921	-	-	39,921
Operation of non-instructional services				
Food service operations	1,254,721	-	-	1,254,721
Community service	518,164	-	-	518,164
Extracurricular activities	271,644	-	-	271,644
Debt service				
Principal	-	85,000	-	85,000
Interest	-	30,068	-	30,068
Total expenditures	<u>4,053,556</u>	<u>115,068</u>	<u>1,158,599</u>	<u>5,327,223</u>
Excess revenues over expenditures	<u>(24,673)</u>	<u>(115,068)</u>	<u>120,458</u>	<u>(19,283)</u>
Other financing sources (uses)				
Transfers-in	180,847	108,200	-	289,047
Transfers-out	-	-	(108,200)	(108,200)
Total other financing sources (uses)	<u>180,847</u>	<u>108,200</u>	<u>(108,200)</u>	<u>180,847</u>
Excess (deficiency) of expenditures and other sources	156,174	(6,868)	12,258	161,564
Fund balances, beginning of year	393,820	63,060	1,245,141	1,702,021
Increase in reserve for inventory	12,166	-	-	12,166
Fund balances, end of year	<u>\$ 562,160</u>	<u>\$ 56,192</u>	<u>\$ 1,257,399</u>	<u>\$ 1,875,751</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
<b>Assets</b>					
Equity in pooled cash	\$ 142,884	\$ 2,239	\$ 109,070	\$ 154,048	\$ 85,531
Due from other governments	71,742	-	-	-	-
Inventories and supplies	32,079	-	-	-	-
<b>Total assets</b>	<b><u>\$ 246,705</u></b>	<b><u>\$ 2,239</u></b>	<b><u>\$ 109,070</u></b>	<b><u>\$ 154,048</u></b>	<b><u>\$ 85,531</u></b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries, wages and benefits	48,741	-	-	-	-
Due to other governments	74,566	-	-	-	-
Interfund payable	-	-	-	-	-
Compensated absences	2,517	-	-	-	-
<b>Total liabilities</b>	<b><u>125,824</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund balances</b>					
Reserved for inventories	32,079	-	-	-	-
Reserved for encumbrances	367	-	-	-	3,647
Unreserved	88,435	2,239	109,070	154,048	81,884
<b>Total fund balances</b>	<b><u>120,881</u></b>	<b><u>2,239</u></b>	<b><u>109,070</u></b>	<b><u>154,048</u></b>	<b><u>85,531</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 246,705</u></b>	<b><u>\$ 2,239</u></b>	<b><u>\$ 109,070</u></b>	<b><u>\$ 154,048</u></b>	<b><u>\$ 85,531</u></b>

Athletic	Auxiliary Services	Education M.I.S.	Data Communication	Schoolnet	Video Distance Learning
\$ 107,482	\$ -	\$ 7,668	\$ 16,874	\$ 284	\$ 893
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 107,482</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 16,874</u>	<u>\$ 284</u>	<u>\$ 893</u>
\$ 4,772	\$ 1,319	\$ 5,534	\$ -	\$ -	\$ -
-	10,331	-	-	-	-
-	6,099	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,772</u>	<u>17,749</u>	<u>5,534</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
6,526	-	2,134	-	-	-
96,184	(17,749)	-	16,874	284	893
<u>102,710</u>	<u>(17,749)</u>	<u>2,134</u>	<u>16,874</u>	<u>284</u>	<u>893</u>
<u>\$ 107,482</u>	<u>\$ -</u>	<u>\$ 7,668</u>	<u>\$ 16,874</u>	<u>\$ 284</u>	<u>\$ 893</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2007

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
<b>Assets</b>					
Equity in pooled cash	\$ -	\$ 37,956	\$ 6,806	\$ 22	\$ 32,587
Due from other governments	-	2,370	-	3,988	-
Inventories and supplies	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 40,326</b>	<b>\$ 6,806</b>	<b>\$ 4,010</b>	<b>\$ 32,587</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts and contracts payable	\$ -	\$ 6,200	\$ -	\$ -	\$ 4,835
Accrued salaries, wages and benefits	-	-	2,338	-	-
Due to other governments	-	14	2,569	-	-
Interfund payable	-	34,948	-	4,010	6,764
Compensated absences	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>41,162</b>	<b>4,907</b>	<b>4,010</b>	<b>11,599</b>
<b>Fund balances</b>					
Reserved for inventories	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	8,845
Unreserved	-	(836)	1,899	-	12,143
<b>Total fund balances</b>	<b>-</b>	<b>(836)</b>	<b>1,899</b>	<b>-</b>	<b>20,988</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 40,326</b>	<b>\$ 6,806</b>	<b>\$ 4,010</b>	<b>\$ 32,587</b>

Title VIB	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 298,267	\$ 12,436	\$ 2,332	\$ 5,083	\$ -	\$ 68,874	\$ -	\$ 1,091,336
162,725	-	3,399	286	500	-	11,177	256,187
-	-	-	-	-	-	-	32,079
<u>\$ 460,992</u>	<u>\$ 12,436</u>	<u>\$ 5,731</u>	<u>\$ 5,369</u>	<u>\$ 500</u>	<u>\$ 68,874</u>	<u>\$ 11,177</u>	<u>\$ 1,379,602</u>
\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,850
50,651	-	-	-	-	-	-	112,061
45,968	-	-	-	-	-	-	129,216
417,029	-	5,731	4,461	500	66,178	11,177	550,798
-	-	-	-	-	-	-	2,517
<u>513,838</u>	<u>-</u>	<u>5,731</u>	<u>4,461</u>	<u>500</u>	<u>66,178</u>	<u>11,177</u>	<u>817,442</u>
-	-	-	-	-	-	-	32,079
11,358	-	-	-	-	-	-	32,877
(64,204)	12,436	-	908	-	2,696	-	497,204
<u>(52,846)</u>	<u>12,436</u>	<u>-</u>	<u>908</u>	<u>-</u>	<u>2,696</u>	<u>-</u>	<u>562,160</u>
<u>\$ 460,992</u>	<u>\$ 12,436</u>	<u>\$ 5,731</u>	<u>\$ 5,369</u>	<u>\$ 500</u>	<u>\$ 68,874</u>	<u>\$ 11,177</u>	<u>\$ 1,379,602</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, 2007

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
<b>Revenues</b>					
Tuition and fees	\$ -	\$ -	\$ -	\$ 1,422	\$ -
Interest	9,055	-	-	-	-
Intergovernmental	435,501	-	-	-	15,300
Charges for services	717,265	-	52,611	-	-
Extracurricular	-	-	-	179,936	-
Other	2,508	1,000	7,032	200,853	65,926
<b>Total revenues</b>	<b>1,164,329</b>	<b>1,000</b>	<b>59,643</b>	<b>382,211</b>	<b>81,226</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instruction</b>					
Regular	-	-	-	366,469	33,183
Special	-	-	-	-	9,660
Vocational	-	-	-	-	19,498
<b>Supporting services</b>					
Pupil	-	-	-	-	360
Instructional staff	-	-	-	1,230	-
Administration	-	-	-	862	-
Pupil transportation	-	-	66,387	-	-
Central services	-	-	-	-	-
<b>Operation of non-instructional services</b>					
Food service operations	1,254,721	-	-	-	-
Community service	-	-	-	-	-
Extracurricular activities	-	-	-	11,740	-
<b>Total expenditures</b>	<b>1,254,721</b>	<b>-</b>	<b>66,387</b>	<b>380,301</b>	<b>62,701</b>
<b>Excess revenues over expenditures</b>	<b>(90,392)</b>	<b>1,000</b>	<b>(6,744)</b>	<b>1,910</b>	<b>18,525</b>
<b>Other financing sources (uses)</b>					
Transfers-in	155,000	-	15,000	8,000	-
<b>Total other financing sources (uses)</b>	<b>155,000</b>	<b>-</b>	<b>15,000</b>	<b>8,000</b>	<b>-</b>
<b>Excess (deficiency) of expenditures and other sources</b>	<b>64,608</b>	<b>1,000</b>	<b>8,256</b>	<b>9,910</b>	<b>18,525</b>
Fund balances, beginning of year	44,107	1,239	100,814	144,138	67,006
Increase in reserve for inventory	12,166	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 120,881</b>	<b>\$ 2,239</b>	<b>\$ 109,070</b>	<b>\$ 154,048</b>	<b>\$ 85,531</b>

Athletic	Auxiliary Services	Education M.I.S.	Data Communication	Schoolnet	Video Distance Learning
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,723	-	-	-	-
-	395,700	15,156	27,000	13,300	-
-	-	-	-	-	-
278,226	-	-	-	-	-
3,082	-	-	-	-	-
<u>281,308</u>	<u>400,423</u>	<u>15,156</u>	<u>27,000</u>	<u>13,300</u>	<u>-</u>
-	-	601	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	18,808	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,421	27,500	-	-
-	-	-	-	-	-
-	457,098	-	-	-	-
259,904	-	-	-	-	-
<u>259,904</u>	<u>457,098</u>	<u>13,022</u>	<u>27,500</u>	<u>18,808</u>	<u>-</u>
<u>21,404</u>	<u>(56,675)</u>	<u>2,134</u>	<u>(500)</u>	<u>(5,508)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
21,404	(56,675)	2,134	(500)	(5,508)	-
81,306	38,926	-	17,374	5,792	893
-	-	-	-	-	-
<u>\$ 102,710</u>	<u>\$ (17,749)</u>	<u>\$ 2,134</u>	<u>\$ 16,874</u>	<u>\$ 284</u>	<u>\$ 893</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
<b>Revenues</b>					
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Intergovernmental	8,000	78,273	24,375	110,543	13,766
Charges for services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<u>8,000</u>	<u>78,273</u>	<u>24,375</u>	<u>110,543</u>	<u>13,766</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instruction</b>					
Regular	8,000	20,641	-	76,123	-
Special	-	-	-	-	5,751
Vocational	-	-	-	-	-
<b>Supporting services</b>					
Pupil	-	3,604	-	32,138	-
Instructional staff	-	59,035	23,630	-	-
Administration	-	60	-	-	-
Pupil transportation	-	-	-	-	-
Central services	-	-	-	-	-
<b>Operation of non-instructional services</b>					
Food service operations	-	-	-	-	-
Community service	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
<b>Total expenditures</b>	<u>8,000</u>	<u>83,340</u>	<u>23,630</u>	<u>108,261</u>	<u>5,751</u>
<b>Excess revenues over expenditures</b>	<u>-</u>	<u>(5,067)</u>	<u>745</u>	<u>2,282</u>	<u>8,015</u>
<b>Other financing sources (uses)</b>					
Transfers-in	-	-	-	-	2,847
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,847</u>
<b>Excess (deficiency) of expenditures and other sources</b>	-	(5,067)	745	2,282	10,862
Fund balances, beginning of year	-	4,231	1,154	(2,282)	10,126
Increase in reserve for inventory	-	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ (836)</u>	<u>\$ 1,899</u>	<u>\$ -</u>	<u>\$ 20,988</u>



Title VIB	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,422
-	-	-	-	-	-	-	13,778
1,002,051	184,315	21,165	10,967	28,872	62,744	58,216	2,505,244
-	-	-	-	-	-	-	769,876
-	-	-	-	-	-	-	458,162
-	-	-	-	-	-	-	280,401
<u>1,002,051</u>	<u>184,315</u>	<u>21,165</u>	<u>10,967</u>	<u>28,872</u>	<u>62,744</u>	<u>58,216</u>	<u>4,028,883</u>
193,979	154,511	3,954	7,165	-	55,674	42,926	963,226
-	-	-	-	-	-	-	15,411
-	-	-	-	-	-	-	19,498
650,444	-	-	3,802	28,872	-	-	719,220
14,932	499	-	-	-	-	-	118,134
55,000	-	-	-	-	-	-	55,922
11,308	-	-	-	-	-	-	77,695
-	-	-	-	-	-	-	39,921
-	-	-	-	-	-	-	1,254,721
42,696	16,896	1,474	-	-	-	-	518,164
-	-	-	-	-	-	-	271,644
<u>968,359</u>	<u>171,906</u>	<u>5,428</u>	<u>10,967</u>	<u>28,872</u>	<u>55,674</u>	<u>42,926</u>	<u>4,053,556</u>
33,692	12,409	15,737	-	-	7,070	15,290	(24,673)
-	-	-	-	-	-	-	180,847
-	-	-	-	-	-	-	180,847
33,692	12,409	15,737	-	-	7,070	15,290	156,174
(86,538)	27	(15,737)	908	-	(4,374)	(15,290)	393,820
-	-	-	-	-	-	-	12,166
<u>\$ (52,846)</u>	<u>\$ 12,436</u>	<u>\$ -</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ 2,696</u>	<u>\$ -</u>	<u>\$ 562,160</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Beginning Balance, June 30, 2006	Additions	Deductions	Ending Balance, June 30, 2007
<b>Assets</b>				
Equity in pooled cash	\$ 77,064	\$ 95,726	\$ 77,064	\$ 95,726
<b>Total assets</b>	<u>77,064</u>	<u>95,726</u>	<u>77,064</u>	<u>95,726</u>
<b>Liabilities</b>				
Accounts payable	1,579	511	1,579	511
Due to students	75,485	95,215	75,485	95,215
<b>Total liabilities</b>	<u>\$ 77,064</u>	<u>\$ 95,726</u>	<u>\$ 77,064</u>	<u>\$ 95,726</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, 2007

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 32,206,500	\$ 32,206,500	\$ 32,524,657	\$ 318,157
Tuition and fees	1,086,000	686,000	340,244	(345,756)
Interest	750,000	750,000	986,380	236,380
Intergovernmental	10,926,000	11,104,000	11,261,641	157,641
Other	155,500	133,500	218,172	84,672
Total revenues	<u>45,124,000</u>	<u>44,880,000</u>	<u>45,331,094</u>	<u>451,094</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	15,937,400	15,735,400	15,610,577	124,823
Benefits	5,417,000	5,265,800	4,988,787	277,013
Purchased services	480,075	445,500	415,050	30,450
Materials and supplies	933,768	879,682	545,679	334,003
Capital outlay	1,339,094	1,346,590	1,326,183	20,407
Other	32,500	32,500	29,944	2,556
Total regular	<u>24,139,837</u>	<u>23,705,472</u>	<u>22,916,220</u>	<u>789,252</u>
Special				
Salaries	4,414,800	4,441,950	4,308,820	133,130
Benefits	1,501,000	1,446,600	1,368,695	77,905
Purchased services	635,278	754,478	702,160	52,318
Materials and supplies	108,917	93,999	93,926	73
Total special	<u>6,659,995</u>	<u>6,737,027</u>	<u>6,473,601</u>	<u>263,426</u>
Vocational				
Salaries	421,400	421,800	421,763	37
Benefits	143,000	139,800	134,786	5,014
Purchased services	2,858	2,417	2,034	383
Materials and supplies	10,770	8,476	7,983	493
Total vocational	<u>578,028</u>	<u>572,493</u>	<u>566,566</u>	<u>5,927</u>
Other instruction				
Purchased services	120,000	149,000	146,458	2,542
Total other instruction	<u>120,000</u>	<u>149,000</u>	<u>146,458</u>	<u>2,542</u>
Total instruction	<u>31,497,860</u>	<u>31,163,992</u>	<u>30,102,845</u>	<u>1,061,147</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, 2007

GENERAL FUND - (CONTINUED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Supporting services				
Pupil				
Salaries	2,287,400	2,292,550	2,197,471	95,079
Benefits	778,000	751,600	711,040	40,560
Purchased services	246,025	240,649	229,883	10,766
Materials and supplies	43,400	39,111	34,062	5,049
Total pupil	<u>3,354,825</u>	<u>3,323,910</u>	<u>3,172,456</u>	<u>151,454</u>
Instructional staff				
Salaries	930,900	994,000	974,513	19,487
Benefits	316,000	322,100	303,406	18,694
Purchased services	137,156	104,264	56,734	47,530
Materials and supplies	95,413	69,178	63,649	5,529
Capital outlay	6,200	7,189	7,021	168
Other	5,600	5,600	5,101	499
Total instructional staff	<u>1,491,269</u>	<u>1,502,331</u>	<u>1,410,424</u>	<u>91,907</u>
Board of education				
Salaries	19,000	21,000	19,625	1,375
Benefits	-	2,900	2,876	24
Purchased services	232,000	232,000	177,216	54,784
Materials and supplies	600	-	-	-
Other	5,500	-	-	-
Total board of education	<u>257,100</u>	<u>255,900</u>	<u>199,717</u>	<u>56,183</u>
Administration				
Salaries	2,457,500	2,531,900	2,506,470	25,430
Benefits	842,000	847,500	800,896	46,604
Purchased services	54,550	42,441	31,754	10,687
Materials and supplies	29,015	31,110	25,707	5,403
Other	15,000	15,000	14,724	276
Total administration	<u>3,398,065</u>	<u>3,467,951</u>	<u>3,379,551</u>	<u>88,400</u>
Fiscal services				
Salaries	325,000	332,600	329,095	3,505
Benefits	110,605	133,618	124,903	8,715
Purchased services	6,200	6,200	2,370	3,830
Materials and supplies	9,000	10,750	10,723	27
Capital outlay	18,100	10,000	9,273	727
Other	578,020	578,320	561,965	16,355
Total fiscal services	<u>1,046,925</u>	<u>1,071,488</u>	<u>1,038,329</u>	<u>33,159</u>
Business				
Salaries	25,000	-	-	-
Purchased services	108,100	108,100	97,832	10,268
Total business	<u>133,100</u>	<u>108,100</u>	<u>97,832</u>	<u>10,268</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, 2007

GENERAL FUND - (CONTINUED)

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Operation and maintenance				
Salaries	1,941,000	2,008,700	1,979,362	29,338
Benefits	668,000	673,200	621,706	51,494
Purchased services	1,388,337	1,266,821	1,041,416	225,405
Materials and supplies	191,275	176,391	151,499	24,892
Capital outlay	4,000	800	800	-
Other	88,500	77,200	74,022	3,178
Total operation and maintenance	<u>4,281,112</u>	<u>4,203,112</u>	<u>3,868,805</u>	<u>334,307</u>
Pupil transportation				
Salaries	1,101,100	1,114,600	1,099,976	14,624
Benefits	374,000	378,800	345,058	33,742
Purchased services	364,234	281,234	197,445	83,789
Materials and supplies	331,464	331,464	255,796	75,668
Capital outlay	2,700	1,500	688	812
Total pupil transportation	<u>2,173,498</u>	<u>2,107,598</u>	<u>1,898,963</u>	<u>208,635</u>
Central services				
Salaries	451,700	450,200	444,564	5,636
Benefits	154,000	171,100	161,365	9,735
Purchased services	276,593	267,690	255,974	11,716
Materials and supplies	130,133	132,805	111,379	21,426
Total central services	<u>1,012,426</u>	<u>1,021,795</u>	<u>973,282</u>	<u>48,513</u>
Total supporting services	<u>17,148,320</u>	<u>17,062,185</u>	<u>16,039,359</u>	<u>1,022,826</u>
Operation of non-instructional				
Food service operation				
Salaries	48,600	47,100	44,220	2,880
Benefits	17,000	-	-	-
Total food service operation	<u>65,600</u>	<u>47,100</u>	<u>44,220</u>	<u>2,880</u>
Community services				
Purchased services	40,000	31,000	25,028	5,972
Total community services	<u>40,000</u>	<u>31,000</u>	<u>25,028</u>	<u>5,972</u>
Total operation of non-instructional	<u>105,600</u>	<u>78,100</u>	<u>69,248</u>	<u>8,852</u>
Extracurricular activities				
Academic and subject oriented				
Salaries	217,000	199,400	181,637	17,763
Benefits	74,000	60,700	57,405	3,295
Total academic and subject oriented	<u>291,000</u>	<u>260,100</u>	<u>239,042</u>	<u>21,058</u>
Sports oriented				
Salaries	647,700	621,900	600,776	21,124
Benefits	220,000	200,700	189,637	11,063
Purchased services	22,200	17,200	16,192	1,008
Total sports oriented	<u>889,900</u>	<u>839,800</u>	<u>806,605</u>	<u>33,195</u>
Total extracurricular activities	<u>1,180,900</u>	<u>1,099,900</u>	<u>1,045,647</u>	<u>54,253</u>
Capital outlay				
Total expenditures	<u>49,932,680</u>	<u>49,404,177</u>	<u>47,257,099</u>	<u>2,147,078</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, 2007

GENERAL FUND - (CONCLUDED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	(4,808,680)	(4,524,177)	(1,926,005)	2,598,172
Other financing sources (uses)				
Transfers-in	-	-	2,500	2,500
Advances-in	366,903	366,903	366,903	-
Refund prior year expenditure	-	-	8,007	8,007
Advances-out	(450,000)	(600,000)	(550,798)	49,202
Transfers-out	(265,000)	(383,347)	(383,347)	-
Total other financing sources (uses)	(348,097)	(616,444)	(556,735)	59,709
Net change in fund balance	(5,156,777)	(5,140,621)	(2,482,740)	2,657,881
Fund balance, beginning of year	10,222,433	10,222,433	10,222,433	-
Prior year encumbrances appropriated	1,849,005	1,849,005	1,849,005	-
Fund balance, end of year	<u>\$ 6,914,661</u>	<u>\$ 6,930,817</u>	<u>\$ 9,588,698</u>	<u>\$ 2,657,881</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, 2007

	FOOD SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ 9,050	\$ 9,055	\$ 5
Charges for services	812,952	716,460	717,265	805
Intergovernmental	338,098	379,463	379,346	(117)
Other	6,000	2,500	2,508	8
Total revenues	<u>1,157,050</u>	<u>1,107,473</u>	<u>1,108,174</u>	<u>701</u>
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	424,526	377,526	371,126	6,400
Benefits	264,742	269,742	216,735	53,007
Purchased services	592,820	614,300	607,432	6,868
Materials and supplies	4,000	4,000	3,104	896
Total food service operation	<u>1,286,088</u>	<u>1,265,568</u>	<u>1,198,397</u>	<u>67,171</u>
Total operation of non-instructional	<u>1,286,088</u>	<u>1,265,568</u>	<u>1,198,397</u>	<u>67,171</u>
Total expenditures	<u>1,286,088</u>	<u>1,265,568</u>	<u>1,198,397</u>	<u>67,171</u>
Excess (deficiency) of revenues over expenditures	<u>(129,038)</u>	<u>(158,095)</u>	<u>(90,223)</u>	<u>67,872</u>
Other financing sources (uses)				
Transfers-in	115,000	155,000	155,000	-
Total other financing sources (uses)	<u>115,000</u>	<u>155,000</u>	<u>155,000</u>	<u>-</u>
Net change in fund balance	(14,038)	(3,095)	64,777	67,872
Fund balance, beginning of year	76,939	76,939	76,939	-
Prior year encumbrances appropriated	800	800	800	-
Fund balance, end of year	<u>\$ 63,701</u>	<u>\$ 74,644</u>	<u>\$ 142,516</u>	<u>\$ 67,872</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, 2007

MISCELLANEOUS LOCAL PROJECTS FUND

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



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, 2007

	ROTARY FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 50,000	\$ 52,000	\$ 52,610	\$ 610
Other	8,300	5,611	7,032	1,421
Total revenues	<u>58,300</u>	<u>57,611</u>	<u>59,642</u>	<u>2,031</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	2,532	2,532	423	2,109
Total regular	<u>2,532</u>	<u>2,532</u>	<u>423</u>	<u>2,109</u>
Total instruction	<u>2,532</u>	<u>2,532</u>	<u>423</u>	<u>2,109</u>
Supporting services				
Pupil transportation				
Purchased services	80,000	70,000	65,963	4,037
Total pupil transportation	<u>80,000</u>	<u>70,000</u>	<u>65,963</u>	<u>4,037</u>
Total supporting services	<u>80,000</u>	<u>70,000</u>	<u>65,963</u>	<u>4,037</u>
Total expenditures	<u>82,532</u>	<u>72,532</u>	<u>66,386</u>	<u>6,146</u>
Excess (deficiency) of revenues over expenditures	<u>(24,232)</u>	<u>(14,921)</u>	<u>(6,744)</u>	<u>8,177</u>
Other financing sources (uses)				
Transfers-in	20,000	15,000	15,000	-
Total other financing sources (uses)	<u>20,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(4,232)	79	8,256	8,177
Fund balance, beginning of year	100,814	100,814	100,814	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 96,582</u>	<u>\$ 100,893</u>	<u>\$ 109,070</u>	<u>\$ 8,177</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, 2007

PUBLIC SUPPORT SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and fees	\$ 5,000	\$ 1,400	\$ 1,422	\$ 22
Extracurricular	241,285	170,812	179,936	9,124
Other	346,068	198,090	200,853	2,763
Total revenues	<u>592,353</u>	<u>370,302</u>	<u>382,211</u>	<u>11,909</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	136,312	79,732	59,051	20,681
Materials and supplies	189,237	152,553	124,400	28,153
Capital outlay	21,330	9,200	8,337	863
Other	308,166	184,116	176,760	7,356
Total regular	<u>655,045</u>	<u>425,601</u>	<u>368,548</u>	<u>57,053</u>
Total instruction	<u>655,045</u>	<u>425,601</u>	<u>368,548</u>	<u>57,053</u>
Supporting services				
Instructional staff				
Materials and supplies	1,000	1,300	1,230	70
Total instructional staff	<u>1,000</u>	<u>1,300</u>	<u>1,230</u>	<u>70</u>
Administration				
Materials and supplies	1,000	1,200	862	338
Total administration	<u>1,000</u>	<u>1,200</u>	<u>862</u>	<u>338</u>
Total supporting services	<u>2,000</u>	<u>2,500</u>	<u>2,092</u>	<u>408</u>
Extracurricular activities				
Academic and subject oriented				
Other	100	-	-	-
Total academic and subject oriented	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sports oriented				
Other	12,000	12,000	11,739	261
Total sports oriented	<u>12,000</u>	<u>12,000</u>	<u>11,739</u>	<u>261</u>
Total extracurricular activities	<u>12,100</u>	<u>12,000</u>	<u>11,739</u>	<u>261</u>
Total expenditures	<u>669,145</u>	<u>440,101</u>	<u>382,379</u>	<u>57,722</u>
Excess (deficiency) of revenues over expenditures	<u>(76,792)</u>	<u>(69,799)</u>	<u>(168)</u>	<u>69,631</u>
Other financing sources (uses)				
Transfers-in	8,000	8,000	8,000	-
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	(68,792)	(61,799)	7,832	69,631
Fund balance, beginning of year	144,849	144,849	144,849	-
Prior year encumbrances appropriated	1,367	1,367	1,367	-
Fund balance, end of year	<u>\$ 77,424</u>	<u>\$ 84,417</u>	<u>\$ 154,048</u>	<u>\$ 69,631</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, 2007

	OTHER GRANTS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 15,202	\$ 15,300	\$ 98
Other	16,000	65,926	65,926	-
Total revenues	<u>16,000</u>	<u>81,128</u>	<u>81,226</u>	<u>98</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	13,302	10,023	6,588	3,435
Materials and supplies	4,550	26,650	4,208	22,442
Other	3,380	25,779	22,414	3,365
Total regular	<u>21,232</u>	<u>62,452</u>	<u>33,210</u>	<u>29,242</u>
Special				
Capital outlay	10,000	10,000	9,660	340
Total special	<u>10,000</u>	<u>10,000</u>	<u>9,660</u>	<u>340</u>
Vocational				
Materials and supplies	-	22,526	21,005	1,521
Total vocational	<u>-</u>	<u>22,526</u>	<u>21,005</u>	<u>1,521</u>
Total instruction	<u>31,232</u>	<u>94,978</u>	<u>63,875</u>	<u>31,103</u>
Supporting services				
Pupil				
Purchased services	2,800	2,800	2,500	300
Total pupil	<u>2,800</u>	<u>2,800</u>	<u>2,500</u>	<u>300</u>
Total supporting services	<u>2,800</u>	<u>2,800</u>	<u>2,500</u>	<u>300</u>
Capital outlay				
Total expenditures	<u>34,032</u>	<u>97,778</u>	<u>66,375</u>	<u>31,403</u>
Net change in fund balance	(18,032)	(16,650)	14,851	31,501
Fund balance, beginning of year	66,679	66,679	66,679	-
Prior year encumbrances appropriated	354	354	354	-
Fund balance, end of year	<u>\$ 49,001</u>	<u>\$ 50,383</u>	<u>\$ 81,884</u>	<u>\$ 31,501</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, 2007

	ATHLETIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 340,937	\$ 276,763	\$ 278,227	\$ 1,464
Other	-	3,000	3,082	82
Total revenues	<u>340,937</u>	<u>279,763</u>	<u>281,309</u>	<u>1,546</u>
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	49,200	41,166	40,864	302
Materials and supplies	18,332	17,523	17,286	237
Other	220,305	185,955	165,911	20,044
Total sports oriented	<u>287,837</u>	<u>244,644</u>	<u>224,061</u>	<u>20,583</u>
Total extracurricular activities	<u>287,837</u>	<u>244,644</u>	<u>224,061</u>	<u>20,583</u>
Capital outlay	<u>58,756</u>	<u>52,975</u>	<u>49,188</u>	<u>3,787</u>
Total expenditures	<u>346,593</u>	<u>297,619</u>	<u>273,249</u>	<u>24,370</u>
Net change in fund balance	(5,656)	(17,856)	8,060	25,916
Fund balance, beginning of year	75,231	75,231	75,231	-
Prior year encumbrances appropriated	<u>12,893</u>	<u>12,893</u>	<u>12,893</u>	<u>-</u>
Fund balance, end of year	<u>\$ 82,468</u>	<u>\$ 70,268</u>	<u>\$ 96,184</u>	<u>\$ 25,916</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, 2007

	AUXILIARY SERVICES FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ 6,200	\$ 4,723	\$ 4,723	\$ -
Intergovernmental	363,771	395,700	395,700	-
Total revenues	<u>369,971</u>	<u>400,423</u>	<u>400,423</u>	<u>-</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	40,468	72,335	72,335	-
Benefits	24,831	27,010	27,010	-
Purchased services	108,510	110,501	110,501	-
Materials and supplies	240,993	200,998	200,998	-
Other	11,000	15,975	15,975	-
Total community services	<u>425,802</u>	<u>426,819</u>	<u>426,819</u>	<u>-</u>
Total operation of non-instructional	<u>425,802</u>	<u>426,819</u>	<u>426,819</u>	<u>-</u>
Capital outlay	-	29,435	29,435	-
Total expenditures	<u>425,802</u>	<u>456,254</u>	<u>456,254</u>	<u>-</u>
Net change in fund balance	(55,831)	(55,831)	(55,831)	-
Fund balance, beginning of year	51,413	51,413	51,413	-
Prior year encumbrances appropriated	<u>4,418</u>	<u>4,418</u>	<u>4,418</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	EDUCATION M.I.S. FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 15,000	\$ 15,156	\$ 15,156	\$ -
Total revenues	<u>15,000</u>	<u>15,156</u>	<u>15,156</u>	<u>-</u>
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	15,000	15,156	15,156	-
Total central services	<u>15,000</u>	<u>15,156</u>	<u>15,156</u>	<u>-</u>
Total supporting services	<u>15,000</u>	<u>15,156</u>	<u>15,156</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,156</u>	<u>15,156</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2007

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	1,600	1,600	-	1,600
Total business	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Central services				
Purchased services	27,504	27,504	27,500	4
Total central services	<u>27,504</u>	<u>27,504</u>	<u>27,500</u>	<u>4</u>
Total supporting services	<u>29,104</u>	<u>29,104</u>	<u>27,500</u>	<u>1,604</u>
Capital outlay	15,270	15,270	-	15,270
Total expenditures	<u>44,374</u>	<u>44,374</u>	<u>27,500</u>	<u>16,874</u>
Net change in fund balance	(17,374)	(17,374)	(500)	16,874
Fund balance, beginning of year	16,874	16,874	16,874	-
Prior year encumbrances appropriated	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,874</u>	<u>\$ 16,874</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, 2007

	SCHOOLNET FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 13,300	\$ 13,300	\$ -
Total revenues	5,000	13,300	13,300	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	4,460	7,475	7,191	284
Materials and supplies	522	875	875	-
Total instructional staff	4,982	8,350	8,066	284
Total supporting services	4,982	8,350	8,066	284
Capital outlay	-	10,892	10,892	-
Total expenditures	4,982	19,242	18,958	284
Net change in fund balance	18	(5,942)	(5,658)	284
Fund balance, beginning of year	4,892	4,892	4,892	-
Prior year encumbrances appropriated	1,050	1,050	1,050	-
Fund balance, end of year	\$ 5,960	\$ -	\$ 284	\$ 284



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, 2007

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, 2007

	OHIO READS FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	6,870	6,870	6,870	-
Benefits	1,130	1,130	1,130	-
Total regular	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total instruction	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2007

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 107,291	\$ 110,851	\$ 75,903	\$ (34,948)
Total revenues	<u>107,291</u>	<u>110,851</u>	<u>75,903</u>	<u>(34,948)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	36,602	23,325	2,825	20,500
Benefits	5,413	3,837	465	3,372
Materials and supplies	4,067	10,227	10,227	-
Capital outlay	1,600	10,952	7,145	3,807
Total regular	<u>47,682</u>	<u>48,341</u>	<u>20,662</u>	<u>27,679</u>
Total instruction	<u>47,682</u>	<u>48,341</u>	<u>20,662</u>	<u>27,679</u>
Supporting services				
Pupil				
Materials and supplies	4,239	5,160	3,587	1,573
Total pupil	<u>4,239</u>	<u>5,160</u>	<u>3,587</u>	<u>1,573</u>
Instructional staff				
Salaries	42,562	46,513	45,660	853
Benefits	6,878	7,651	7,472	179
Purchased services	7,261	5,901	5,889	12
Total instructional staff	<u>56,701</u>	<u>60,065</u>	<u>59,021</u>	<u>1,044</u>
Pupil transportation				
Purchased services	2,900	1,500	-	1,500
Total instructional staff	<u>2,900</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total supporting services	<u>63,840</u>	<u>66,725</u>	<u>62,608</u>	<u>4,117</u>
Total expenditures	<u>111,522</u>	<u>115,066</u>	<u>83,270</u>	<u>31,796</u>
Excess (deficiency) of revenues over expenditures	<u>(4,231)</u>	<u>(4,215)</u>	<u>(7,367)</u>	<u>(3,152)</u>
Other financing sources (uses)				
Advances-in	-	-	34,948	34,948
Refund of prior year receipts	-	(16)	(16)	-
Advances-out	(22,316)	(22,316)	(22,316)	-
Total other financing sources (uses)	<u>(22,316)</u>	<u>(22,332)</u>	<u>12,616</u>	<u>34,948</u>
Net change in fund balance	(26,547)	(26,547)	5,249	31,796
Fund balance, beginning of year	26,192	26,192	26,192	-
Prior year encumbrances appropriated	355	355	355	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,796</u>	<u>\$ 31,796</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, 2007

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	19,705	19,705	17,042	2,663
Benefits	7,333	7,468	7,093	375
Purchased services	247	112	-	112
Total instructional staff	<u>27,285</u>	<u>27,285</u>	<u>24,135</u>	<u>3,150</u>
Total supporting services	<u>27,285</u>	<u>27,285</u>	<u>24,135</u>	<u>3,150</u>
Total expenditures	<u>27,285</u>	<u>27,285</u>	<u>24,135</u>	<u>3,150</u>
Excess (deficiency) of revenues over expenditures	<u>(2,910)</u>	<u>(2,910)</u>	<u>240</u>	<u>3,150</u>
Other financing sources (uses)				
Refund prior year receipts	(3,656)	(3,656)	-	3,656
Total other financing sources (uses)	<u>(3,656)</u>	<u>(3,656)</u>	<u>-</u>	<u>3,656</u>
Net change in fund balance	(6,566)	(6,566)	240	6,806
Fund balance, beginning of year	6,566	6,566	6,566	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,806</u>	<u>\$ 6,806</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, 2007

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 113,237	\$ 110,565	\$ 106,555	\$ (4,010)
Total revenues	<u>113,237</u>	<u>110,565</u>	<u>106,555</u>	<u>(4,010)</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	75,815	76,123	76,123	-
Total regular	<u>75,815</u>	<u>76,123</u>	<u>76,123</u>	<u>-</u>
Total instruction	<u>75,815</u>	<u>76,123</u>	<u>76,123</u>	<u>-</u>
Supporting services				
Pupil				
Purchased services	35,532	32,552	32,530	22
Total pupil	<u>35,532</u>	<u>32,552</u>	<u>32,530</u>	<u>22</u>
Total supporting services	<u>35,532</u>	<u>32,552</u>	<u>32,530</u>	<u>22</u>
Total expenditures	<u>111,347</u>	<u>108,675</u>	<u>108,653</u>	<u>22</u>
Excess (deficiency) of revenues over expenditures	<u>1,890</u>	<u>1,890</u>	<u>(2,098)</u>	<u>(3,988)</u>
Other financing sources (uses)				
Advances-in	-	-	4,010	4,010
Advances-out	(5,392)	(5,392)	(5,392)	-
Total other financing sources (uses)	<u>(5,392)</u>	<u>(5,392)</u>	<u>(1,382)</u>	<u>4,010</u>
Net change in fund balance	(3,502)	(3,502)	(3,480)	22
Fund balance, beginning of year	3,110	3,110	3,110	-
Prior year encumbrances appropriated	<u>392</u>	<u>392</u>	<u>392</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 22</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, 2007

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 20,530	\$ 20,530	\$ 13,766	\$ (6,764)
Total revenues	<u>20,530</u>	<u>20,530</u>	<u>13,766</u>	<u>(6,764)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	7,274	7,274	-	7,274
Benefits	1,490	1,490	-	1,490
Purchased services	9,500	9,500	-	9,500
Materials and supplies	300	300	-	300
Total regular	<u>18,564</u>	<u>18,564</u>	<u>-</u>	<u>18,564</u>
Special				
Salaries	-	1,874	1,874	-
Benefits	-	514	514	-
Purchased services	-	530	530	-
Materials and supplies	11,766	8,086	8,086	-
Total special	<u>11,766</u>	<u>11,004</u>	<u>11,004</u>	<u>-</u>
Total instruction	<u>30,330</u>	<u>29,568</u>	<u>11,004</u>	<u>18,564</u>
Capital outlay	326	3,935	3,592	343
Total expenditures	<u>30,656</u>	<u>33,503</u>	<u>14,596</u>	<u>18,907</u>
Excess (deficiency) of revenues over expenditures	<u>(10,126)</u>	<u>(12,973)</u>	<u>(830)</u>	<u>12,143</u>
Other financing sources (uses)				
Transfers-in	-	2,847	2,847	-
Advances-in	-	-	6,764	6,764
Total other financing sources (uses)	<u>-</u>	<u>2,847</u>	<u>9,611</u>	<u>6,764</u>
Net change in fund balance	(10,126)	(10,126)	8,781	18,907
Fund balance, beginning of year	10,126	10,126	10,126	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,907</u>	<u>\$ 18,907</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, 2007

	TITLE VIB FUND			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 1,255,242	\$ 1,256,355	\$ 839,326	\$ (417,029)
Total revenues	<u>1,255,242</u>	<u>1,256,355</u>	<u>839,326</u>	<u>(417,029)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	105,226	108,617	39,162	69,455
Benefits	21,747	18,890	7,250	11,640
Purchased services	29,033	5,372	2,523	2,849
Materials and supplies	13,586	77,307	57,840	19,467
Capital outlay	27,020	55,000	46,907	8,093
Total regular	<u>196,612</u>	<u>265,186</u>	<u>153,682</u>	<u>111,504</u>
Total instruction	<u>196,612</u>	<u>265,186</u>	<u>153,682</u>	<u>111,504</u>
Supporting services				
Pupil				
Salaries	463,754	449,187	340,573	108,614
Benefits	139,298	201,243	151,200	50,043
Purchased services	337,932	213,667	201,122	12,545
Materials and supplies	24,474	6,210	6,262	(52)
Total pupil	<u>965,458</u>	<u>870,307</u>	<u>699,157</u>	<u>171,150</u>
Instructional staff				
Salaries	14,270	4,785	4,785	-
Benefits	2,867	787	787	-
Purchased services	20,389	8,817	8,597	220
Materials and supplies	2,935	500	193	307
Total instructional staff	<u>40,461</u>	<u>14,889</u>	<u>14,362</u>	<u>527</u>
Administrative				
Purchased services	-	55,000	55,000	-
Total instructional staff	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Pupil transportation				
Purchased services	12,000	11,308	11,308	-
Total pupil transportation	<u>12,000</u>	<u>11,308</u>	<u>11,308</u>	<u>-</u>
Total supporting services	<u>1,017,919</u>	<u>951,504</u>	<u>779,827</u>	<u>171,677</u>
Operation of non-instructional				
Community services				
Salaries	20,733	19,650	17,058	2,592
Benefits	6,166	5,090	4,144	946
Purchased services	19,427	19,427	19,427	-
Total community services	<u>46,326</u>	<u>44,167</u>	<u>40,629</u>	<u>3,538</u>
Total operation of non-instructional	<u>46,326</u>	<u>44,167</u>	<u>40,629</u>	<u>3,538</u>
Total expenditures	<u>1,260,857</u>	<u>1,260,857</u>	<u>974,138</u>	<u>286,719</u>
Excess (deficiency) of revenues over expenditures	<u>(5,615)</u>	<u>(4,502)</u>	<u>(134,812)</u>	<u>(130,310)</u>
Other financing sources (uses)				
Advances-in	-	-	417,029	417,029
Refund of prior year receipts	-	(1,113)	(1,113)	-
Advances-out	(266,417)	(266,417)	(266,417)	-
Total other financing sources (uses)	<u>(266,417)</u>	<u>(267,530)</u>	<u>149,499</u>	<u>417,029</u>
Net change in fund balance	<u>(272,032)</u>	<u>(272,032)</u>	<u>14,687</u>	<u>286,719</u>
Fund balance, beginning of year	261,109	261,109	261,109	-
Prior year encumbrances appropriated	10,923	10,923	10,923	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,719</u>	<u>\$ 286,719</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, 2007

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 185,236	\$ 184,315	\$ 184,315	\$ -
Total revenues	<u>185,236</u>	<u>184,315</u>	<u>184,315</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	120,657	119,388	109,338	10,050
Benefits	41,141	40,961	40,961	-
Purchased services	2,660	2,000	1,388	612
Materials and supplies	3,000	3,000	2,825	175
Total regular	<u>167,458</u>	<u>165,349</u>	<u>154,512</u>	<u>10,837</u>
Total instruction	<u>167,458</u>	<u>165,349</u>	<u>154,512</u>	<u>10,837</u>
Supporting services				
Instructional staff				
Materials and supplies	807	537	499	38
Total instructional staff	<u>807</u>	<u>537</u>	<u>499</u>	<u>38</u>
Total supporting services	<u>807</u>	<u>537</u>	<u>499</u>	<u>38</u>
Operation of non-instructional				
Community services				
Salaries	9,795	9,786	9,786	-
Benefits	1,106	1,114	1,114	-
Purchased services	5,847	7,306	5,995	1,311
Materials and supplies	250	250	-	250
Total community services	<u>16,998</u>	<u>18,456</u>	<u>16,895</u>	<u>1,561</u>
Total operation of non-instructional	<u>16,998</u>	<u>18,456</u>	<u>16,895</u>	<u>1,561</u>
Total expenditures	<u>185,263</u>	<u>184,342</u>	<u>171,906</u>	<u>12,436</u>
Excess (deficiency) of revenues over expenditures	<u>(27)</u>	<u>(27)</u>	<u>12,409</u>	<u>12,436</u>
Other financing sources (uses)				
Advances-out	(2,030)	(2,030)	(2,030)	-
Total other financing sources (uses)	<u>(2,030)</u>	<u>(2,030)</u>	<u>(2,030)</u>	<u>-</u>
Net change in fund balance	(2,057)	(2,057)	10,379	12,436
Fund balance, beginning of year	2,057	2,057	2,057	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,436</u>	<u>\$ 12,436</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, 2007

	TITLE V FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 23,497	\$ 23,497	\$ 17,766	\$ (5,731)
Total revenues	<u>23,497</u>	<u>23,497</u>	<u>17,766</u>	<u>(5,731)</u>
Expenditures				
Current				
Operation of non-instructional				
Community services				
Materials and supplies	1,494	1,474	1,474	-
Total community services	<u>1,494</u>	<u>1,474</u>	<u>1,474</u>	<u>-</u>
Total operation of non-instructional	<u>1,494</u>	<u>1,474</u>	<u>1,474</u>	<u>-</u>
Capital outlay	<u>6,266</u>	<u>6,286</u>	<u>3,954</u>	<u>2,332</u>
Total expenditures	<u>7,760</u>	<u>7,760</u>	<u>5,428</u>	<u>2,332</u>
Excess (deficiency) of revenues over expenditures	<u>15,737</u>	<u>15,737</u>	<u>12,338</u>	<u>(3,399)</u>
Other financing sources (uses)				
Advances-in	-	-	5,731	5,731
Advances-out	<u>(16,352)</u>	<u>(16,352)</u>	<u>(16,352)</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,352)</u>	<u>(16,352)</u>	<u>(10,621)</u>	<u>5,731</u>
Net change in fund balance	(615)	(615)	1,717	2,332
Fund balance, beginning of year	20	20	20	-
Prior year encumbrances appropriated	<u>595</u>	<u>595</u>	<u>595</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,332</u>	<u>\$ 2,332</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, 2007

DRUG FREE SCHOOLS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 15,143	\$ 15,143	\$ 10,681	\$ (4,462)
Total revenues	<u>15,143</u>	<u>15,143</u>	<u>10,681</u>	<u>(4,462)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	8,490	6,087	3,944	2,143
Benefits	1,396	1,001	280	721
Purchased services	2,000	2,000	2,000	-
Materials and supplies	1,057	2,040	941	1,099
Total regular	<u>12,943</u>	<u>11,128</u>	<u>7,165</u>	<u>3,963</u>
Total instruction	<u>12,943</u>	<u>11,128</u>	<u>7,165</u>	<u>3,963</u>
Supporting services				
Pupil				
Purchased services	2,200	4,015	3,803	212
Total pupil	<u>2,200</u>	<u>4,015</u>	<u>3,803</u>	<u>212</u>
Total supporting services	<u>2,200</u>	<u>4,015</u>	<u>3,803</u>	<u>212</u>
Total expenditures	<u>15,143</u>	<u>15,143</u>	<u>10,968</u>	<u>4,175</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(287)</u>	<u>(287)</u>
Other financing sources (uses)				
Advances-in	-	-	4,462	4,462
Advances-out	(4,799)	(4,799)	(4,799)	-
Refund of prior year receipts	(908)	(908)	-	908
Total other financing sources (uses)	<u>(5,707)</u>	<u>(5,707)</u>	<u>(337)</u>	<u>5,370</u>
Net change in fund balance	(5,707)	(5,707)	(624)	5,083
Fund balance, beginning of year	5,707	5,707	5,707	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,083</u>	<u>\$ 5,083</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, 2007

	PRESCHOOL FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 28,372	\$ 28,872	\$ 28,372	\$ (500)
Total revenues	<u>28,372</u>	<u>28,872</u>	<u>28,372</u>	<u>(500)</u>
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	24,063	24,563	24,563	-
Benefits	4,309	4,309	4,309	-
Total pupil	<u>28,372</u>	<u>28,872</u>	<u>28,872</u>	<u>-</u>
Total supporting services	<u>28,372</u>	<u>28,872</u>	<u>28,872</u>	<u>-</u>
Total expenditures	<u>28,372</u>	<u>28,872</u>	<u>28,872</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
Other financing sources (uses)				
Advances-in	-	-	500	500
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 128,937	\$ 128,922	\$ 62,744	\$ (66,178)
Total revenues	<u>128,937</u>	<u>128,922</u>	<u>62,744</u>	<u>(66,178)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	54,604	54,601	21,825	32,776
Benefits	10,401	10,401	3,103	7,298
Purchased services	58,396	58,374	29,487	28,887
Materials and supplies	1,162	1,172	1,259	(87)
Total regular	<u>124,563</u>	<u>124,548</u>	<u>55,674</u>	<u>68,874</u>
Total instruction	<u>124,563</u>	<u>124,548</u>	<u>55,674</u>	<u>68,874</u>
Total expenditures	<u>124,563</u>	<u>124,548</u>	<u>55,674</u>	<u>68,874</u>
Excess (deficiency) of revenues over expenditures	<u>4,374</u>	<u>4,374</u>	<u>7,070</u>	<u>2,696</u>
Other financing sources (uses)				
Advances-in	-	-	66,178	66,178
Advances-out	(12,770)	(12,770)	(12,770)	-
Total other financing sources (uses)	<u>(12,770)</u>	<u>(12,770)</u>	<u>53,408</u>	<u>66,178</u>
Net change in fund balance	(8,396)	(8,396)	60,478	68,874
Fund balance, beginning of year	8,396	8,396	8,396	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,874</u>	<u>\$ 68,874</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, 2007

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 68,722	\$ 68,722	\$ 57,545	\$ (11,177)
Total revenues	<u>68,722</u>	<u>68,722</u>	<u>57,545</u>	<u>(11,177)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	11,525	9,000	9,000	-
Benefits	1,974	1,480	1,480	-
Purchased services	17,693	20,655	20,655	-
Materials and supplies	11,734	10,957	10,957	-
Total regular	<u>42,926</u>	<u>42,092</u>	<u>42,092</u>	<u>-</u>
Total instruction	<u>42,926</u>	<u>42,092</u>	<u>42,092</u>	<u>-</u>
Total expenditures	<u>42,926</u>	<u>42,092</u>	<u>42,092</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>25,796</u>	<u>26,630</u>	<u>15,453</u>	<u>(11,177)</u>
Other financing sources (uses)				
Advances-in	-	-	11,177	11,177
Advances-out	(36,826)	(36,826)	(36,826)	-
Refund of prior year receipts	-	(834)	(834)	-
Total other financing sources (uses)	<u>(36,826)</u>	<u>(37,660)</u>	<u>(26,483)</u>	<u>11,177</u>
Net change in fund balance	(11,030)	(11,030)	(11,030)	-
Fund balance, beginning of year	8,262	8,262	8,262	-
Prior year encumbrances appropriated	<u>2,768</u>	<u>2,768</u>	<u>2,768</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Expenditures				
Debt service				
Principal	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
Interest and fiscal charges	29,984	30,068	30,068	-
Total debt service	<u>114,984</u>	<u>115,068</u>	<u>115,068</u>	<u>-</u>
Total expenditures	<u>114,984</u>	<u>115,068</u>	<u>115,068</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(114,984)</u>	<u>(115,068)</u>	<u>(115,068)</u>	<u>-</u>
Other financing sources (uses)				
Transfers-in	<u>108,200</u>	<u>108,200</u>	<u>108,200</u>	<u>-</u>
Total other financing sources (uses)	<u>108,200</u>	<u>108,200</u>	<u>108,200</u>	<u>-</u>
Net change in fund balance	(6,784)	(6,868)	(6,868)	-
Fund balance, beginning of year	63,060	63,060	63,060	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 56,276</u>	<u>\$ 56,192</u>	<u>\$ 56,192</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, 2007

PERMANENT IMPROVEMENTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,069,500	\$ 1,081,000	\$ 1,073,466	\$ (7,534)
Interest	25,000	30,000	43,817	13,817
Intergovernmental	90,500	96,000	120,367	24,367
Total revenues	<u>1,185,000</u>	<u>1,207,000</u>	<u>1,237,650</u>	<u>30,650</u>
Expenditures				
Capital outlay	1,803,552	1,845,797	1,515,579	330,218
Total expenditures	<u>1,803,552</u>	<u>1,845,797</u>	<u>1,515,579</u>	<u>330,218</u>
Excess (deficiency) of revenues over expenditures	<u>(618,552)</u>	<u>(638,797)</u>	<u>(277,929)</u>	<u>360,868</u>
Other financing sources (uses)				
Transfers-out	-	(108,200)	(108,200)	-
Total other financing sources (uses)	<u>-</u>	<u>(108,200)</u>	<u>(108,200)</u>	<u>-</u>
Net change in fund balance	(618,552)	(746,997)	(386,129)	360,868
Fund balance, beginning of year	610,871	610,871	610,871	-
Prior year encumbrances appropriated	<u>541,231</u>	<u>541,231</u>	<u>541,231</u>	<u>-</u>
Fund balance, end of year	<u>\$ 533,550</u>	<u>\$ 405,105</u>	<u>\$ 765,973</u>	<u>\$ 360,868</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, 2007

	SELF INSURANCE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Other	\$ 5,408,685	\$ 4,608,685	\$ 4,701,570	\$ 92,885
Total revenues	<u>5,408,685</u>	<u>4,608,685</u>	<u>4,701,570</u>	<u>92,885</u>
Operating expenses				
Claims	5,518,685	5,518,685	4,541,382	977,303
Total expenditures	<u>5,518,685</u>	<u>5,518,685</u>	<u>4,541,382</u>	<u>977,303</u>
Excess (deficiency) of revenues over expenditures	<u>(110,000)</u>	<u>(910,000)</u>	<u>160,188</u>	<u>1,070,188</u>
Other financing sources (uses)				
Transfers-in	-	200,000	200,000	-
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(110,000)	(710,000)	360,188	1,070,188
Fund balance, beginning of year	1,200,000	1,200,000	1,200,000	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,090,000</u>	<u>\$ 490,000</u>	<u>\$ 1,560,188</u>	<u>\$ 1,070,188</u>



## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S 1</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	<b>S 5</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S 14</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>S 17</b>
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>S 19</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34 for the year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 13,015,895	\$ 11,614,498	\$ 11,759,329	\$ 12,761,807	\$ 12,218,897	\$ 12,533,580
Restricted	2,171,192	2,027,283	1,886,981	1,027,008	899,960	1,567,229
Unrestricted	8,069,553	8,812,315	11,465,127	11,644,330	7,047,914	8,198,653
Total primary government net assets	<u>\$ 23,256,640</u>	<u>\$ 22,454,096</u>	<u>\$ 25,111,437</u>	<u>\$ 25,433,145</u>	<u>\$ 20,166,771</u>	<u>\$ 22,299,462</u>

Source: School District financial records.

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities:						
Instruction						
Regular	\$ 22,397,614	\$ 22,750,693	\$ 22,178,609	\$ 20,649,582	\$ 20,216,074	\$ 19,996,444
Special	6,171,430	5,977,408	5,526,298	4,639,555	5,011,288	4,279,749
Vocational	625,254	697,855	488,448	756,455	726,168	682,107
Adult/continuing	-	-	-	72,566	120,007	148,210
Other instruction	146,458	114,260	122,900	296,051	100,779	537,666
Supporting services						
Pupil	3,896,669	3,621,533	3,475,042	3,445,989	3,061,499	3,012,740
Instructional staff	1,591,941	1,545,736	1,604,238	1,200,750	1,326,206	1,539,103
Board of education	181,592	200,594	242,616	204,220	224,903	121,763
Administration	4,135,156	3,667,390	3,102,516	3,176,333	3,275,887	3,089,415
Fiscal services	1,035,686	1,026,671	1,011,324	955,088	861,122	855,813
Business	99,760	101,859	108,317	150,934	138,036	306,056
Operation and maintenance	4,477,751	4,341,689	4,335,829	4,057,511	3,950,519	3,878,826
Pupil transportation	2,130,173	2,242,536	1,997,265	1,840,301	1,892,034	1,696,739
Central services	963,951	972,098	833,133	786,758	917,579	683,277
Operation of non-instructional						
Food service operation	1,280,058	1,379,737	1,502,864	1,355,537	1,346,509	1,446,434
Community services	539,954	428,796	435,305	477,934	514,523	508,363
Extracurricular activities	1,318,465	1,407,527	1,305,977	1,198,455	1,087,237	956,213
Interest	31,685	38,659	40,903	11,474	65,557	99,571
Total primary government expenses	<u>51,023,597</u>	<u>50,515,041</u>	<u>48,311,584</u>	<u>45,275,493</u>	<u>44,835,927</u>	<u>43,838,489</u>
Program revenues						
Governmental activities:						
Charges for services and sales						
Instruction	1,343,392	1,046,970	771,779	1,029,675	725,191	356,338
Supporting services	158,984	111,450	87,414	98,843	76,670	52,881
Food service	719,773	853,104	901,660	863,642	887,630	1,304,817
Extracurricular activities	293,107	226,217	254,780	167,712	153,540	96,146
Operating grants, interest and contributions	2,146,233	2,136,649	2,064,576	2,093,133	2,220,495	1,725,183
Capital grants and contributions	67,713	56,601	45,593	46,092	36,718	41,767
Total primary government program revenues	<u>4,729,202</u>	<u>4,430,991</u>	<u>4,125,802</u>	<u>4,299,097</u>	<u>4,100,244</u>	<u>3,577,132</u>
Net (expense) revenue						
Total primary government net expense	<u>\$ (46,294,395)</u>	<u>\$ (46,084,050)</u>	<u>\$ (44,185,782)</u>	<u>\$ (40,976,396)</u>	<u>\$ (40,735,683)</u>	<u>\$ (40,261,357)</u>

Source: School District financial records.

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2007	2006	2005	2004	2003	2002
Net (expense) revenue						
Total primary government net expense	\$ (46,294,395)	\$ (46,084,050)	\$ (44,185,782)	\$ (40,976,396)	\$ (40,735,683)	\$ (40,261,357)
General revenues and other changes in net assets						
Governmental activities:						
Property taxes levied for:						
General purposes	33,293,525	30,330,456	30,740,398	33,372,329	25,577,053	29,109,564
Capital improvements	1,092,069	992,785	1,026,923	1,102,567	930,097	1,148,089
Grants and entitlements not restricted to specific purposes	11,535,169	11,137,742	11,824,292	11,446,852	11,377,257	10,659,176
Investment earnings	1,043,975	885,550	318,626	238,534	439,975	660,300
Miscellaneous	132,201	80,176	(46,165)	82,488	278,610	334,286
Total primary government	<u>47,096,939</u>	<u>43,426,709</u>	<u>43,864,074</u>	<u>46,242,770</u>	<u>38,602,992</u>	<u>41,911,415</u>
Change in net assets						
Total primary government	<u>\$ 802,544</u>	<u>\$ (2,657,341)</u>	<u>\$ (321,708)</u>	<u>\$ 5,266,374</u>	<u>\$ (2,132,691)</u>	<u>\$ 1,650,058</u>

Source: School District financial records.

**Note:** The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$ 4,582,867	\$ 4,970,651	\$ 5,324,359	\$ 5,477,365	\$ 3,206,316	\$ 5,628,608	\$ 3,228,705	\$ 2,409,342	\$ 3,985,790	\$ 2,568,024
Unreserved	3,692,633	4,039,705	7,512,245	6,483,748	6,018,398	5,968,481	5,694,060	7,340,244	5,764,059	4,290,716
Total General Fund	<u>\$ 8,275,500</u>	<u>\$ 9,010,356</u>	<u>\$ 12,836,604</u>	<u>\$ 11,961,113</u>	<u>\$ 9,224,714</u>	<u>\$ 11,597,089</u>	<u>\$ 8,922,765</u>	<u>\$ 9,749,586</u>	<u>\$ 9,749,849</u>	<u>\$ 6,858,740</u>
Other governmental funds										
Reserved	\$ 539,278	\$ 681,197	\$ 588,667	\$ 534,834	\$ 344,043	\$ 614,487	\$ 201,799	\$ 327,072	\$ 637,538	\$ 334,819
Unreserved, reported in										
Special Revenue Funds (1)	497,204	346,894	375,087	486,108	424,116	518,866	354,741	588,722	393,404	302,496
Debt Service Funds	56,192	63,060	78,560	-	-	-	-	-	-	-
Capital Projects Funds	783,077	610,870	563,321	434,878	574,849	516,217	360,830	106,676	(146,913)	12,694
Total other governmental funds	<u>\$ 1,875,751</u>	<u>\$ 1,702,021</u>	<u>\$ 1,605,635</u>	<u>\$ 1,455,820</u>	<u>\$ 1,343,008</u>	<u>\$ 1,649,570</u>	<u>\$ 917,370</u>	<u>\$ 1,022,470</u>	<u>\$ 884,029</u>	<u>\$ 650,009</u>

Source: School District financial records.

(1) Prior to the implementation of GASB Statement No. 34 in 2002, certain funds were previously accounted for as Enterprise Funds.

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Taxes	\$ 34,554,578	\$ 31,386,584	\$ 31,798,589	\$ 34,028,601	\$ 26,552,981	\$ 30,437,168	\$ 26,413,276	\$ 24,798,980	\$ 26,296,670	\$ 25,834,991
Tuition and fees	341,666	522,049	150,672	426,529	177,297	415,270	197,485	199,896	496,914	682,765
Interest	1,043,975	885,550	318,626	238,534	439,975	660,917	1,194,485	959,022	818,268	737,345
Intergovernmental	14,611,361	13,015,509	13,951,604	13,518,265	13,581,051	12,756,105	11,964,058	11,205,505	10,930,642	10,574,697
Charges for services	769,876	895,697	960,088	909,899	934,116	1,005,577	-	-	-	-
Extracurricular	458,162	382,788	347,623	528,690	504,133	147,471	511,643	509,781	488,527	453,664
Other	498,573	517,383	511,083	387,554	517,248	368,299	358,205	272,572	142,306	471,380
<b>Total</b>	<b>\$ 52,278,191</b>	<b>\$ 47,605,560</b>	<b>\$ 48,038,285</b>	<b>\$ 50,038,072</b>	<b>\$ 42,706,801</b>	<b>\$ 45,790,807</b>	<b>\$ 40,639,152</b>	<b>\$ 37,945,756</b>	<b>\$ 39,173,327</b>	<b>\$ 38,754,842</b>

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

Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Expenditures										
Instruction	\$ 30,979,631	\$ 30,018,287	\$ 27,614,812	\$ 26,697,402	\$ 26,297,334	\$ 25,135,002	\$ 24,533,252	\$ 22,851,368	\$ 21,974,455	\$ 20,035,314
Pupil supporting services	4,045,439	3,683,346	3,506,155	3,451,757	2,984,687	2,902,456	2,699,844	1,949,556	1,909,027	1,911,440
Instructional support	1,614,974	1,544,594	1,498,106	1,199,000	1,267,770	1,483,948	1,378,700	1,308,495	1,178,549	1,161,626
Board of education and administration	3,732,367	3,406,801	3,305,319	3,883,907	3,060,685	2,934,415	2,981,168	2,582,587	2,332,162	2,332,158
Fiscal and business services	1,129,260	1,124,693	1,108,844	1,116,134	1,036,062	1,094,055	958,847	994,849	983,607	898,038
Operation and maintenance	4,614,421	4,454,507	4,649,755	4,351,709	4,199,068	3,367,661	3,315,479	3,008,439	2,892,338	2,972,227
Pupil transportation	2,245,072	2,430,591	1,827,419	1,877,274	1,872,299	1,571,695	1,380,383	1,328,688	1,211,191	1,189,912
Central and community services	1,499,545	1,420,598	1,382,052	1,238,629	1,642,701	1,255,767	1,300,090	1,247,037	1,025,583	1,187,790
Food service operation	1,299,575	1,400,894	1,466,486	1,384,730	1,372,001	1,424,210	18,867	-	-	-
Extracurricular activities	1,319,452	1,420,605	1,297,225	1,198,900	1,074,833	912,161	1,020,518	873,503	797,292	767,675
Capital outlay	-	-	-	-	-	906,601	1,448,834	1,305,574	1,412,553	1,760,255
Debt service										
Principal	134,632	169,904	75,234	72,625	45,831	199,570	236,358	225,178	240,865	415,968
Interest	32,085	38,959	38,103	11,474	65,557	100,274	160,564	102,303	121,931	179,407
<b>Total expenditures</b>	<b>\$ 52,646,453</b>	<b>\$ 51,113,779</b>	<b>\$ 47,769,510</b>	<b>\$ 46,483,541</b>	<b>\$ 44,918,828</b>	<b>\$ 43,287,815</b>	<b>\$ 41,432,904</b>	<b>\$ 37,777,577</b>	<b>\$ 36,079,553</b>	<b>\$ 34,811,810</b>
Debt service as a percentage of noncapital expenditures	0.32%	0.41%	0.24%	0.18%	0.25%	0.71%	0.99%	0.90%	1.05%	1.80%

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

Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

NORTH OLMSTED CITY SCHOOL DISTRICT  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Excess of revenues over (under) expenditures	\$ (368,262)	\$ (3,508,219)	\$ 268,775	\$ 3,554,531	\$ (2,212,027)	\$ 2,502,992	\$ (793,752)	\$ 168,179	\$ 3,093,774	\$ 3,943,032
Other financing sources (uses)										
Proceeds from bond issue	-	-	855,000	-	-	-	-	-	-	-
Proceeds from note issue	-	-	-	-	-	-	-	-	-	677,000
Transfers-in	289,047	372,484	793,471	144,450	153,060	255,226	161,011	161,417	194,830	432,794
Capital lease proceeds	-	-	-	-	237,000	-	-	-	-	327,630
Transfers-out	(489,047)	(572,484)	(893,471)	(844,450)	(253,060)	(255,226)	(314,865)	(219,617)	(269,830)	(480,303)
Total other financing sources (uses)	(200,000)	(200,000)	755,000	(700,000)	137,000	-	(153,854)	(58,200)	(75,000)	957,121
Net change in fund balances	\$ (568,262)	\$ (3,708,219)	\$ 1,023,775	\$ 2,854,531	\$ (2,075,027)	\$ 2,502,992	\$ (947,606)	\$ 109,979	\$ 3,018,774	\$ 4,900,153

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

Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.



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	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)	Assessed Value	Estimated Actual Value		
2007	\$ 872,935,790	\$ 2,494,102,257	\$ 14,491,560	\$ 16,467,682	\$ 39,288,377	\$ 209,538,011	\$ 926,715,727	\$ 2,720,107,950	34.1%	83.5%
2006	799,704,250	2,284,869,286	14,629,810	16,624,784	49,263,743	214,190,187	863,597,803	2,515,684,257	34.3%	77.0%
2005	795,980,870	2,274,231,057	15,759,330	17,908,330	47,248,786	196,869,942	858,988,986	2,489,009,329	34.5%	77.0%
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%	77.0%
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%	77.0%
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%	69.1%
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%	69.1%
2000	668,471,450	1,909,918,429	22,399,090	25,453,511	45,819,672	183,278,688	736,690,212	2,118,650,628	34.8%	69.1%
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%	69.1%
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%	69.1%

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 percent of actual value.

(2) This amount is calculated based upon the current assessed value of 88 percent of actual value.

(3) General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories.

General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

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

Year	School District			County	Vocational School	City	Total Direct and Overlapping Governments
	General	Improvements	Total Direct Tax Rate				
2007	81.60	1.90	83.50	20.20	2.40	13.20	119.30
2006	75.10	1.90	77.00	20.20	2.40	13.20	112.80
2005	75.10	1.90	77.00	20.30	2.40	13.30	113.00
2004	75.10	1.90	77.00	19.40	2.40	13.40	112.20
2003	75.10	1.90	77.00	19.40	2.40	13.40	112.20
2002	67.20	1.90	69.10	17.60	2.40	13.60	102.70
2001	67.20	1.90	69.10	17.60	2.40	13.70	102.80
2000	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1999	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1998	67.20	1.90	69.10	18.00	2.40	12.70	102.20

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  
 PRINCIPAL TAXPAYERS  
 TANGIBLE PERSONAL PROPERTY TAX  
 AS OF JUNE 30, 2007 AND JUNE 30, 1997

December 31, 2006			December 31, 1997		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Mercantile Stores	\$ 1,806,100	0.19%	Kaufmann's Department Store	\$ 2,601,480	0.36%
M-1 Motors, Inc.	1,308,960	0.14%	GSS, Inc.	2,195,510	0.31%
Moen, Inc.	1,168,400	0.13%	J C Penney Company	1,703,940	0.24%
Chrysler Jeep of North Olmsted	1,062,770	0.11%	Sears Roebuck & Company	1,720,730	0.24%
Walmart Stores, Inc.	907,040	0.10%	Walmart Stores, Inc.	1,534,470	0.21%
Federated Retail Holdings	788,850	0.09%	Money Access Service Corporation	1,430,700	0.20%
Great Northern Dodge, Inc.	785,630	0.08%	Sunnyside Cars, Inc.	1,177,920	0.16%
Home Depot USA, Inc.	756,150	0.08%	Rini Rego Supermarkets, Inc.	1,099,350	0.15%
Nissan of North Olmsted, LLC	658,590	0.07%	Best Buy Company	1,099,270	0.15%
Riser Foods Company	627,290	0.07%	Motorcars USA, Inc.	1,040,150	0.14%
	<u>\$ 9,869,780</u>	<u>1.06%</u>		<u>\$ 15,603,520</u>	<u>2.16%</u>
 Total Value in the District	 <u>\$ 926,715,727</u>		 Total Value in the District	 <u>\$ 718,926,115</u>	

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) Assessed Values are for the 2006 and 1997 collection year, respectively.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS  
 REAL ESTATE TAX  
 AS OF JUNE 30, 2007 AND JUNE 30, 1997

December 31, 2006			December 31, 1997		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 26,344,050	2.84%	Great Northern Partnership	\$ 22,387,450	3.11%
DDRC MDT Great Northern, LLC	22,838,790	2.46%	DDRC Great Northern LTD	13,628,380	1.90%
Duke Realty Ohio	7,445,620	0.80%	Great Northern Property Company	7,848,090	1.09%
Higbee Company	6,655,220	0.72%	B&G Properties, LTD	5,099,890	0.71%
B&G Properties, LTD	5,855,170	0.63%	Tow n Square Shopping Center LTD	4,479,300	0.62%
Butternut Ridge Apartment, LLC	5,751,200	0.62%	Water Tow ers Apartments, LTD	4,431,670	0.62%
WEA Great Northern Mall, LLC	5,147,670	0.56%	Mays Department Stores	4,241,200	0.59%
Water Tow ers Square, LTD	4,638,730	0.50%	Sears Roebuck & Company	3,898,370	0.54%
Wal Mart	4,607,790	0.50%	Victoria Plaza LTD	3,861,730	0.54%
Sears Roebuck & Company	4,210,650	0.45%	Wal Mart	3,850,000	0.54%
	<u>\$ 93,494,890</u>	<u>10.08%</u>		<u>\$ 73,726,080</u>	<u>10.26%</u>
 Total Value in the District	 <u>\$ 926,715,727</u>		 Total Value in the District	 <u>\$ 718,926,115</u>	

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) Assessed Values are for the 2006 and 1997 collection year, respectively.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 PRINCIPAL TAXPAYERS  
 PUBLIC UTILITY TAX  
 AS OF JUNE 30, 2007 AND JUNE 30, 1997

December 31, 2006			December 31, 1997		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 8,022,530	0.87%	Cleveland Illuminating Company	\$ 12,785,720	1.78%
East Ohio Gas Company	3,325,950	0.36%	Ohio Bell Telephone Company	8,006,350	1.11%
Ohio Bell Telephone Company	1,821,350	0.20%	East Ohio Gas Company	2,447,420	0.34%
Wideopenwest Cleveland, LLC	478,580	0.05%	GTE Mobilnet	312,110	0.04%
New Cingular Wireless PCS LLC	288,870	0.03%	Northern Ohio Cellular	157,450	0.02%
Alltell Ohio Limited Partnership	248,370	0.03%	\$ 23,709,050	3.29%	
New Par	192,420	0.02%			
Ameritech Advance Data	113,490	0.01%			
	\$ 14,491,560	1.57%			
 Total Value in the District	 \$ 926,715,727		 Total Value in the District	 \$ 718,926,115	

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) Assessed Values are for the 2006 and 1997 collection year, respectively.

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

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collection As a Percent of Current Levy
2006	\$33,007,248	\$1,367,042	\$34,374,290	\$31,837,070	96.5%	\$ 698,174	\$32,535,244	98.6%
2005	32,635,396	1,256,788	33,892,184	31,534,646	96.6%	985,919	32,520,565	99.6%
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%

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. June 30, 2007 information cannot be presented because all collections have not been made by June 30.

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

Year	General Obligation Bonded Debt (1)	Capital Leases	General Obligation Notes	Total Primary Government	Percentage of Estimated Actual Value (2)	Percentage of Personal Income (3)	Per Capita (3)	Per ADM (3)
2007	\$ 680,000	\$ 29,774	\$ -	\$ 709,774	0.03%	0.09%	\$ 22	\$ 155
2006	765,000	79,406	-	844,406	0.03%	0.10%	26	183
2005	855,000	127,310	32,000	1,014,310	0.04%	0.12%	31	221
2004	-	173,544	61,000	234,544	0.01%	0.03%	7	51
2003	-	218,169	89,000	307,169	0.01%	0.04%	9	66
2002	-	-	116,000	116,000	0.00%	0.01%	3	24
2001	-	48,269	267,301	315,570	0.01%	0.04%	9	66
2000	-	141,281	410,647	551,928	0.03%	0.10%	16	113
1999	-	229,784	547,322	777,106	0.04%	0.14%	23	155
1998	-	340,971	677,000	1,017,971	0.05%	0.18%	30	203

Source: (1) School District Financial Records

(2) See Schedule S-8 for estimated actual value of taxable property.

(3) See Schedule S-17 for personal income, population, and ADM data. These ratios are calculated using data for the prior calendar year.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
 AS OF DECEMBER 31, 2006

Jurisdiction	Debt Outstanding	Percentage Applicable to School District	Amount (1) Applicable to School District
<b>Direct Debt:</b>			
North Olmsted City School District	\$ 680,000	100.00%	\$ 680,000
<b>Underlying Debt:</b>			
Cuyahoga County	214,338,691	2.79%	5,980,049
Regional Transit Authority	156,500,000	2.79%	4,366,350
Polaris Joint Vocational School	-	100.00%	-
North Olmsted City	60,585,000	100.00%	60,585,000
Subtotal	<u>431,423,691</u>		<u>70,931,399</u>
Total	<u>\$ 432,103,691</u>		<u>\$ 71,611,399</u>

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (including School District's) 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  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed Valuation	\$ 926,715,727	\$ 863,597,803	\$ 858,988,986	\$ 855,172,725	\$ 809,431,136	\$ 813,732,022	\$ 812,494,127	\$ 736,690,212	\$ 730,705,574	\$ 718,926,115
Debt Limit - 9% of Assessed Value (1)	83,404,415	77,723,802	77,309,009	76,965,545	72,848,802	73,235,882	73,124,471	66,302,119	65,763,502	64,703,350
Debt Applicable to Debt Limit: General Obligation Notes Amount Available in Debt Service Fund	680,000	765,000	887,000	61,000	89,000	116,000	267,301	410,647	547,322	677,000
Total	(56,192)	(63,060)	(78,560)	-	-	-	-	-	-	-
	623,808	701,940	808,440	61,000	89,000	116,000	267,301	410,647	547,322	677,000
Overall Debt Margin	\$ 82,780,607	\$ 77,021,862	\$ 76,500,569	\$ 76,904,545	\$ 72,759,802	\$ 73,119,882	\$ 72,857,170	\$ 65,891,472	\$ 65,216,180	\$ 64,026,350
Total debt applicable to debt limit as a percentage of debt limit	0.82%	0.98%	1.15%	0.08%	0.12%	0.16%	0.37%	0.62%	0.83%	1.05%
Overall Limit - .10% of Assessed Value (1)	\$ 92,671,616	\$ 86,359,780	\$ 85,898,899	\$ 85,517,273	\$ 80,943,114	\$ 81,373,202	\$ 81,249,413	\$ 73,669,021	\$ 73,070,557	\$ 71,892,612
Amount of Debt Applicable	680,000	765,000	850,000	-	-	-	-	-	-	-
Unvoted Debt Margin	\$ 246,716	\$ 98,598	\$ 8,989	\$ 855,173	\$ 809,431	\$ 813,732	\$ 812,494	\$ 736,690	\$ 730,706	\$ 718,926
Unvoted debt applicable to debt limit as a percentage of unvoted debt limit	73.377%	88.583%	98.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Calendar Year	North Olmsted City Population (1)	Per Capita Income (2)	Personal Income	Average Daily Student Enrollment (3)	Cuyahoga County Unemployment Rate (4)
2007	32,126	\$ 25,070	\$ 805,398,820	4,587	6.1%
2006	32,653	25,173	821,973,969	4,613	5.9%
2005	33,105	24,829	821,964,045	4,587	6.2%
2004	33,786	24,329	821,979,594	4,573	6.8%
2003	33,786	24,564	829,919,304	4,665	6.7%
2002	34,113	24,329	829,935,177	4,794	4.6%
2001	34,113	24,394	832,152,522	4,764	4.6%
2000	34,204	16,567	566,657,668	4,895	4.5%
1999	34,204	16,704	571,343,616	5,008	4.5%
1998	34,486	16,585	571,950,310	5,013	4.8%

Source: (1) The City of North Olmsted.  
(2) Per Capita information from U.S. Census Bureau, 2000 and 1990 census, respectively.  
(3) The School District's Records.  
(4) Ohio Job and Family Service Department.

NORTH OLMSTED CITY SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 AS OF DECEMBER 31, 2006 AND DECEMBER 31, 1997

December 31, 2006			December 31, 1997		
Name of Taxpayer	Approximate Number of Employees (1)	Percent of Employees w within the City (2)	Name of Taxpayer	Approximate Number of Employees (1)	Percent of Employees w within the City (2)
North Olmsted City Schools	665	N/A	North Olmsted City Schools	560	N/A
Moen Incorporated	590	N/A	North Olmsted City	535	N/A
North Olmsted City	519	N/A	Moen Incorporated	423	N/A
Riser Foods Company	417	N/A	Wal*Mart	350	N/A
Kaufmann's Department Stores	330	N/A	J. C. Penney Company	330	N/A
Wal*Mart	310	N/A	Kaufmann's Department Stores	300	N/A
Dillard's Department Stores	255	N/A	Rini-Rego Supermarkets	300	N/A
Sears, Roebuck & Company	180	N/A	Sears, Roebuck & Company	290	N/A
Olmsted Manor Nursing Center	96	N/A	Olmsted Manor Nursing Center	184	N/A
Sunnyside Cars, Inc.	91	N/A	Finast Supermarkets	140	N/A

Source of information - Finance Department of the City of North Olmsted.

(1) Approximate number of employees w ithin the City.

(2) Percentage based upon number of forms W-2 filed w ith the City and includes seasonal and part-time employees.  
 Number of forms W-2 filed in 2006 and 1997 is not available.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>Administration</b>	26	26	26	26	26	28	30	29	28	28
<b>Instructional:</b>										
Regular Teaching	231	230	226	236	236	243	243	239	238	237
Special Education	43	42	42	45	52	47	46	44	41	37
Vocational Education	8	8	8	9	9	10	9	11	11	11
Remedial Specialist	25	19	19	12	3	2	5	5	4	3
Tutors	5	6	15	16	16	13	14	14	15	20
Others	1	5	5	4	2	3	3	3	3	4
<b>Other Professional:</b>										
Counseling	13	12	12	12	12	13	13	12	12	13
Psychologist	5	5	4	6	7	5	4	3	3	3
Speech therapist	5	6	5	6	6	5	5	3	3	3
Others	2	2	2	2	2	2	3	1	1	1
<b>Support Staff:</b>										
Secretarial	42	42	42	42	44	43	44	44	41	41
Teacher Aides	52	51	51	41	42	41	39	29	21	18
Maintenance	8	8	8	8	10	10	10	10	10	9
Custodial	39	39	36	37	38	39	38	36	36	37
Transportation	32	31	33	34	34	30	30	29	31	30
Food Service	24	26	28	28	31	29	28	25	25	25
Monitors	16	15	14	14	14	21	17	16	16	17
Library Services	14	14	15	15	16	16	15	15	15	14
Computer Technicians	4	4	3	3	3	3	3	2	2	2
Other	4	3	1	2	2	5	4	1	3	3
<b>Total</b>	<u>599</u>	<u>594</u>	<u>595</u>	<u>598</u>	<u>605</u>	<u>608</u>	<u>603</u>	<u>571</u>	<u>559</u>	<u>556</u>

Source: School District financial records.

NORTH OLMSTED CITY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Source of Revenue - North Olmsted:										
Local	72.6%	72.9%	71.0%	71.6%	70.1%	69.8%	70.0%	70.8%	71.6%	71.9%
State	23.9%	23.1%	25.3%	25.8%	26.9%	27.5%	27.4%	26.7%	26.3%	25.8%
Federal	3.5%	4.0%	3.8%	2.6%	2.9%	2.7%	2.6%	2.5%	2.1%	2.3%
Source of Revenue - Stawewide:										
Local	49.1%	48.8%	47.4%	46.9%	47.6%	48.1%	50.0%	50.5%	51.0%	51.6%
State	42.9%	42.7%	44.2%	45.4%	45.7%	45.8%	43.8%	43.8%	43.4%	42.7%
Federal	8.0%	8.5%	8.4%	7.8%	6.7%	6.1%	6.2%	5.8%	5.6%	5.7%
Cost per Pupil:										
North Olmsted	\$10,908	\$10,919	\$10,220	\$9,793	\$9,365	\$9,076	\$8,668	\$7,942	\$7,144	\$6,839
Stawewide	\$9,586	\$9,359	\$9,051	\$8,761	\$8,439	\$8,079	\$7,589	\$7,054	\$6,640	\$6,225
Student to teacher ratio:										
North Olmsted	19.0	18.3	18.3	19.3	16.3	17.6	17.9	18.0	19.5	21.3
Stawewide	19.6	18.6	18.5	18.5	16.5	16.9	18.0	18.1	18.6	20.4
Transportation:										
Percent of students transported	58.0%	53.5%	54.9%	53.5%	48.6%	48.3%	49.3%	49.5%	53.9%	52.9%
Number of miles traveled	413,976	410,403	432,796	366,766	382,610	403,987	368,975	374,700	402,240	370,380
Food Service:										
Annual operating deficit	(\$90,392)	(\$206,071)	(\$60,714)	(\$64,697)	(\$68,988)	(\$91,893)	(\$35,239)	(\$33,481)	(\$40,430)	(\$50,079)
Number of meals served	281,141	295,060	365,582	347,725	368,979	411,087	410,075	N/A	N/A	N/A
Number of federally subsidized meals served	148,514	128,103	122,507	126,749	120,958	118,275	N/A	N/A	N/A	N/A
Number of students receiving federally subsidized meals	1,072	1,025	860	766	756	691	562	561	560	N/A
Median Income:										
North Olmsted	\$34,391	\$34,604	\$34,456	\$34,162	\$34,358	\$36,890	\$34,493	\$38,054	\$32,658	\$28,698
Stawewide	\$30,362	\$30,505	\$29,677	\$29,464	\$29,187	\$30,090	\$29,069	\$29,411	\$27,232	\$24,446
New Construction Within the District:										
Residential	\$909,469	\$8,804,637	\$6,712,977	\$7,180,459	\$10,178,440	\$5,783,836	\$10,092,256	\$12,913,535	\$13,436,512	\$14,482,863
Commercial	\$13,301,899	\$14,709,091	\$19,197,115	\$20,052,718	\$27,061,724	\$9,675,166	\$10,280,276	\$17,170,778	\$31,876,717	\$21,582,756

Source: School District financial records.

(a) In fiscal year 2006, the School District stopped providing lunches to a neighboring school(s) which resulted in a 19% decline in the number of meals served.

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

<b>School Building</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002(a)</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Birch Primary (1967)										
Square Feet	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522
Capacity	464	464	464	284	284	284	284	284	284	284
Enrollment	403	405	323	319	301	336	320	268	311	344
Butternut Primary (1968)										
Square Feet	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682
Capacity	408	408	408	408	408	408	408	408	408	408
Enrollment	264	264	346	335	318	309	311	325	341	331
Forest Primary (1971)										
Square Feet	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508
Capacity	336	336	336	336	336	336	336	336	336	336
Enrollment	310	278	264	259	272	245	263	291	302	294
Spruce Primary (1967)										
Square Feet	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764
Capacity	312	312	312	312	312	312	312	312	312	312
Enrollment	221	221	218	200	198	252	257	271	285	281
Chestnut Intermediate (1956)										
Square Feet	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	304	304	315	336	356	412 (b)	0	0	0	0
Maple Intermediate (1956)										
Square Feet	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381
Capacity	504	504	504	504	504	504	504	504	504	504
Enrollment	306	307	286	312	367	458	431	473	492	456
Pine Intermediate (1965)										
Square Feet	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308
Capacity	456	456	456	456	456	456	456	456	456	456
Enrollment	403	410	456	424	435	384	398	409	388	381
Middle School (1930)										
Square Feet	114,987	114,987	114,987	114,987	114,987	137,853	137,853	137,853	137,853	137,853
Capacity	949	949	949	949	949	949	949	949	949	949
Enrollment	712	772	765	774	779	781	1,098	1,166	1,186	1,197
High School (1962)										
Square Feet	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304
Capacity	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,664	1,652	1,610	1,611	1,634	1,613	1,682	1,662	1,674	1,698

Source of information - School District financial records.

- (a) In 2002, the School District reconfigured its elementary and middle school buildings into a primary and intermediate grade alignment.  
(2) In 2002, the District reactivated this school building that had been leased to a day care center.



**Mary Taylor, CPA**  
Auditor of State

**NORTH OLMSTED CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 18, 2008**