

Mary Taylor, CPA
Auditor of State

ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**ORANGE 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	N/A	10.550	\$0	\$33,437	\$0	\$33,437
National School Lunch Program	N/A	10.555	59,671	0	59,671	0
Total U.S. Department of Agriculture			59,671	33,437	59,671	33,437
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	6B-SF-06	84.027	30,577	0	74,382	0
Special Education: Grants to States	6B-SF-07	84.027	409,898	0	417,900	0
Total Special Education: Grants to States			440,475	0	492,282	0
Special Education: Preschool Grant	PG-S1-06	84.173	1,017	0	3,293	0
Special Education: Preschool Grant	PG-S1-07	84.173	15,397	0	13,873	0
Total Special Education: Preschool Grant			16,414	0	17,166	0
Total Special Education Cluster			456,889	0	509,448	0
Title I - Grants to Local Educational Agencies	C1-S1-06	84.010	8,064	0	17,136	0
Title I - Grants to Local Educational Agencies	C1-S1-07	84.010	109,651	0	104,876	0
Title I - Grants to Local Educational Agencies	C1-SN-06	84.010	7,872	0	9,848	0
Title I - Grants to Local Educational Agencies	C1-SN-07	84.010	44,970	0	43,492	0
Total Title I - Grants to Local Educational Agencies			170,557	0	175,352	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-06	84.186	(1,237)	0	0	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-07	84.186	7,848	0	7,299	0
Total Safe and Drug-Free Schools Grant			6,611	0	7,299	0
Innovative Education Program Strategies Grant	C2-S1-06	84.298	(353)	0	0	0
Innovative Education Program Strategies Grant	C2-S1-07	84.298	4,889	0	5,939	0
Total Innovative Education Program Strategies Grant			4,536	0	5,939	0
Title II-A Grant	TR-S1-06	84.367	7,505	0	8,735	0
Title II-A Grant	TR-S1-07	84.367	53,383	0	51,507	0
Total Title II-A Grant			60,888	0	60,242	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-06	84.318	(373)	0	0	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-07	84.318	1,308	0	1,558	0
Total Title II-D Technology Literacy Challenge Funds			935	0	1,558	0
Title III LEP - English Language Acquisition Grants	T3-S1-06	84.365	(1,466)	0	0	0
Title III LEP - English Language Acquisition Grants	T3-S1-07	84.365	7,897	0	6,220	0
Total Title III LEP - English Language Acquisition Grants			6,431	0	6,220	0
Total U.S. Department of Education			706,847	0	766,058	0
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Western Reserve Area Agency on Aging:</i>						
Title III, Part B - Grants for Supportive Services and Senior Centers	N/A	93.044	6,478	0	6,478	0
Title III, Part E - National Family Caregiver Support	N/A	93.052	2,200	0	2,200	0
Total U.S. Department of Health and Human Services			8,678	0	8,678	0
Total Federal Financial Assistance			775,196	33,437	834,407	33,437

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2007**

NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

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.

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. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2007, the District had no significant food commodities in inventory.

NOTE C – FEDERAL TRANSFERS

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2006 grant year to the 2007 grant year for four separate grants. These amounts are shown as negative receipts for the 2006 grant year and positive receipts in the 2007 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.

CFDA – Catalog of Federal Domestic Assistance



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*

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Orange 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 January 18, 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 January 18, 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 did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 18, 2008.

We intend this report solely for the information and use of the audit committee, management, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 18, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of Orange City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended January 18, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the Government'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 Orange City School District, Cuyahoga County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program 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.

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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, business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated January 18, 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 the audit committee, management, 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

January 18, 2008

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**ORANGE CITY
SCHOOL DISTRICT**

CUYAHOGA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

***Issued By:
Treasurer's Office***

Orange City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
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January 14, 2008

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

We are pleased to submit to you the Orange City School District's (the "District") Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2007. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

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

The School District

History

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

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

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

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

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

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

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

Present

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

Many of the District's 2,373 students are bused daily to the campus consisting of three main school buildings: Moreland Hills Elementary School, Brady Middle School and Orange High School. The District's campus also includes an administration building, centralized maintenance and technology center and a transportation depot. The District also manages the Orange Community Education and Recreation Department, which encompasses preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The Recreation Department utilizes all District facilities in concert with the school system. The District includes 53 students who attend the Gund School, which adjoins the District's campus within the Beechbrook residential facility for students with special needs. The District also served 28 students from the New Directions residential drug treatment facility, which is located within the District's boundaries.

The population within the District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 32 percent of the student population in the District. Orange parents are generally college-educated and involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. Approximately 97 percent of the District's graduates pursue higher education. Over the past 25 years, residents have passed all school operating levies placed on the ballot for their approval. Most recently, a .95-mill replacement levy for the Orange Community Education and Recreation Department was approved by 67.3 percent of the voters in November 2005. The last general operating levy of five mills, which was on the ballot in early November 2004, was approved by 58.4 percent of the voters. In addition, a \$36.5 million-dollar bond issue was approved in November 1998 by 68 percent of the voters and a one-mill permanent improvement levy was approved in November 2003 by 66 percent of the voters. The District is fortunate to have residents who believe in, and are willing to support with tax dollars, a high quality of education for all children.

Organizational Structure

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

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

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

The remaining administrative team recommended by the Superintendent and appointed by the School Board include the following: Director of Human Resources/Student Services, Director of Educational Programs and Instructional Services, Coordinator of Special Education, Coordinator of Communications, Director of Recreation, Coordinator of Computer Services, Assistant Treasurer, Supervisor of Transportation Services, Supervisor of Food Services, Director of Operations and Business Services, and Campus Supervisor.

The District has implemented various aspects of Site Based Management with the building principals and supervisors for the purpose of providing site leadership while the central office directors strive to provide the highest quality services in order to fulfill the educational needs of the schools. Each director has a new and revised job description that includes an additional service aspect involving instruction, students, business, and budgeting.

The Reporting Entity

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

The District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the Lakeshore Northeast Ohio Computer Association (LNOCA), the Ohio Schools Council and the Suburban Health Consortium. These organizations are presented in Notes 16 and 17 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaged Students

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

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

The educational plan for the District consists of the following:

1. Educational Programs - In order to develop students who will think critically to solve problems, acquire and apply knowledge, communicate effectively, utilize new technologies and are civic-minded, the District will:
 - Focus all energies on the core business of schools, which is to design engaging work for students.

- Encourage and design professional development for both certified and non-certified staff that focuses on designing engaging and satisfying work for students. This includes, but is not limited to Teachers' Academy, staff development days and Standard Bearer efforts.
 - Create an environment that supports the work of the District in designing work for students that engages them in learning what we know they need to learn in order to be well educated.
 - Design the schedule in each building to maximize available instructional and collaboration time to enhance student achievement.
 - Incorporate at each grade level curricular experiences that involve students and teachers in using instructional technology.
 - Maintain, improve and create programs that involve students from all grade levels in citizenship and school/community service programs.
 - Encourage student selection of electives, co-curricular and extra-curricular offerings that will contribute to the development of a well-qualified and well-rounded graduate.
 - Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
 - Value the contributions of all employees while establishing an atmosphere that enhances continuous improvement of both the individual and the system.
 - Establish a complementary and/or extended curriculum through courses offered by the Orange Community Education and Recreation Department.
 - Analyze, plan, implement and evaluate strategies which demonstrate a commitment to excellence as measured by student test scores, college admissions, artistic and athletic accomplishments and other indicators of success.
 - Encourage all parents to participate in the continuous improvement process.
 - Plan and articulate a curriculum which is consistent and sequential.
 - Improve the current parent/teacher communication process regarding student welfare.
2. Fiscal Management - To enhance the effectiveness and efficiency of fiscal operations, the District will:
- Provide useful and timely financial information in accordance with recognized standards, including, but not limited to, detailed spending/revenue plans and financial forecasts.
 - Implement and maintain strong internal controls.
 - Seek out opportunities to increase efficiencies through the use of available technology, when feasible.
 - Pursue appropriate non-traditional school funding sources.
 - Provide a clear accounting of the revenues and expenditures from school operation, bond retirement, permanent improvement and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of future school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act on a temporary appropriation measure prior to July 1 and a permanent appropriation measure prior to October 1 of each fiscal year.

3. Community Relations - To improve interaction with the community, the District will:
 - Periodically survey residents to determine where further communication is necessary and evaluate the perceptions and the extent of satisfaction or dissatisfaction with the District.
 - Keep the community well-informed by frequently and routinely providing news about the District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondence, District web site, local media and letters to the community.
 - Identify and communicate with Orange Alumni.
4. Business Services - To maintain and improve buildings and facilities, transportation and food service, the District will:
 - Work with the staff to analyze cost effectiveness of present programs and offer recommendations.
 - Involve support staff in continuous improvement opportunities.
 - Work with representative groups to formulate a plan and recommend solutions to issues of space, programming, and maintenance.
 - Periodically review and update the District's facility and equipment permanent improvement plan in order to effectively use available capital funds for such purposes. This will allow the District to adequately maintain and improve the utilization of its physical plant assets.
5. Board of Education Operations - To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education will:
 - Maintain a long-range strategic plan including financial, programmatic, personnel and facility components.
 - Develop an appropriate plan to increase the Board of Education's visibility and strengthen community relationships.
 - Continue to re-evaluate the system by which the Board of Education sets agendas, tracks issues and completes its annual evaluation.

Major Initiatives and Accomplishments for School Year 2006-2007

The Orange Board of Education and the District's administration continue to work to improve the quality of education for all children and to provide prudent financial management to adequately fund this quality education.

The Orange High School Advanced Placement Program was named first in class in the State of Ohio by the Siemens Corporation for the 2006-2007 school year.

In November 2006, the District substantially completed a project to significantly repair and renovate the Orange High School media center. The project was necessitated by a failing truss system above the media center caused by heavy snowfall. With the safety of the students in mind, administrators and the Board of Education deemed it necessary to replace the wooden trusses with steel trusses that would provide a stronger and safer solution. The District also decided to take this important repair and turn it into an opportunity to provide students with a high-tech, state-of-the-art media center where they could research, gather and share information through a seamless environment. Additional improvements included, but were not limited to, interactive video distance learning, wireless capabilities in three labs, new furniture, light fixtures, a new mathematics classroom and science lab above the media center, and two skylights to bring in more natural lighting. It is the hope of the District that these technology, configuration and aesthetic upgrades will provide an enhanced study and workgroup environment that will better address the needs of Orange students for years to come. As a result of this significant renovation, the District received the 2007 Impact on Learning Award at the Council of Educational Facility Planners' International annual conference.

In February 2007, the District took advantage of market conditions and issued general obligation bonds to advance refund the callable portions of the outstanding Series 1999 school improvement current interest bonds. This advance refunding was undertaken to reduce the combined total debt service payments over the next 17 years by \$1,038,194 and resulted in an economic gain to the District of \$667,912.

During fiscal year 2007, the Board reviewed and revised several Board policies to ensure compliance with current law and to address certain operational areas within the District. This process was completed with the input of the Superintendent, Treasurer, directors and school building-level management.

Future Projects

The District will continue with its district-wide improvement process and further implementation and continued usage of quality tools introduced by the American Society for Quality and student data analysis and assessment tools provided by the State of Ohio and PLATO Learning, a leading provider of educational technology.

Student Accomplishments and Achievements

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

- 1) A graduation rate of 99 percent with 97 percent of graduates continuing their education at an institution of higher learning.
- 2) Four hundred sixty-two advanced placement exams taken with 87 percent of all scores being a 3 or better, placing the District's students among the top in the nation.
- 3) Ninety-eight students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations. This number represents 53 percent of students taking advanced placement exams.
- 4) Thirteen National Scholars in the Advanced Placement Program.
- 5) Fourteen National Merit Scholars, nine finalists and five commended students.
- 6) Orange High School students who took the SAT exam in the 2006-2007 school year scored an average of 558 on the critical reading section, 570 on the math section and 552 on the writing section. This was well above the national averages of 502 for critical reading, 515 for math and 494 for writing.

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

Economic Outlook

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

Eighty-one percent of the District's valuation is comprised of residential property, which proves the District is an ideal suburban setting. The valuation of this property has increased approximately 46 percent since fiscal year 1998. During the same period of time, the industrial base has increased approximately 61 percent. The current economic trend in the nation of keeping and attracting businesses has had its effect on the District through some local tax abatement for businesses. In addition, legislative changes in Ohio have resulted in a loss of revenue from the personal property tax on inventory. Similarly, the passage of Am. Sub. House Bill 66 in 2005, will result in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year.

Property taxes and related state entitlements made up approximately 91 percent of the District's total general fund revenue in fiscal year 2007. This shows that the District relies heavily upon the continued support of its residents through the passage of tax levies.

The District's enrollment has increased along with the growth of the five municipalities that make up the majority of enrollment. The 2006-2007 enrollment of 2,373 compared with the 1987-1988 enrollment of 1,996 reflects an increase of 377 students, or 19 percent, over the 20 year period. Based on recent demographic studies conducted by the District, enrollment is projected to increase moderately over the next ten years.

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

The District passed a 5-mill, continuous general operating levy in November 2004 with a 58.4 percent vote of confidence. This levy generates approximately \$4.7 million per year for the general fund. The District also passed a 9.5-mill general operating levy in November 2000 with a 59 percent vote of confidence. This levy generates approximately \$7.2 million annually for the general fund. These levies, along with other operating levies passed prior to 2000, are projected to provide the funds needed to maintain current program levels through fiscal year 2008. A \$36.5 million dollar bond issue was passed with a 68 percent vote of confidence back in November 1998. In addition, a 1-mill, continuous permanent improvement levy was passed in November of 2003 with a 66 percent vote of confidence. These funds were used for various capital improvements and major equipment purchases (as required by law), including the construction of a new elementary school completed in 2001.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

As provided by Law, prior to the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure that remains in effect during the first three months of the ensuing fiscal year. Prior to October 1 of each fiscal year, the Board of Education adopts a permanent appropriation measure, which supersedes the previously passed temporary appropriation measure.

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

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

The accounting system used by the District provides interim financial reports and transaction information that details year-to date expenditures and encumbrances versus the original appropriation plus any supplemental appropriations passed to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

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

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

Financial Reporting

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

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

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

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

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

Cash Management

The Board of Education has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash that is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government, STAR Ohio, corporate commercial paper and other investments allowed by State law and the District's Board approved investment policy. The District maintains depository relationships with several banking institutions in order to provide for competitive treasury management and investment options as well as to contain the cost of services. The District retained the services of Productive Portfolios, Inc., a registered investment advisory firm, during fiscal year 2007 to assist in its investing strategy and to obtain even greater returns on investments while adhering to the principles of principal preservation and liquidity. The total amount of interest received on investments (including adjustments to fair market value) for the fiscal year ended June 30, 2007 was \$2,161,297, with \$1,682,340 being credited directly to the general fund.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets or individual surety bonds. Per Ohio law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold collateral for public deposits.

In January of 2005, the Board formally affirmed and declared a practice in the interest of sound fiscal management by which the District will maintain a general fund cash balance equivalent to at least three months of operating expenses. This practice along with other factors, including a history of successful levy campaigns attributable to the community's ongoing support for the maintenance of the District's financial position, contributed to the District receiving the highest rating from two nationally recognized financial rating services. Moody's Investors Service gave the District its highest rating of Aaa, while Standard & Poor's gave the District its highest rating of AAA. The Orange City School District was the first district in the State of Ohio to ever receive Standard & Poor's highest rating. These ratings were reaffirmed by the two agencies in relation to the previously discussed advance refunding completed by the District in February 2007. These achievements will allow the District to secure better interest rates on all future credits and investments.

Risk Management

A blanket bond covers all employees of the District while certain positions in decision/policy making roles are covered by separate, higher bond coverage.

The District maintains general liability insurance through Strassman Insurance Services. The limits of coverage are \$1,000,000 per occurrence and \$2,000,000 in aggregate. This insurance policy is supplemented by an umbrella policy that provides additional coverage of \$3,000,000 per occurrence and in the aggregate. The District also has insurance contracts for its buildings and contents, vehicles and crime protection. The District also contracts with private firms to assist in the management of its workers' compensation program.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006, to the Orange City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials.

Independent Audit

State statutes require the District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Auditor of State Mary Taylor was selected to render an opinion on the District's financial statements as of and 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. The District adopted and has been in conformance with that system beginning with its financial report for 1981.

Acknowledgments

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

Special appreciation is expressed to the accounting firm of Julian & Grube Inc., for their assistance in preparing this financial report as well as to the Communications Department of the District for designing the cover and divider pages of this report.

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

Respectfully submitted,



Dr. Daniel W. Lukich
Superintendent



David Denbow
Treasurer

*Orange City School District
List of Principal Officials
As of June 30, 2007*

Board of Education

Mrs. Dagmar Fellowes	President
Mr. Stanley Morganstern	Vice-President
Mrs. Cynthia Eickhoff	Member
Mr. Tom Bonda	Member
Mr. Vincent Carbone	Member

Treasurer/Director of Budget Services

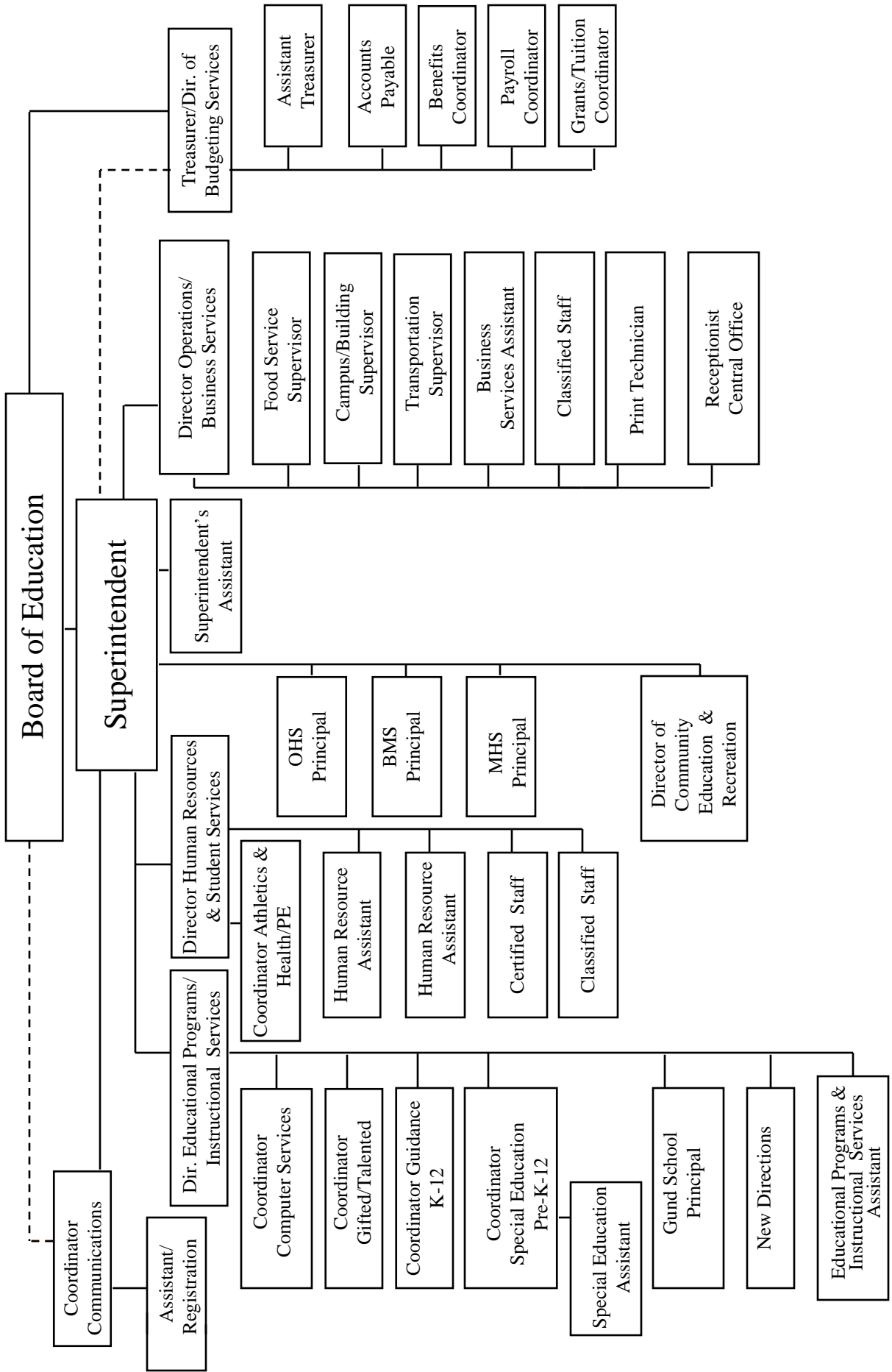
Mr. David Denbow

Administration

Dr. Daniel W. Lukich	Superintendent
Mr. David Burnison	Director of Human Resources/Student Services
Dr. Nancy Wingenbach	Director of Educational Programs and Instructional Services
Mrs. Jennifer Fazio	Interim Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Mrs. Laura Guentner	Director of Recreation
Mr. Kurt Bernardo	Coordinator of Computer Services
Mr. Neil Barnes, CPA	Assistant Treasurer
Mr. Phil Dickinson	Director of Operations and Business Services
Mrs. Cindy Finohr	Supervisor of Food Services
Mrs. Nancy Belle-Gordon	Supervisor of Transportation Services
Mr. Jim Taylor	Campus Supervisor

Orange Schools Administrative Position Chart

2006-2007



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 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.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ORANGE 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



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Orange City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 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 business-type activities, each major fund, and the aggregate remaining fund information of Orange 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 January 18, 2008, on our consideration of the Government'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 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 nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

January 18, 2008

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

The discussion and analysis of Orange City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- In total, net assets increased \$5,963,128. Net assets of governmental activities increased \$5,504,046, which represents a 13.38% increase from 2006 (as restated – see Note 3). Net assets of business-type activities increased \$459,082 or 7.70% from 2006 (as restated – see Note 3).
- General revenues accounted for \$48,225,946 in revenue or 88.98% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,974,288 or 11.02% of total governmental revenues of \$54,200,234.
- The District had \$48,696,188 in expenses related to governmental activities; only \$5,974,288 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$48,225,946 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$49,155,381 in revenues and \$46,125,611 in expenditures and other financing uses. The general fund's fund balance increased \$3,029,770 from \$24,271,960 to \$27,301,730.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$21,663,825 in revenues and other financing sources and \$21,054,438 in expenditures and other financing uses. The bond retirement fund's fund balance increased \$609,387 from \$1,455,700 to \$2,065,087.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$3,753,022 in revenues and other financing sources and \$2,326,251 in expenditures. The permanent improvement fund's fund balance increased \$1,426,771 from \$1,756,377 to \$3,183,148.
- Net assets for the District's enterprise fund, the recreation fund, increased \$459,082 or 7.70%. The recreation fund's net assets increased from \$5,959,030 (as restated – see Note 3) to \$6,418,112 on expenses of \$2,155,699 versus revenues (both operating and non-operating) of \$2,614,781.

Using this Comprehensive Annual Financial Report (CAFR)

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

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question: How did we do financially during 2007? The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those 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 District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

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

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

The District's Statement of Net Assets and Statement of Activities can be found on pages 19-21 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds and major enterprise fund begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the bond retirement fund and the permanent improvement fund.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 22-26 of this report.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 30 and 31. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-65 of this report.

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The District's net assets have been restated as detailed in Note 3 to the financial statements. The table below provides a summary of the District's net assets for 2007 and 2006.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	Restated 2006	2007	Restated 2006
<u>Assets</u>						
Current assets	\$ 76,623,379	\$ 72,104,215	\$ 4,419,906	\$ 3,875,044	\$81,043,285	\$75,979,259
Capital assets, net	42,170,725	41,641,098	2,267,860	2,377,215	44,438,585	44,018,313
Total assets	<u>118,794,104</u>	<u>113,745,313</u>	<u>6,687,766</u>	<u>6,252,259</u>	<u>125,481,870</u>	<u>119,997,572</u>
<u>Liabilities</u>						
Current liabilities	40,264,838	40,157,322	256,043	280,601	40,520,881	40,437,923
Long-term liabilities	<u>31,892,132</u>	<u>32,454,903</u>	<u>13,611</u>	<u>12,628</u>	<u>31,905,743</u>	<u>32,467,531</u>
Total liabilities	<u>72,156,970</u>	<u>72,612,225</u>	<u>269,654</u>	<u>293,229</u>	<u>72,426,624</u>	<u>72,905,454</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	15,338,264	13,729,107	2,267,860	2,377,215	17,606,124	16,106,322
Restricted	5,782,995	4,129,749	-	-	5,782,995	4,129,749
Unrestricted	<u>25,515,875</u>	<u>23,274,232</u>	<u>4,150,252</u>	<u>3,581,815</u>	<u>29,666,127</u>	<u>26,856,047</u>
Total net assets	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>	<u>\$53,055,246</u>	<u>\$47,092,118</u>

Total governmental assets increased by \$5,048,791 (from the restated amounts – see Note 3) while total governmental liabilities decreased by \$455,255 resulting in an increase to net assets of \$5,504,046. Total assets of business-type activities increased \$435,507 (from the restated amounts – see Note 3) while total liabilities of business-type activities decreased by \$23,575 resulting in an increase to net assets of \$459,082.

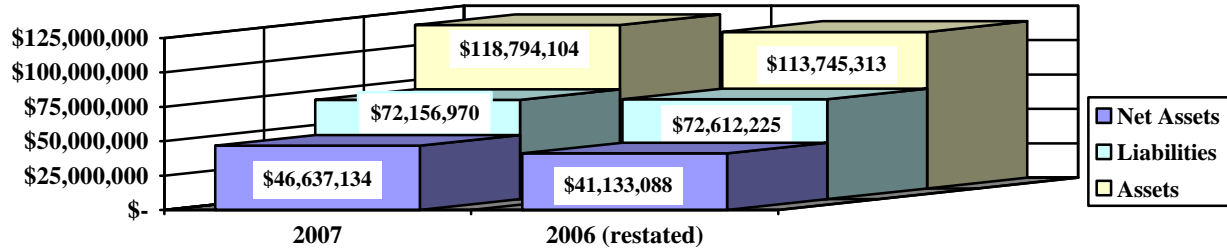
Taxes receivable contributed to 35.10% or \$41,702,442 of total governmental activities assets. Of this amount \$34,772,296 is offset as unearned revenue, revenue to be used in future periods. Liabilities for governmental activities totaled \$72,156,970; of this amount \$31,892,132 or 44.20% is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the District is good. The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$48,225,946 or 88.98% of total revenue. The most significant portion of the general revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equaled to \$5,974,288 or 11.02% of total revenue.

ORANGE CITY SCHOOL DISTRICT

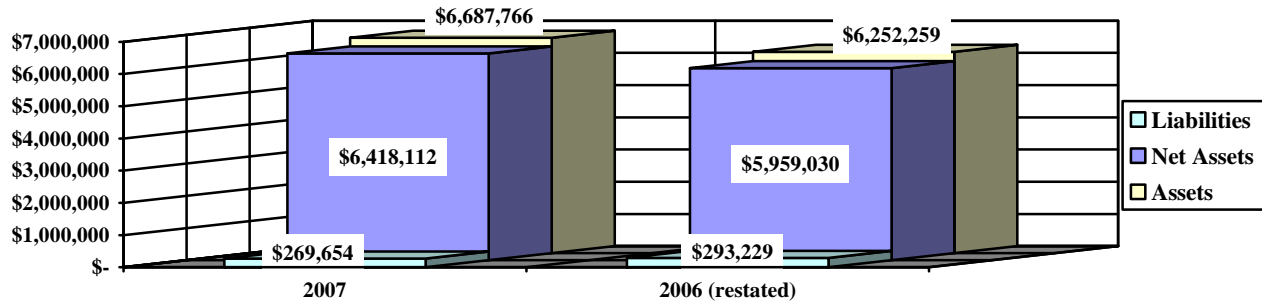
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

The graphs below present the District's governmental and business-type net assets for fiscal years 2007 and 2006. Amounts for 2006 have been restated as described in Note 3 to the financial statements.

Governmental - Net Assets



Business-Type - Net Assets



The table below shows the changes in net assets for fiscal year 2007 and 2006. Balances for 2006 have been restated as described in Note 3 to the financial statements.

	Change in Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 4,252,349	\$ 4,357,051	\$ 1,451,743	\$ 1,459,405	\$ 5,704,092	\$ 5,816,456
Operating grants and contributions	1,559,218	1,313,605	124,138	106,552	1,683,356	1,420,157
Capital grants and contributions	162,721	11,211	-	-	162,721	11,211
Total program revenues	<u>5,974,288</u>	<u>5,681,867</u>	<u>1,575,881</u>	<u>1,565,957</u>	<u>7,550,169</u>	<u>7,247,824</u>
General revenues:						
Property taxes	39,212,801	36,880,182	815,148	1,362,258	40,027,949	38,242,440
Grants and entitlements, not restricted	7,000,298	6,748,771	-	-	7,000,298	6,748,771
Investment earnings	1,990,147	1,196,647	193,580	120,835	2,183,727	1,317,482
Miscellaneous	22,700	8,816	30,172	32,960	52,872	41,776
Total general revenues	<u>48,225,946</u>	<u>44,834,416</u>	<u>1,038,900</u>	<u>1,516,053</u>	<u>49,264,846</u>	<u>46,350,469</u>
Total revenues	<u>\$ 54,200,234</u>	<u>\$ 50,516,283</u>	<u>\$ 2,614,781</u>	<u>\$ 3,082,010</u>	<u>\$ 56,815,015</u>	<u>\$ 53,598,293</u>

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

Change in Net Assets – (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 17,962,128	\$ 17,066,373	\$ -	\$ -	\$ 17,962,128	\$ 17,066,373
Special	5,475,417	6,310,151	-	-	5,475,417	6,310,151
Vocational	324,513	296,866	-	-	324,513	296,866
Other	2,828	-	-	-	2,828	-
Support services:						
Pupil	3,337,866	2,799,441	-	-	3,337,866	2,799,441
Instructional staff	3,499,573	2,864,820	-	-	3,499,573	2,864,820
Board of Education	143,355	181,753	-	-	143,355	181,753
Administration	2,849,409	2,827,023	-	-	2,849,409	2,827,023
Fiscal	1,126,029	1,129,981	-	-	1,126,029	1,129,981
Business	509,048	545,223	-	-	509,048	545,223
Operations and maintenance of plant	5,096,407	5,318,201	-	-	5,096,407	5,318,201
Pupil transportation	3,366,186	3,228,108	-	-	3,366,186	3,228,108
Central	1,114,698	1,223,883	-	-	1,114,698	1,223,883
Operation of non-instructional services:						
Food service operations	603,470	569,200	-	-	603,470	569,200
Other non-instructional services	51,787	16,871	-	-	51,787	16,871
Intergovernmental pass through	483,574	394,972	-	-	483,574	394,972
Extracurricular activities	1,584,091	1,683,450	-	-	1,584,091	1,683,450
Interest and fiscal charges	1,165,809	1,401,244	-	-	1,165,809	1,401,244
Recreation	-	-	2,155,699	2,236,723	2,155,699	2,236,723
Total expenses	48,696,188	47,857,560	2,155,699	2,236,723	50,851,887	50,094,283
Changes in net assets	5,504,046	2,658,723	459,082	845,287	2,746,406	130,944
Net assets at beginning of year (restated)	41,133,088	38,474,365	5,959,030	5,113,743	47,092,118	43,588,108
Net assets at end of year	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>	<u>\$ 49,838,524</u>	<u>\$ 43,719,052</u>

Governmental Activities

Net assets of the District's governmental activities increased \$5,504,046 after a restatement for capital assets as detailed in Note 3 to the financial statements. Total governmental expenses of \$48,696,188 were offset by program revenues of \$5,974,288 and general revenues of \$48,225,946. Program revenues supported 12.27% of the total governmental expenses.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

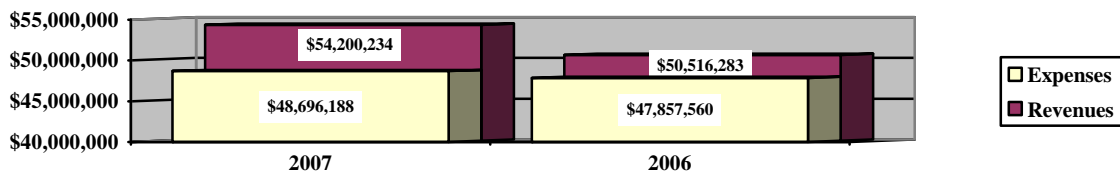
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 85.26% of total governmental revenue. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past twenty-five years, residents of the District have, without exception, supported all operating levies placed on the ballot. In November of 2004, the District successfully passed a 5-mill operating levy that generates approximately \$4.7 million in revenue per year. Collections on this levy began during the second half of fiscal year 2005 with full collection of this levy realized in fiscal year 2006. The additional income has been dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation) and is expected to cover four years of operation. Ohio H.B. 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This state law, enacted in 1976, also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service. Tax revenue for the District increased in fiscal year 2007 versus 2006 as described in the analysis of the general fund's revenue which is provided below.

Approximately 48.80% of the District's budget is used for instructional expenses. Supporting services including those related to pupils, staff and business operations account for an additional 43.21%. The remaining amount of program expenses, roughly 7.99%, is budgeted to finance other obligations of the District such as interest and fiscal charges, food service operations and extracurricular activities. Further analysis of the causes for the variances in expenses from 2007 versus 2006 is provided in the analysis of the general fund expenditures which is provided below.

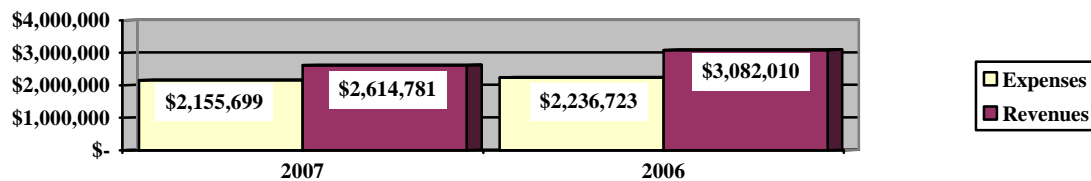
Actual expenses were relatively consistent with annual budget expectations. The District had an increase of net assets in 2007 of \$5,504,046. The increase was attributable to the District's continued maintenance of a revenue stream fueled by local property taxes and the related entitlements from the State that exceeded operating expenses. Consistent support from the voters of the District has allowed this positive trend to continue.

The graphs below present the District's governmental and business-type activities revenues and expenses for fiscal year 2007 and 2006.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2007 and 2006. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The net cost of services for 2006 between Instruction-regular and instruction-special have been reclassified to conform to 2007 presentation.

	Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Program expenses:				
Instruction:				
Regular	\$ 17,962,128	\$ 17,066,373	\$ 17,171,446	\$ 16,289,892
Special	5,475,417	6,310,151	2,462,267	3,238,718
Vocational	324,513	296,866	246,251	296,639
Other	2,828	-	2,828	-
Support services:				
Pupil	3,337,866	2,799,441	2,965,444	2,449,492
Instructional staff	3,499,573	2,864,820	3,391,943	2,749,955
Board of Education	143,355	181,753	143,355	181,753
Administration	2,849,409	2,827,023	2,846,151	2,815,235
Fiscal	1,126,029	1,129,981	1,126,029	1,129,981
Business	509,048	545,223	509,048	545,223
Operations and maintenance of plant	5,096,407	5,318,201	4,959,244	5,302,240
Pupil transportation	3,366,186	3,228,108	3,152,701	3,217,717
Central	1,114,698	1,223,883	1,091,352	1,201,170
Operation of non-instructional services:				
Food service operations	603,470	569,200	45,306	26,801
Other non-instructional services	51,787	16,871	51,787	13,433
Intergovernmental pass through	483,574	394,972	(14,788)	(4,258)
Extracurricular activities	1,584,091	1,683,450	1,405,727	1,320,458
Interest and fiscal charges	<u>1,165,809</u>	<u>1,401,244</u>	<u>1,165,809</u>	<u>1,401,244</u>
 Total expenses	 <u>\$ 48,696,188</u>	 <u>\$ 47,857,560</u>	 <u>\$ 42,721,900</u>	 <u>\$ 42,175,693</u>

The dependence upon tax revenues during fiscal year 2007 for governmental activities is apparent, as 83.66% of 2007 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 87.73% in 2007. The District's taxpayers, as a whole, are by far the primary support for the District's students.

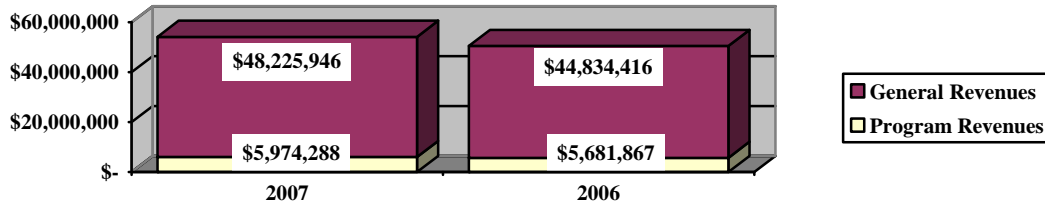
The communities of Pepper Pike, Moreland Hills, Orange, Hunting Valley, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.

ORANGE CITY SCHOOL DISTRICT

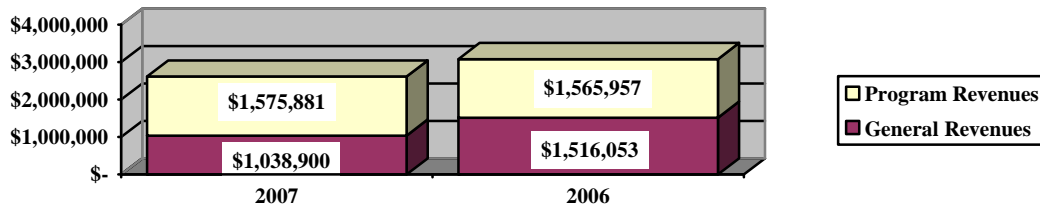
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

The graphs below present the District's governmental and business-type activities revenues for fiscal years 2007 and 2006.

Governmental Activities - General and Program Revenues



Business-Type Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the recreation operation. This program had revenues of \$2,614,781 and expenses of \$2,155,699 for fiscal year 2007. During fiscal year 2007, the District's business activities received \$815,148 in support from tax revenues. The District passed a new replacement recreation levy in November of 2005. Collections for this replacement levy commenced in January of 2006. For fiscal year 2007, the Recreation fund had an operating loss of \$673,784 (prior to non-operating revenues such as interest revenue, grants and taxes) and a change in net assets of \$459,082. As can be seen, the Recreation fund is dependent upon the tax levy to sustain profitable operations. Total net assets of the Recreation fund at June 30, 2007 were \$6,418,112.

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$33,203,767, which is above last year's total of \$28,240,150. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

	<u>Fund Balance</u> <u>June 30, 2007</u>	<u>Fund Balance</u> <u>June 30, 2006</u>	<u>Increase</u> <u>(Decrease)</u>
General	\$ 27,301,730	\$ 24,271,960	\$ 3,029,770
Bond retirement	2,065,087	1,455,700	609,387
Permanent improvement	3,183,148	1,756,377	1,426,771
Other Governmental	<u>653,802</u>	<u>756,113</u>	<u>(102,311)</u>
Total	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</u>	<u>\$ 4,963,617</u>

General Fund

The District's general fund is by far the District's most significant fund. The fund balance of the general fund increased \$3,029,770. The table that follows assists in illustrating the revenues of the general fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 36,836,652	\$ 34,175,208	7.79 %
Tuition and fees	3,701,388	3,004,688	23.19 %
Investment earnings	1,682,340	889,442	89.15 %
Intergovernmental	6,870,354	6,414,654	7.10 %
Other revenues	<u>64,647</u>	<u>51,968</u>	24.40 %
Total	<u>\$ 49,155,381</u>	<u>\$ 44,535,960</u>	10.37 %

Tax revenue increased \$2,661,444 or 7.79% from the prior year. This increase was primarily attributable to two reasons. First, there was an approximate \$1.8 million variance in the amount of tax advance that was available to the District from the county auditor at June 30, 2005 versus June 30, 2006. This variance resulted in less tax revenue being reported in fiscal year 2006. The amount of tax advances available from the county auditor can depend upon when tax bills. Secondly, additional taxes were levied in fiscal year 2007 on new construction coupled with revenue growth on the District's inside millage caused by a 9.1% increase in the assessed valuation of taxable property (see Note 6).

Intergovernmental revenue increased \$455,700 or 7.10% from the prior year. This increase is attributed to an increase in tangible personal property tax loss reimbursements from the State pursuant to Am. Sub. House Bill 66. The increase in tuition and fees is attributable to increased participation at the Gund school as well as normal and customary inflationary increases in tuition rates. The increase in investment earnings was due to the maintenance of relatively high rates by the Federal Reserve coupled with the availability of additional funds to invest. All other revenue remained comparable to 2006.

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

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

	<u>2007</u>	<u>2006</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 22,458,876	\$ 22,189,952	1.21 %
Support services	19,732,189	18,570,881	6.25 %
Operation of non-instructional services	-	3,852	(100.00) %
Extracurricular activities	1,194,911	1,116,842	6.99 %
Debt service	<u>32,935</u>	<u>32,936</u>	(0.00) %
 Total	 <u>\$ 43,418,911</u>	 <u>\$ 41,914,463</u>	 3.59 %

Instruction and support services expenditures remained relatively consistent with 2006 experiencing increases primarily attributable to anticipated salary/wage and fringe benefit increases. Additionally, support services experienced increased due to inflation in utility costs. All other expenditure line items shown are deemed immaterial amounts relative to total expenditures or were consistent with 2006 and do not warrant further analysis.

General Fund Budgeting Highlights

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

During the course of fiscal year 2007, the District amended its general fund budget on five occasions, none significant. The District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses, but provide flexibility for site based decision-making by management.

The general fund's final budgeted revenues and other financing sources totaled \$46,986,456. This was the same as original budget estimates. Actual budget basis revenues and other financing sources of \$48,587,850 were more than final budgeted revenues by \$1,601,394 primarily due to the previously mentioned increase in investment earnings and tuition and fees. The final budgeted expenditures and other financing uses totaled \$48,250,050 compared to original estimates of \$48,253,650. Actual budget basis expenditures and other financing uses of \$46,531,030 were \$1,719,020 lower than the final budgeted expenditures.

The District's ending unencumbered cash balance totaled \$26,590,529, which was higher than that originally budgeted.

Bond Retirement Fund

The bond retirement fund had \$21,663,825 in revenues and other financing sources and \$21,054,438 in expenditures and other financing uses. The bond retirement fund's fund balance increased \$609,387 from \$1,455,700 to \$2,065,087. The fund balance increase is due to revenues surpassing required principal and interest payments for fiscal year 2007. The District also refunded bonds during fiscal year 2007. The advance refunding was undertaken to reduce the combined total debt service payments over the next 17 years by \$1,038,194 and resulted in an economic gain of \$667,912 (see Note 15).

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

Permanent Improvement Fund

The permanent improvement fund had \$3,753,022 in revenues and other financing sources and \$2,326,251 in expenditures. The permanent improvement fund's fund balance increased \$1,426,771 from \$1,756,377 to \$3,183,148 primarily due to a transfer of \$2,546,700 received from the general fund to fully reimburse the permanent improvement fund for costs incurred in connection with the Orange High School Media Center project. This project was substantially completed in November 2006.

Capital Assets and Debt Administration

Capital Assets

During fiscal year 2007, the District restated capital assets due to a capitalization threshold adjustment, see Note 3 for details. At the end of fiscal year 2007, the District had \$44,438,585 invested in land, construction in progress (CIP), land improvements, buildings, equipment and vehicles. Of this total, \$42,170,725 was reported in governmental activities and \$2,267,860 was reported in business-type activities. The following table shows fiscal year 2007 balances compared to 2006:

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

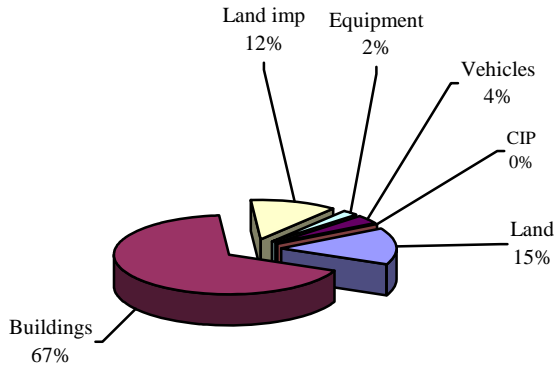
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>Restated 2006</u>	<u>2007</u>	<u>Restated 2006</u>	<u>2007</u>	<u>Restated 2006</u>
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Construction in progress	7,657	832,438	-	-	7,657	832,438
Land improvements	5,213,189	5,467,298	49,292	54,760	5,262,481	5,522,058
Buildings	28,168,267	26,739,762	2,170,785	2,261,559	30,339,052	29,001,321
Equipment	869,790	878,323	18,066	25,065	887,856	903,388
Vehicles	<u>1,541,672</u>	<u>1,353,127</u>	<u>29,717</u>	<u>35,831</u>	<u>1,571,389</u>	<u>1,388,958</u>
Total	<u>\$42,170,725</u>	<u>\$41,641,098</u>	<u>\$ 2,267,860</u>	<u>\$ 2,377,215</u>	<u>\$ 44,438,585</u>	<u>\$ 44,018,313</u>

ORANGE CITY SCHOOL DISTRICT

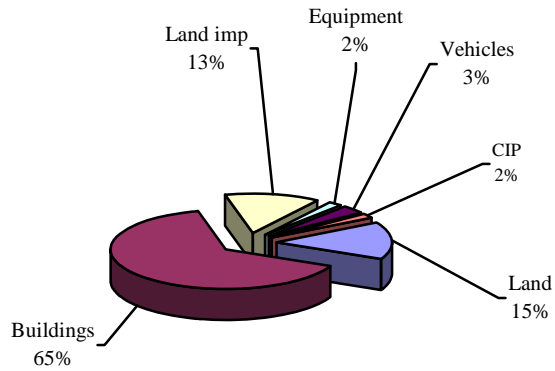
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2007 and 2006.

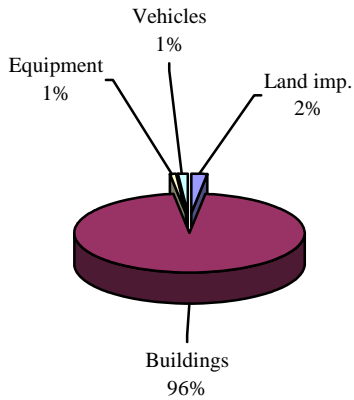
**Capital Assets - Governmental Activities
2007**



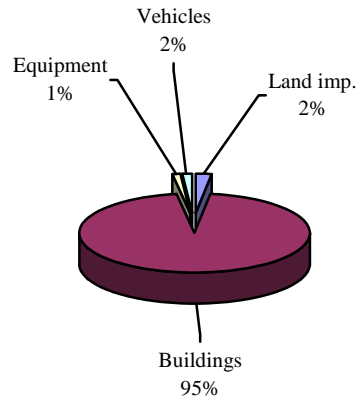
**Capital Assets - Governmental Activities
2006**



**Capital Assets - Business-Type Activities
2007**



**Capital Assets - Business-Type Activities
2006**



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

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

Debt Administration

At June 30, 2007 the District had \$27,535,222 in general obligation bonds outstanding. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
<u>General obligation bonds:</u>		
Series 1999	\$ 4,926,195	\$ 23,850,815
Series 2004	4,216,946	4,365,277
Series 2007	<u>18,392,081</u>	<u>-</u>
Total	<u>\$ 27,535,222</u>	<u>\$ 28,216,092</u>

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

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

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

See Note 15 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

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

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

Overall, the District continues to academically perform at a high level as determined by the State of Ohio. Our most recent State report card shows the District's students achieving a score of 29 out of 30 with respect to the State's defined set of proficiency criteria.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

As the preceding information shows, the District heavily depends on its property taxpayers. Our communities' support was recently measured by four most outstanding accomplishments. In the fall of 1998 the community passed a \$36.5 million bond issue, in November of 2000 they passed a 9.5-mill operating levy, in November of 2004 they passed a 5-mill operating levy and in November 2006 they passed a .95-mill replacement levy for the Districts recreation operations. The support of these four issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

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

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

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

The District has committed itself to financial and educational excellence for many years. The District has received the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for the 2006 CAFR. Orange City School District is committed to continuous improvement in financial reporting to our communities.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. David Denbow, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974 or e-mail him at ddenbow@orange.k12.oh.us.

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF NET ASSETS
JUNE 30, 2007*

	Governmental Activities	Business-Type Activity	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 32,903,475	\$ 3,488,329	\$ 36,391,804
Receivables:			
Taxes	41,702,442	872,575	42,575,017
Accounts.	2,737	406	3,143
Accrued interest	492,703	53,391	546,094
Intergovernmental	987,781	-	987,781
Inventory held for resale	25,653	-	25,653
Materials and supplies inventory	248,727	5,205	253,932
Unamortized bond issue costs	259,861	-	259,861
Capital assets:			
Nondepreciable capital assets.	6,377,807	-	6,377,807
Depreciable capital assets, net	35,792,918	2,267,860	38,060,778
Total capital assets, net	<u>42,170,725</u>	<u>2,267,860</u>	<u>44,438,585</u>
<i>Total assets</i>	<u>118,794,104</u>	<u>6,687,766</u>	<u>125,481,870</u>
Liabilities:			
Accounts payable.	50,854	1,098	51,952
Contracts payable.	92,667	-	92,667
Accrued wages payable.	3,943,667	81,741	4,025,408
Intergovernmental payable	149,384	1,517	150,901
Pension obligation payable	1,144,208	171,687	1,315,895
Undistributed monies.	5,487	-	5,487
Accrued interest payable	106,275	-	106,275
Unearned revenue	34,772,296	-	34,772,296
Long-term liabilities:			
Due within one year.	1,528,789	5,437	1,534,226
Due in more than one year	30,363,343	8,174	30,371,517
<i>Total liabilities</i>	<u>72,156,970</u>	<u>269,654</u>	<u>72,426,624</u>
Net Assets:			
Invested in capital assets, net of related debt.	15,338,264	2,267,860	17,606,124
Restricted for:			
Capital projects	3,421,575	-	3,421,575
Debt service.	2,099,607	-	2,099,607
Locally funded programs	26,459	-	26,459
State funded programs	3,906	-	3,906
Federally funded programs	113,936	-	113,936
Student activities	71,769	-	71,769
Public school support	45,743	-	45,743
Unrestricted	<u>25,515,875</u>	<u>4,150,252</u>	<u>29,666,127</u>
<i>Total net assets.</i>	<u>\$ 46,637,134</u>	<u>\$ 6,418,112</u>	<u>\$ 53,055,246</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 17,962,128	\$ 701,197	\$ 89,485	\$ -
Special	5,475,417	2,770,390	242,760	-
Vocational	324,513	78,262	-	-
Other	2,828	-	-	-
Support services:				
Pupil	3,337,866	38,767	333,655	-
Instructional staff	3,499,573	2,180	105,450	-
Board of Education	143,355	-	-	-
Administration	2,849,409	-	3,258	-
Fiscal	1,126,029	-	-	-
Business	509,048	-	-	-
Operations and maintenance of plant	5,096,407	7,140	2,310	127,713
Pupil transportation	3,366,186	14,772	163,705	35,008
Central	1,114,698	-	23,346	-
Operation of non-instructional services:				
Food service operations	603,470	466,038	92,126	-
Other non-instructional services	51,787	-	-	-
Intergovernmental pass through	483,574	-	498,362	-
Extracurricular activities	1,584,091	173,603	4,761	-
Interest and fiscal charges	1,165,809	-	-	-
<i>Total governmental activities</i>	<u>48,696,188</u>	<u>4,252,349</u>	<u>1,559,218</u>	<u>162,721</u>
Business-Type activity:				
Recreation	2,155,699	1,451,743	124,138	-
<i>Totals</i>	<u>\$ 50,851,887</u>	<u>\$ 5,704,092</u>	<u>\$ 1,683,356</u>	<u>\$ 162,721</u>

General Revenues:

- Property taxes levied for:
 - General purposes
 - Debt service
 - Capital projects
 - Recreation
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year (restated)

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
\$ (17,171,446)	\$ -	\$ (17,171,446)
(2,462,267)	-	(2,462,267)
(246,251)	-	(246,251)
(2,828)	-	(2,828)
(2,965,444)	-	(2,965,444)
(3,391,943)	-	(3,391,943)
(143,355)	-	(143,355)
(2,846,151)	-	(2,846,151)
(1,126,029)	-	(1,126,029)
(509,048)	-	(509,048)
(4,959,244)	-	(4,959,244)
(3,152,701)	-	(3,152,701)
(1,091,352)	-	(1,091,352)
(45,306)	-	(45,306)
(51,787)	-	(51,787)
14,788	-	14,788
(1,405,727)	-	(1,405,727)
(1,165,809)	-	(1,165,809)
(42,721,900)	-	(42,721,900)
-	(579,818)	(579,818)
(42,721,900)	(579,818)	(43,301,718)
36,302,829	-	36,302,829
2,102,099	-	2,102,099
807,873	-	807,873
-	815,148	815,148
7,000,298	-	7,000,298
1,990,147	193,580	2,183,727
22,700	30,172	52,872
48,225,946	1,038,900	49,264,846
5,504,046	459,082	5,963,128
41,133,088	5,959,030	47,092,118
\$ 46,637,134	\$ 6,418,112	\$ 53,055,246

ORANGE CITY SCHOOL DISTRICT

*BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007*

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 27,279,046	\$ 1,796,311	\$ 3,152,429	\$ 675,689	\$ 32,903,475
Receivables:					
Taxes	38,523,871	2,309,685	868,886	-	41,702,442
Accounts	2,587	-	-	150	2,737
Accrued interest	411,431	27,600	48,436	5,236	492,703
Intergovernmental	741,498	-	-	246,283	987,781
Interfund loan	64,900	-	-	-	64,900
Inventory held for resale	-	-	-	25,653	25,653
Materials and supplies inventory	240,527	-	-	8,200	248,727
<i>Total assets</i>	<u>\$ 67,263,860</u>	<u>\$ 4,133,596</u>	<u>\$ 4,069,751</u>	<u>\$ 961,211</u>	<u>\$ 76,428,418</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 46,749	\$ -	\$ -	\$ 4,105	\$ 50,854
Contracts payable	-	-	92,667	-	92,667
Accrued wages payable	3,840,719	-	-	102,948	3,943,667
Interfund loan payable	-	-	-	64,900	64,900
Compensated absences payable	237,661	-	-	-	237,661
Pension obligation payable	1,099,190	-	-	45,018	1,144,208
Intergovernmental payable	107,573	-	-	41,811	149,384
Undistributed monies	-	-	-	5,487	5,487
Deferred revenue	2,510,744	140,795	68,848	43,140	2,763,527
Unearned revenue	32,119,494	1,927,714	725,088	-	34,772,296
<i>Total liabilities</i>	<u>39,962,130</u>	<u>2,068,509</u>	<u>886,603</u>	<u>307,409</u>	<u>43,224,651</u>
Fund Balances:					
Reserved for encumbrances	631,617	-	422,561	13,104	1,067,282
Reserved for property taxes	4,175,182	250,582	94,253	-	4,520,017
Reserved for debt service	-	1,814,505	-	-	1,814,505
Unreserved:					
Undesignated, reported in:					
General fund	22,494,931	-	-	-	22,494,931
Special revenue funds	-	-	-	472,190	472,190
Capital projects funds	-	-	2,666,334	168,508	2,834,842
<i>Total fund balances</i>	<u>27,301,730</u>	<u>2,065,087</u>	<u>3,183,148</u>	<u>653,802</u>	<u>33,203,767</u>
<i>Total liabilities and fund balances</i>	<u>\$ 67,263,860</u>	<u>\$ 4,133,596</u>	<u>\$ 4,069,751</u>	<u>\$ 961,211</u>	<u>\$ 76,428,418</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007*

Total governmental fund balances		\$	33,203,767
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			42,170,725
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	2,331,806	
Tuition		185,042	
Interest		205,725	
Intergovernmental		40,954	
Total			2,763,527
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.			(106,275)
Unamortized premiums on bond issuances are not recognized in the funds.			(992,294)
Unamortized bond issuance costs are not recognized in the funds			259,861
Unamortized deferred amounts on refundings are not recognized in the funds.			643,161
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		27,535,222	
Compensated absences		3,770,116	
Total			(31,305,338)
<i>Net assets of governmental activities</i>		\$	46,637,134

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 36,836,652	\$ 2,139,324	\$ 821,685	\$ -	\$ 39,797,661
Intergovernmental	6,870,354	230,301	98,356	1,389,445	8,588,456
Investment earnings	1,682,340	97,489	158,568	24,938	1,963,335
Tuition and fees	3,701,388	-	-	-	3,701,388
Extracurricular activities	-	-	-	216,845	216,845
Classroom materials and fees	4,906	-	-	81,140	86,046
Charges for services	-	-	-	466,038	466,038
Rentals	7,140	-	-	-	7,140
Miscellaneous	52,601	-	127,713	10,397	190,711
<i>Total revenues</i>	<u>49,155,381</u>	<u>2,467,114</u>	<u>1,206,322</u>	<u>2,188,803</u>	<u>55,017,620</u>
Expenditures:					
Current:					
Instruction:					
Regular	17,139,954	-	-	165,383	17,305,337
Special	5,015,257	-	-	274,721	5,289,978
Vocational	303,665	-	-	-	303,665
Other	-	-	-	37,728	37,728
Support Services:					
Pupil	2,895,214	-	-	404,363	3,299,577
Instructional staff	3,397,527	-	-	113,784	3,511,311
Board of Education	143,355	-	-	-	143,355
Administration	2,783,762	-	-	3,448	2,787,210
Fiscal	1,151,052	-	-	-	1,151,052
Business	510,033	-	-	-	510,033
Operations and maintenance of plant	4,278,812	-	-	-	4,278,812
Pupil transportation	3,511,181	-	-	-	3,511,181
Central	1,061,253	-	-	23,999	1,085,252
Operation of non-instructional services:					
Food service operations	-	-	-	618,018	618,018
Other non-instructional services	-	-	-	2,725	2,725
Extracurricular activities	1,194,911	-	-	295,219	1,490,130
Facilities acquisition and construction	-	-	2,326,251	579	2,326,830
Intergovernmental pass through	-	-	-	511,147	511,147
Debt service:					
Principal retirement	31,536	850,000	-	-	881,536
Interest and fiscal charges	1,399	1,007,727	-	-	1,009,126
Bond issuance costs	-	183,859	-	-	183,859
<i>Total expenditures</i>	<u>43,418,911</u>	<u>2,041,586</u>	<u>2,326,251</u>	<u>2,451,114</u>	<u>50,237,862</u>
<i>Excess of revenues over (under) expenditures</i>	<u>5,736,470</u>	<u>425,528</u>	<u>(1,119,929)</u>	<u>(262,311)</u>	<u>4,779,758</u>
Other financing sources (uses):					
Transfers in	-	-	2,546,700	160,000	2,706,700
Transfers out	(2,706,700)	-	-	-	(2,706,700)
Sale of refunding bonds	-	18,354,970	-	-	18,354,970
Premium on refunding bonds sold	-	841,741	-	-	841,741
Payment to refunded bond escrow agent	-	(19,012,852)	-	-	(19,012,852)
<i>Total other financing sources (uses)</i>	<u>(2,706,700)</u>	<u>183,859</u>	<u>2,546,700</u>	<u>160,000</u>	<u>183,859</u>
<i>Net change in fund balances</i>	3,029,770	609,387	1,426,771	(102,311)	4,963,617
<i>Fund balances at beginning of year</i>	24,271,960	1,455,700	1,756,377	756,113	28,240,150
<i>Fund balances at end of year</i>	<u>\$ 27,301,730</u>	<u>\$ 2,065,087</u>	<u>\$ 3,183,148</u>	<u>\$ 653,802</u>	<u>\$ 33,203,767</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE 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 FISCAL YEAR ENDED JUNE 30, 2007*

Net change in fund balances - total governmental funds \$ 4,963,617

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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital asset additions	2,208,765	
Current year depreciation	<u>(1,679,138)</u>	
Total		529,627

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

Decrease in accrued interest payable	7,630	
Accretion of interest on "capital appreciation" bonds	(169,160)	
Amortization of bond premium	27,994	
Amortization of deferred charges on refundings	(14,691)	
Amortization of bond issue costs	<u>(8,456)</u>	
		(156,683)

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

Taxes	(584,860)	
Tuition	(260,494)	
Interest	40,461	
Intergovernmental	<u>(12,493)</u>	
Total		(817,386)

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

Principal payments during the year were:

Bonds	850,000	
Capital lease	<u>31,536</u>	
Total		881,536

Issuance of refunding bonds are recorded as an other financing source in the funds however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets (18,354,970)

Payment to refunded bond escrow agent for the retirement of bonds are an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net assets. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred in the fiscal year:

Bonds refunded	18,355,000	
Deferred charges on refundings	<u>657,852</u>	
Total		19,012,852

Premiums on debt issuances are recognized as an other financing source in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities (841,741)

Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities 183,859

Repayment of the arbitrage liability is reported as an expenditure in the governmental funds, however, the repayment reduces long-term liabilities on the statement of net assets. 34,900

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 68,435

Change in net assets of governmental activities \$ 5,504,046

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 36,218,139	\$ 36,218,139	\$ 36,575,175	\$ 357,036
Intergovernmental	6,562,419	6,562,419	6,870,354	307,935
Investment earnings	850,000	850,000	1,379,017	529,017
Tuition and fees	2,772,000	2,772,000	3,130,160	358,160
Transportation fees	10,000	10,000	14,772	4,772
Classroom materials and fees	2,500	2,500	4,906	2,406
Rentals	6,000	6,000	7,140	1,140
Miscellaneous.	4,798	4,798	31,575	26,777
<i>Total revenues.</i>	<u>46,425,856</u>	<u>46,425,856</u>	<u>48,013,099</u>	<u>1,587,243</u>
Expenditures:				
Current:				
Instruction:				
Regular	17,038,838	17,004,149	16,651,725	352,424
Special.	5,312,823	5,383,672	5,372,639	11,033
Vocational.	423,261	397,961	443,762	(45,801)
Support Services:				
Pupil.	2,880,632	2,917,332	2,835,524	81,808
Instructional staff	3,426,476	3,406,231	3,345,826	60,405
Board of Education	213,320	204,766	143,583	61,183
Administration.	2,969,653	2,989,379	2,893,827	95,552
Fiscal	1,172,943	1,172,943	1,133,085	39,858
Business	529,012	554,012	506,219	47,793
Operations and maintenance of plant	5,098,574	4,984,024	4,280,033	703,991
Pupil transportation	3,374,405	3,477,405	3,439,154	38,251
Central.	1,651,093	1,651,093	1,531,801	119,292
Operation of non-instructional services:				
Other non-instructional services	4,000	2,563	303	2,260
Extracurricular activities.	1,157,320	1,139,320	1,181,949	(42,629)
<i>Total expenditures</i>	<u>45,252,350</u>	<u>45,284,850</u>	<u>43,759,430</u>	<u>1,525,420</u>
<i>Excess of revenues over expenditures.</i>	<u>1,173,506</u>	<u>1,141,006</u>	<u>4,253,669</u>	<u>3,112,663</u>
Other financing sources (uses):				
Refund of prior year expenditure	6,000	6,000	20,651	14,651
Transfers out	(2,706,700)	(2,706,700)	(2,706,700)	-
Advances in	554,100	554,100	554,100	-
Advances out	-	-	(64,900)	(64,900)
Proceeds from sale of capital assets	500	500	-	(500)
Contingencies	(294,600)	(258,500)	-	258,500
<i>Total other financing sources (uses).</i>	<u>(2,440,700)</u>	<u>(2,404,600)</u>	<u>(2,196,849)</u>	<u>207,751</u>
<i>Net change in fund balance</i>	(1,267,194)	(1,263,594)	2,056,820	3,320,414
<i>Fund balance at beginning of year</i>	24,013,550	24,013,550	24,013,550	-
Prior year encumbrances appropriated	520,159	520,159	520,159	-
<i>Fund balance at end of year.</i>	<u>\$ 23,266,515</u>	<u>\$ 23,270,115</u>	<u>\$ 26,590,529</u>	<u>\$ 3,320,414</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2007*

	<u>Recreation</u>
Assets:	
<i>Current assets:</i>	
Equity in pooled cash and cash equivalents.	\$ 3,488,329
Receivables:	
Taxes	872,575
Accounts	406
Accrued interest	53,391
Materials and supplies inventory	<u>5,205</u>
<i>Total current assets.</i>	<u>4,419,906</u>
<i>Noncurrent assets:</i>	
Depreciable capital assets, net	<u>2,267,860</u>
<i>Total assets.</i>	<u>6,687,766</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts payable	1,098
Accrued wages payable	81,741
Compensated absences payable	5,437
Pension obligation payable	171,687
Intergovernmental payable.	<u>1,517</u>
<i>Total current liabilities</i>	<u>261,480</u>
<i>Long-term liabilities:</i>	
Compensated absences payable	<u>8,174</u>
<i>Total liabilities</i>	<u>269,654</u>
Net assets:	
Invested in capital assets.	2,267,860
Unrestricted	<u>4,150,252</u>
<i>Total net assets</i>	<u>\$ 6,418,112</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT
*STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Recreation</u>
Operating revenues:	
Program fees	\$ 1,351,453
Sales/charges for services	100,290
Other	30,172
<i>Total operating revenues</i>	<u>1,481,915</u>
Operating expenses:	
Salaries.	1,062,432
Fringe benefits	316,701
Purchased services.	528,616
Materials and supplies	123,952
Depreciation	109,355
Other.	14,643
<i>Total operating expenses.</i>	<u>2,155,699</u>
<i>Operating loss</i>	<u>(673,784)</u>
Nonoperating revenues:	
Investment earnings	193,580
Property taxes	815,148
Contributions and donations.	19,888
Grants and subsidies	104,250
<i>Total nonoperating revenues.</i>	<u>1,132,866</u>
<i>Change in net assets</i>	459,082
<i>Net assets at beginning of year (restated)</i>	5,959,030
<i>Net assets at end of year.</i>	<u>\$ 6,418,112</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Recreation</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,451,337
Cash received from other operating revenues	30,172
Cash payments to suppliers for goods and services	(531,291)
Cash payments to employees for services	(1,066,367)
Cash payments for employee benefits	(332,115)
Cash payments for materials and supplies	(124,108)
Cash payments for other operating expenses	<u>(15,169)</u>
<i>Net cash used in operating activities</i>	<u>(587,541)</u>
Cash flows from noncapital financing activities:	
Property taxes	824,543
Contributions and donations	19,888
Grants and subsidies	<u>104,250</u>
<i>Net cash provided by noncapital financing activities.</i>	<u>948,681</u>
Cash flows from investing activities:	
Earnings on investments.	<u>166,316</u>
<i>Net cash provided by investing activities</i>	<u>166,316</u>
<i>Net increase in cash and cash equivalents</i>	527,456
<i>Cash and cash equivalents at beginning of year</i>	2,960,873
<i>Cash and cash equivalents at end of year.</i>	<u><u>\$ 3,488,329</u></u>
 Reconciliation of operating loss to net cash used in operating activities:	
<i>Operating loss</i>	\$ (673,784)
<i>Adjustments:</i>	
Depreciation	109,355
Changes in assets and liabilities:	
(Increase) in accounts receivable	(95)
Decrease in materials and supplies inventory.	558
(Decrease) in accounts payable	(4,226)
(Decrease) in accrued wages and benefits.	(5,750)
Increase in compensated absences payable.	983
(Decrease) in intergovernmental payable	(113)
(Decrease) in pension obligation payable.	<u>(14,469)</u>
<i>Net cash used in operating activities.</i>	<u><u>\$ (587,541)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007*

	Private-Purpose Trust	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash		
and cash equivalents	\$ 79,477	\$ 103,482
Accrued interest receivable	895	-
	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ 80,372</u>	<u>\$ 103,482</u>
Liabilities:		
Undistributed monies	-	\$ 11,643
Due to students	-	91,839
	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u>-</u>	<u>\$ 103,482</u>
Net Assets:		
Held in trust for scholarships.	<u>\$ 80,372</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Private-Purpose Trust
	<u>Scholarship</u>
Additions:	
Investment earnings	\$ 4,382
Contributions and donations	<u>50</u>
<i>Total additions.</i>	<u>4,432</u>
Deductions:	
Scholarships awarded	<u>2,499</u>
<i>Total deductions.</i>	<u>2,499</u>
<i>Change in net assets.</i>	1,933
<i>Net assets at beginning of year.</i>	<u>78,439</u>
<i>Net assets at end of year.</i>	<u><u>\$ 80,372</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The District provides educational services as mandated by State and federal agencies. The Board of Education controls the District's three instructional support facilities staffed by 194 classified employees, 239 certified teaching personnel, and 32 administrators/supervisors who provide services to 2,373 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 228th largest by enrollment among the 876 public school districts and community schools in the State of Ohio. The District operates one elementary school (K-5), one middle school (6-8) and a high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise fund, subject to this same limitation. The District has elected not to apply these FASB Statements and Interpretations. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District 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, recreation and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of their debt or the levying of their taxes. The District has no component units.

The District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council and the Suburban Health Consortium. These organizations are discussed in Notes 16 and 17 to the basic financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net 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 statements distinguish between those activities of the District that are governmental and those that are considered business-type.

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

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

C. Fund Accounting

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

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (b) for food service and uniform school supplies operations; and (c) for grants and other resources whose use is restricted to a particular purpose.

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

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

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

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

D. 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds 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 total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund activities.

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

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred 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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2007 are recorded as deferred revenue.

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

Expenses/Expenditures - 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.

F. Budgetary Data

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

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 statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

G. Cash and Cash Equivalents

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

During fiscal year 2007, investments were limited to federal agency securities, repurchase agreements, nonnegotiable certificates of deposit and STAR Ohio, the State Treasurer's Investment Pool.

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

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

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2007 amounted to \$ 1,682,340 which includes \$343,000 assigned from other District funds.

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

H. Inventory

On government-wide financial statements, inventories 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 while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and is expensed/expended when used. Inventory consists of expendable supplies held for consumption.

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 in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activity column of the government-wide statement of net assets and in the respective fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2007, the District increased its capitalization threshold from \$2,000 to \$5,000 (see Note 3 for restatement of net assets and Note 9 for effect on capital assets previously reported in the prior year). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at June 30, 2007.

K. Compensated Absences

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

L. Accrued Liabilities and Long-term Obligations

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

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 fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

On the government-wide financial statements, bond premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, property taxes and debt service.

The reserve for property taxes represents taxes recognized as revenue under GAAP but not available for appropriations under State statute.

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 program fees for classes and sales. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

P. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund services provided and used are not eliminated on the government-wide financial statements.

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

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

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

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

R. Estimates

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2007.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Restatement of Net Assets

The District's net assets have been restated to reflect a change in the District's capitalization threshold from \$2,000 to \$5,000. This change in the capitalization threshold had the following effect on net assets as previously reported by the governmental activities, business-type activities and the Recreation enterprise fund:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Recreation Enterprise Fund</u>
Net assets, June 30, 2006	\$ 41,577,039	\$ 5,972,305	\$ 5,972,305
Adjustment for change in capitalization threshold	<u>(443,951)</u>	<u>(13,275)</u>	<u>(13,275)</u>
Restated net assets, June 30, 2006	<u>\$ 41,133,088</u>	<u>\$ 5,959,030</u>	<u>\$ 5,959,030</u>

See Note 9 for the effect of the capitalization threshold change on capital assets balances as previously reported by the District at June 30, 2006.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

Interim monies are to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Cash on Hand

At fiscal year-end, the District had \$150 in undeposited cash on hand, which is included on the financial statements of the District as part of "Equity in Pooled Cash and Equivalents".

B. Deposits with Financial Institutions

At June 30, 2007, the carrying amount of all District deposits was \$10,079,594. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$10,321,981 of the District's bank balance of \$10,650,029 was exposed to custodial risk as discussed below, while \$328,048 was covered by the Federal Deposit Insurance Corporation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

C. Investments

As of June 30, 2007, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities					Total
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months	
FHLB	\$ 11,710,906		\$ -	\$ 5,485,155	\$ 1,139,225	\$ 5,086,526	\$ 11,710,906
FHLMC	5,990,260	3,995,890	997,190	-	997,180	-	5,990,260
FNMA	5,981,860	1,990,600	-	2,993,130	998,130	-	5,981,860
Repurchase Agreements	2,482,088	2,482,088	-	-	-	-	2,482,088
STAR Ohio	329,905	329,905	-	-	-	-	329,905
	<u>\$ 26,495,019</u>	<u>\$ 8,798,483</u>	<u>\$ 997,190</u>	<u>\$ 8,478,285</u>	<u>\$ 3,134,535</u>	<u>\$ 5,086,526</u>	<u>\$ 26,495,019</u>

The weighted average maturity of investments is 1.30 years.

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

Credit Risk: The District's investments in federal agency securities and the federal agency securities that underlie the repurchase agreements were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the District at June 30, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 11,710,906	44.20
FHLMC	5,990,260	22.61
FNMA	5,981,860	22.58
Repurchase Agreements	2,482,088	9.37
STAROhio	<u>329,905</u>	<u>1.24</u>
	<u>\$ 26,495,019</u>	<u>100.00</u>

D. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 10,079,594
Investments	26,495,019
Cash on hand	<u>150</u>
Total	<u>\$ 36,574,763</u>

<u>Cash and investments per Financial Statements</u>	
Governmental activities	\$32,903,475
Business-type activities	3,488,329
Private-purpose trust funds	79,477
Agency Funds	<u>103,482</u>
Total	<u>\$36,574,763</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2007, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 64,900
	Total	<u>\$ 64,900</u>

The interfund loans were necessitated to cover costs in specific funds where revenues were not received by June 30. These interfund loans will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances are reported on the statement of net assets.

- B.** Interfund transfers for the year ended June 30, 2007, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental fund	\$ 160,000
Permanent Improvement fund	<u>2,546,700</u>
Total	<u>\$2,706,700</u>

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

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

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar year 2007 for real and public utility property taxes represents collections of calendar 2006 taxes. Property tax payments received during calendar year 2007 for tangible personal property (other than public utility property) are for calendar year 2007 taxes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2006 public utility property taxes became a lien January 1, 2006, are levied after April 1, 2006 and are collected in 2007 with real property taxes.

Tangible personal property tax revenue received during calendar year 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. For 2006, tangible personal property was assessed at 18.75% for property including inventory. This percentage will be reduced to 12.5% for 2007, 6.25% 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. This year, the June 2007 tangible personal property tax settlement was not received until July of 2007.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

	2006 Second Half Collections		2007 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 921,968,860	95.02	\$ 1,017,969,380	96.15
Public utility personal	9,984,050	1.03	9,449,280	0.89
Tangible personal property	<u>38,351,782</u>	<u>3.95</u>	<u>31,382,118</u>	<u>2.96</u>
Total	<u>\$ 970,304,692</u>	<u>100.00</u>	<u>\$ 1,058,800,778</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 86.10		\$ 86.00	

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 later payment dates to be established.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 6 - PROPERTY TAXES - (Continued)

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 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The amount that was available as an advance at June 30, 2007, was \$4,614,676 and is recognized as revenue. \$4,175,182 was available to the general fund, \$250,582 was available to the Bond Retirement fund, \$94,253 was available to the Permanent Improvement fund and \$94,659 was available to the Recreation fund. The amount that was available as an advance at June 30, 2006 was \$4,336,294. \$3,920,010 was available to the general fund, \$242,832 was available to the Bond Retirement fund, \$91,062 was available to the Permanent Improvement fund and \$82,390 was available to the Recreation fund.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became 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, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. For governmental funds, the receivable is therefore offset by a credit to unearned revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities

Taxes	\$ 41,702,442
Accounts	2,737
Intergovernmental	987,781
Accrued interest	492,703

Business-type Activities

Taxes	872,575
Accounts	406
Accrued interest	<u>53,391</u>
Total receivables	<u>\$ 44,112,035</u>

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

NOTE 8 - CAPITALIZED LEASE

In prior years, the District entered into capitalized leases for copiers. All leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$135,298, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2007 was \$135,298 leaving a current book value of zero.

Principal and interest payments in the 2007 fiscal year totaled \$31,536 and \$1,399, respectively. These amounts are reported as debt service payments of the general fund. The fiscal year 2007 principal payment was the last required under the capital lease obligation. There is no remaining capital lease obligation at June 30, 2007.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities

Capital assets of the governmental activities have been restated due to a change in the District's capitalization threshold from \$2,000 to \$5,000. The change in the capitalization threshold had the following effect on the governmental activities capital asset balances as previously reported:

	Balance		Restated
	June 30, 2006	Adjustment	Balance
	<u>June 30, 2006</u>	<u>Adjustment</u>	<u>June 30, 2006</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 6,370,150	\$ -	\$ 6,370,150
Construction in Progress	<u>839,158</u>	<u>(6,720)</u>	<u>832,438</u>
Total capital assets, not being depreciated	<u>7,209,308</u>	<u>(6,720)</u>	<u>7,202,588</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	8,535,457	(138,028)	8,397,429
Buildings	38,484,367	(90,156)	38,394,211
Equipment	3,536,157	(998,155)	2,538,002
Vehicles	<u>3,308,439</u>	<u>-</u>	<u>3,308,439</u>
Total capital assets, being depreciated	<u>53,864,420</u>	<u>(1,226,339)</u>	<u>52,638,081</u>
<i>Less: accumulated depreciation</i>			
Land improvements	(2,964,286)	34,155	(2,930,131)
Buildings	(11,675,981)	21,532	(11,654,449)
Equipment	(2,393,100)	733,421	(1,659,679)
Vehicles	<u>(1,955,312)</u>	<u>-</u>	<u>(1,955,312)</u>
Total accumulated depreciation	<u>(18,988,679)</u>	<u>789,108</u>	<u>(18,199,571)</u>
Total capital assets, being depreciated	<u>34,875,741</u>	<u>(437,231)</u>	<u>34,438,510</u>
Governmental activities capital assets, net	<u>\$ 42,085,049</u>	<u>\$ (443,951)</u>	<u>\$ 41,641,098</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS – (Continued)

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

	Restated Balance			Balance
	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2007</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Construction in Progress	<u>832,438</u>	<u>1,396,696</u>	<u>(2,221,477)</u>	<u>7,657</u>
Total capital assets, not being depreciated	<u>7,202,588</u>	<u>1,396,696</u>	<u>(2,221,477)</u>	<u>6,377,807</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,397,429	119,063	(58,435)	8,458,057
Buildings	38,394,211	2,326,003	-	40,720,214
Equipment	2,538,002	158,159	(28,709)	2,667,452
Vehicles	<u>3,308,439</u>	<u>430,321</u>	<u>(204,539)</u>	<u>3,534,221</u>
Total capital assets, being depreciated	<u>52,638,081</u>	<u>3,033,546</u>	<u>(291,683)</u>	<u>55,379,944</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(2,930,131)	(373,172)	58,435	(3,244,868)
Buildings	(11,654,449)	(897,498)	-	(12,551,947)
Equipment	(1,659,679)	(166,692)	28,709	(1,797,662)
Vehicles	<u>(1,955,312)</u>	<u>(241,776)</u>	<u>204,539</u>	<u>(1,992,549)</u>
Total accumulated depreciation	<u>(18,199,571)</u>	<u>(1,679,138)</u>	<u>291,683</u>	<u>(19,587,026)</u>
Total capital assets, being depreciated	<u>34,438,510</u>	<u>1,354,408</u>	<u>-</u>	<u>35,792,918</u>
Governmental activities capital assets, net	<u>\$ 41,641,098</u>	<u>\$ 2,751,104</u>	<u>\$(2,221,477)</u>	<u>\$ 42,170,725</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 738,568
Special	118,997
Vocational	18,336
<u>Support Services:</u>	
Pupil	49,100
Instructional staff	12,493
Administration	53,023
Fiscal	5,112
Business	9,983
Operations and maintenance	256,241
Pupil transportation	241,841
Central	24,551
Noninstructional operations	49,062
Extracurricular activities	87,570
Intergovernmental pass through	7,024
Food service operations	<u>7,237</u>
Total depreciation expense	<u>\$ 1,679,138</u>

B. Business-Type Activities

Capital assets of the business-type activities have been restated due to a change in the District's capitalization threshold from \$2,000 to \$5,000. The change in the capitalization threshold had the following effect on the business-type activities capital asset balances as previously reported:

	Balance		Restated
	June 30, 2006	Adjustment	Balance
	<u>June 30, 2006</u>	<u>Adjustment</u>	<u>June 30, 2006</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	\$ 171,857	\$ (3,579)	\$ 168,278
Buildings	3,582,289	(20,602)	3,561,687
Equipment	161,608	(73,054)	88,554
Vehicles	<u>61,147</u>	<u>-</u>	<u>61,147</u>
Total capital assets, being depreciated	<u>3,976,901</u>	<u>(97,235)</u>	<u>3,879,666</u>
<i>Less: accumulated depreciation</i>			
Land improvements	(117,097)	3,579	(113,518)
Buildings	(1,307,231)	7,103	(1,300,128)
Equipment	(136,767)	73,278	(63,489)
Vehicles	<u>(25,316)</u>	<u>-</u>	<u>(25,316)</u>
Total accumulated depreciation	<u>(1,586,411)</u>	<u>83,960</u>	<u>(1,502,451)</u>
Business-type activities capital assets, net	<u>\$ 2,390,490</u>	<u>\$ (13,275)</u>	<u>\$ 2,377,215</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS - (Continued)

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

	Restated Balance			Balance
	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2007</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 168,278	\$ -	\$ -	\$ 168,278
Buildings	3,561,687	-	(299,000)	3,262,687
Equipment	88,554	-	(7,291)	81,263
Vehicles	61,147	-	-	61,147
Total capital assets, being depreciated	<u>3,879,666</u>	<u>-</u>	<u>(306,291)</u>	<u>3,573,375</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(113,518)	(5,468)	-	(118,986)
Buildings	(1,300,128)	(90,774)	299,000	(1,091,902)
Equipment	(63,489)	(6,999)	7,291	(63,197)
Vehicles	(25,316)	(6,114)	-	(31,430)
Total accumulated depreciation	<u>(1,502,451)</u>	<u>(109,355)</u>	<u>306,291</u>	<u>(1,305,515)</u>
Business-type activities capital assets, net	<u>\$ 2,377,215</u>	<u>\$ (109,355)</u>	<u>\$ -</u>	<u>\$ 2,267,860</u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the District maintained comprehensive insurance coverage for liability, violence, real property, building contents and vehicles. The District obtains insurance coverage through Strassman Insurance Services. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Building and Contents - Replacement Cost	\$69,616,000
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	2,000,000
Umbrella Liability:	
Per occurrence	3,000,000
Total per year	3,000,000
Employer's Liability	1,000,000

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 10 - RISK MANAGEMENT – (Continued)

B. Workers' Compensation

The District obtains Workers' Compensation coverage directly through the State of Ohio Bureau of Workers' Compensation. The District utilizes 1-888-OHIOCOMP as its managed care organization and Sheakley Uniserve, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal 2007, the District paid administration fees in the amount of \$14,850 for these services.

C. Employee Health Benefits

The District participates in the Suburban Health Consortium, a shared risk pool (Note 16) to provide employee medical, prescription, dental and vision benefits. Rates are set annually with the assistance of a consultant. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. During fiscal 2007, the District's Board of Education paid 96% and 90% of the cost of the monthly medical and prescription premiums for non-administrative, full-time employees and administrators, respectively. Additionally, the Board paid 90% of the monthly premium for dental and vision coverage.

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

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Life Insurance

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 12 - PENSION PLANS

A. School Employees Retirement System of Ohio

The 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 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 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 District's required contribution for pension obligations to SERS for fiscal years ended 2007, 2006, and 2005 were \$926,677, \$867,105, and \$855,323, respectively; 44.55 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2005 and 2005.

B. State Teachers Retirement System of Ohio

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 12 - PENSION PLANS – (Continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member 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 District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal years 2006 and 2005, the portion used to fund pension benefits 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 District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$2,607,823, \$2,472,253 and \$2,361,756, respectively; 83.40 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$33,495 made by the District and \$57,614 made by plan members.

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

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 1 percent of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$200,602 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.5 billion. For the fiscal year ended June 30, 2006 (the latest information available), net health care costs paid by STRS Ohio were \$282.743 million and STRS had 119,184 eligible benefit recipients.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 13 - POSTEMPLOYMENT BENEFITS – (Continued)

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 total surcharge is capped at 2 percent of each employer’s SERS salaries. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$453,435.

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 year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158.751 million. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 million. At June 30, 2006 (the latest information available), SERS had 59,492 participants eligible to receive health care benefits.

NOTE 14 - CONTRACTUAL COMMITMENTS

As of June 30, 2007, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Beechwood Board of Education	Vocational/Special Education Services	\$ 24,600
Aurora Board of Education	Vocational Education Services	59,400
Mayfield Board of Education	Vocational/Special Education Services	209,970
Solon Board of Education	Special Education Services	70,000
South Euclid-Lyndhurst Board of Education	Vocational Education Services	21,440
Squires, Sanders & Dempsey	Legal Services	35,000
Town Center Construction	Orange H.S. Media Center Construction	158,814
Western Reserve Asphalt	Asphalt Projects	57,600
C.D. Whitfield Company	Brady Middle School Boiler Project	29,650
Apex Construction & Management	Exterior Door Projects	85,600
Central Business Group	Warehouse Shelving	49,620
Educational Service Center of Cuyahoga County	Education and Consulting Services	23,361
Kadish, Hinkel & Weibel	Legal Services	35,000
Total		<u>\$ 860,055</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 15 - LONG-TERM OBLIGATIONS

A. During fiscal year 2007, the following changes occurred in governmental activities long-term obligations:

	<u>Balance Outstanding June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding June 30, 2007</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement Current Interest Bonds 3.3 - 5.1%, 12/01/23 maturity	\$ 22,465,000	\$ -	\$ (19,040,000)	\$ 3,425,000	\$ 735,000
Series 1999, Improvement Capital Appreciation Bonds 8.16% (average effective) 12/01/12 and 12/01/13 maturity	788,221	-	-	788,221	-
Series 1999, Improvement Capital Appreciation Bonds Accreted Interest	597,594	115,380	-	712,974	-
Series 2004, Improvement Current Interest Bonds 2.0 - 4.625%, 12/01/26 maturity	4,300,000	-	(165,000)	4,135,000	170,000
Series 2004, Improvement Capital Appreciation Bonds 24.185% (average effective) 12/01/13 and 12/01/14 maturity	39,998	-	-	39,998	-
Series 2004, Improvement Capital Appreciation Bonds Accreted Interest	25,279	16,669	-	41,948	-
Series 2007, Refunding Current Interest Bonds 4.00 - 4.50%, 12/01/23 maturity	-	16,960,000	-	16,960,000	320,000
Series 2007, Refunding Capital Appreciation Bonds 9.281% (average effective) 12/01/15 and 12/01/16 maturity	-	1,394,970	-	1,394,970	-
Series 2007, Refunding Capital Appreciation Bonds Accreted Interest	-	37,111	-	37,111	-
Total, general obligation bonds	<u>28,216,092</u>	<u>18,524,130</u>	<u>(19,205,000)</u>	<u>27,535,222</u>	<u>1,225,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2007</u>	Amount Due in <u>One Year</u>
Other Obligations:					
Capital lease obligation	\$ 31,536	\$ -	\$ (31,536)	\$ -	\$ -
Compensated absences	3,993,828	359,377	(345,428)	4,007,777	303,789
Arbitrage	<u>34,900</u>	<u>-</u>	<u>(34,900)</u>	<u>-</u>	<u>-</u>
Total, other obligations	<u>4,060,264</u>	<u>359,377</u>	<u>(411,864)</u>	<u>4,007,777</u>	<u>303,789</u>
Total, all governmental activities long-term liabilities	<u>\$ 32,276,356</u>	<u>\$ 18,883,507</u>	<u>\$ (19,616,864)</u>	31,542,999	<u>\$ 1,528,789</u>
Less: Unamortized deferred charges on refundings				(643,161)	
Add: Unamortized premium on bonds				<u>992,294</u>	
Total on statement of net assets				<u>\$ 31,892,132</u>	
Business-Type Activity:					
Compensated absences	<u>\$ 12,628</u>	<u>\$ 4,082</u>	<u>\$ (3,099)</u>	<u>\$ 13,611</u>	<u>\$ 5,437</u>
Total business-type activities, long-term obligations	<u>\$ 12,628</u>	<u>\$ 4,082</u>	<u>\$ (3,099)</u>	<u>\$ 13,611</u>	<u>\$ 5,437</u>

The general obligation bonds will be paid with property tax revenue from the Bond Retirement fund. Compensated absences will be paid from the fund from which the employee is paid which, for the District is primarily the general fund. Capital lease obligations were paid from the general fund. The Building Improvement fund (a nonmajor governmental fund) paid the arbitrage liability during fiscal 2007.

Series 2007 Refunding General Obligation Bonds

On February 14, 2007, the District issued general obligation bonds (Series 2007 Refunding Bonds) to advance refund the callable portion of the Series 1999 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded current interest bonds at June 30, 2007, is \$18,355,000.

The refunding issue is comprised of both current interest bonds, par value \$16,960,000, and capital appreciation bonds par value \$1,394,970. The interest rates on the current interest bonds range from 4.00% - 4.50%. The capital appreciation bonds mature on December 1, 2015 (effective interest rate 9.281%) and December 1, 2016 (effective interest rate 9.281%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 is \$1,590,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 is \$1,590,000. Total accreted interest of \$37,111 has been included in the statement of net assets at June 30, 2007.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

The reacquisition price exceeded the net carrying amount of the old debt by \$657,852. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 17 years by \$1,038,194 and resulted in an economic gain of \$667,912.

Series 2004 School Improvement General Obligation Bonds

On April 8, 2004, the District issued \$4,499,998 in general obligation bonds. The proceeds of the bond issue were used to retire the Series 2003 School Improvement Notes which matured on July 15, 2004. The Series 2004 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$4,460,000 and capital appreciation bonds, par value \$400,000. The capital appreciation bonds mature on December 1, 2013 and December 1, 2014 (effective interest 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2007 was \$39,998. A total of \$41,948 in accreted interest has been included in the statement of net assets at June 30, 2007. The capital appreciation bonds are not subject to redemption prior to maturity. The current interest bonds maturing on December 1, 2026 (the 2026 Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption of the 2026 Term Bonds is to occur on December 1 in each of the years 2024 and 2025 (with the balance of \$320,000 to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

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

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

Arbitrage Liability

If debt proceeds are retained by the District beyond the scheduled deadlines, the District is required to pay the federal government a portion of the interest earnings. For the Series 1999 general obligation bonds, the District did not meet the expenditure deadlines. Payment for the arbitrage liability was made in fiscal year 2007 from the Building Improvement fund (a nonmajor governmental fund).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2007 are as follows:

Fiscal Year Ending June 30	Current Interest			Capital Appreciation		
	G.O. Bonds (Series 1999)			G.O. Bonds (Series 1999)		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 735,000	\$ 134,094	\$ 869,094	\$ -	\$ -	\$ -
2009	835,000	100,523	935,523	-	-	-
2010	905,000	62,660	967,660	-	-	-
2011	950,000	21,375	971,375	-	-	-
2012	-	-	-	-	-	-
2013 - 2014	-	-	-	788,221	1,636,779	2,425,000
Total	\$ 3,425,000	\$ 318,652	\$ 3,743,652	\$ 788,221	\$ 1,636,779	\$ 2,425,000

Fiscal Year Ending June 30	Current Interest			Capital Appreciation		
	G.O. Bonds (Series 2004)			G.O. Bonds (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 170,000	\$ 165,245	\$ 335,245	\$ -	\$ -	\$ -
2009	170,000	160,995	330,995	-	-	-
2010	175,000	156,033	331,033	-	-	-
2011	180,000	150,483	330,483	-	-	-
2012	185,000	144,320	329,320	-	-	-
2013 - 2017	610,000	655,912	1,265,912	39,998	360,002	400,000
2018 - 2022	1,180,000	468,474	1,648,474	-	-	-
2023 - 2027	1,465,000	175,002	1,640,002	-	-	-
Total	\$ 4,135,000	\$ 2,076,464	\$ 6,211,464	\$ 39,998	\$ 360,002	\$ 400,000

Fiscal Year Ending June 30	Current Interest			Capital Appreciation		
	G.O. Bonds (Series 2007)			G.O. Bonds (Series 2007)		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 320,000	\$ 714,862	\$ 1,034,862	\$ -	\$ -	\$ -
2009	190,000	704,663	894,663	-	-	-
2010	195,000	696,962	891,962	-	-	-
2011	205,000	688,963	893,963	-	-	-
2012	1,280,000	659,262	1,939,262	-	-	-
2013 - 2017	1,915,000	2,953,814	4,868,814	1,394,970	1,785,030	3,180,000
2018 - 2022	8,880,000	1,892,618	10,772,618	-	-	-
2023 - 2027	3,975,000	176,288	4,151,288	-	-	-
Total	\$ 16,960,000	\$ 8,487,432	\$ 25,447,432	\$ 1,394,970	\$ 1,785,030	\$ 3,180,000

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2007, are a voted debt margin of \$67,502,760 (including available funds of \$2,065,087) and an unvoted debt margin of \$1,024,232.

NOTE 16 - PUBLIC ENTITY RISK POOL

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

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among seventeen Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LNOCA based on a per pupil charge. The District contributed \$59,248 to LNOCA during fiscal year 2007. LNOCA is governed by a Board of Directors consisting of a superintendent or designated representative from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Cuyahoga County, who serves as LNOCA's fiscal agent, at 5811 Canal Road, Valley View, Ohio 44125.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred and nine member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of 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 \$8,325 to the Council for membership and other services, \$287,244 to the Council's prepaid natural gas program and \$636,845 to the Council's prepaid electricity program. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's Energy for Education Program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an extended period of time. The current, three year contract expires in December 2008. The participants make monthly payments based upon estimated usage. At the end of each fiscal year, these estimated payments are compared to actual usage for the year and additional billings are made or refunds are issued accordingly.

In April 2005, the Energy Acquisition Corporation II, a non-profit corporation with a self-appointing board, issued \$246 million in bonds and used the proceeds to prepay for the estimated electric energy costs for 249 entities from Cleveland Electric Illuminating, Ohio Edison and Toledo Edison. The participating school districts are not obligated in any manner for this debt.

The District also 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 in the program for a twelve year period. The participants make monthly payments based upon estimated usage. Annually, these estimated payments are compared to 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL 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 and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year end set-aside amounts for textbooks/instructional materials and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2006	\$ (623,358)	\$ -
Current year set-aside requirement	354,747	354,747
Current year offsets	-	(818,417)
Qualifying disbursements	<u>(475,706)</u>	<u>(1,430,081)</u>
Total	<u>\$ (744,317)</u>	<u>\$ (1,893,751)</u>
Balance carried forward to FY 2008	<u>\$ (744,317)</u>	<u>\$ -</u>

The District had qualifying disbursements during the fiscal year that continued to reduce the textbooks/instructional materials set-aside amount below zero. This amount may be used to reduce the set-aside requirement of future years. Although the District had offsets and qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, these extra amounts may not be used to reduce the set-aside requirement in future fiscal years.

NOTE 19 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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.

B. Litigation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 20 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), 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 Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing uses 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).
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
5. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund.

Net Change in Fund Balance	
	<u>General Fund</u>
Budget basis	\$ 2,056,820
Net adjustment for revenue accruals	1,142,282
Net adjustment for expenditure accruals	(308,104)
Net adjustment for other financing sources/(uses)	(509,851)
Adjustment for encumbrances	<u>648,623</u>
GAAP basis	<u>\$ 3,029,770</u>

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES
SUPPLEMENTAL INFORMATION

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other local taxes	\$ 36,218,139	\$ 36,218,139	\$ 36,575,175	\$ 357,036
Intergovernmental.	6,562,419	6,562,419	6,870,354	307,935
Investment earnings.	850,000	850,000	1,379,017	529,017
Tuition and fees	2,772,000	2,772,000	3,130,160	358,160
Transportation fees	10,000	10,000	14,772	4,772
Classroom materials and fees	2,500	2,500	4,906	2,406
Rentals	6,000	6,000	7,140	1,140
Miscellaneous.	4,798	4,798	31,575	26,777
<i>Total revenues.</i>	<u>46,425,856</u>	<u>46,425,856</u>	<u>48,013,099</u>	<u>1,587,243</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	12,260,750	12,262,025	12,250,085	11,940
Fringe benefits	3,711,948	3,712,148	3,543,539	168,609
Purchased services	287,552	246,241	195,443	50,798
Materials and supplies.	510,454	522,976	459,465	63,511
Capital outlay	268,134	260,759	203,193	57,566
Total instruction-regular.	<u>17,038,838</u>	<u>17,004,149</u>	<u>16,651,725</u>	<u>352,424</u>
Instruction-special:				
Salaries and wages	3,159,102	3,159,102	3,139,741	19,361
Fringe benefits	972,403	972,403	966,879	5,524
Purchased services	1,103,826	1,178,732	1,209,243	(30,511)
Materials and supplies.	40,095	37,138	28,932	8,206
Capital outlay	37,397	36,297	27,844	8,453
Total instruction-special	<u>5,312,823</u>	<u>5,383,672</u>	<u>5,372,639</u>	<u>11,033</u>
Instruction-vocational:				
Salaries and wages	87,500	87,500	87,999	(499)
Fringe benefits	32,600	32,600	32,160	440
Purchased services	299,061	273,761	319,521	(45,760)
Materials and supplies.	4,100	4,100	4,082	18
Total instruction-vocational	<u>423,261</u>	<u>397,961</u>	<u>443,762</u>	<u>(45,801)</u>
Support services-pupil:				
Salaries and wages	2,087,100	2,119,600	2,084,658	34,942
Fringe benefits	721,790	721,790	692,120	29,670
Purchased services	34,200	40,150	30,804	9,346
Materials and supplies.	34,182	32,682	26,768	5,914
Capital outlay	3,360	3,110	1,174	1,936
Total support services-pupil.	<u>2,880,632</u>	<u>2,917,332</u>	<u>2,835,524</u>	<u>81,808</u>

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ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-instructional staff:				
Salaries and wages	\$ 2,234,150	\$ 2,229,150	\$ 2,189,444	\$ 39,706
Fringe benefits	984,890	984,890	984,690	200
Purchased services	127,322	112,586	98,947	13,639
Materials and supplies	59,275	53,090	48,631	4,459
Capital outlay	20,839	26,515	24,114	2,401
Total support services-instructional staff	3,426,476	3,406,231	3,345,826	60,405
Support services-Board of Education:				
Salaries and wages	15,000	15,000	15,000	-
Fringe benefits	220	220	2,936	(2,716)
Purchased services	21,000	19,683	8,683	11,000
Other	177,100	169,863	116,964	52,899
Total support services-Board of Education	213,320	204,766	143,583	61,183
Support services-administration:				
Salaries and wages	1,683,750	1,683,750	1,700,983	(17,233)
Fringe benefits	766,254	769,049	765,176	3,873
Purchased services	446,549	465,498	367,438	98,060
Materials and supplies	36,300	35,357	34,235	1,122
Capital outlay	10,300	9,550	4,135	5,415
Other	26,500	26,175	21,860	4,315
Total support services-administration	2,969,653	2,989,379	2,893,827	95,552
Support services-fiscal:				
Salaries and wages	320,500	320,500	321,479	(979)
Fringe benefits	151,790	151,790	159,933	(8,143)
Purchased services	62,500	62,500	46,613	15,887
Materials and supplies	10,100	10,100	6,112	3,988
Capital outlay	11,000	11,000	4,749	6,251
Other	617,053	617,053	594,199	22,854
Total support services-fiscal	1,172,943	1,172,943	1,133,085	39,858
Support services-business:				
Salaries and wages	246,500	246,500	246,254	246
Fringe benefits	86,040	86,040	88,726	(2,686)
Purchased services	107,072	136,072	109,723	26,349
Materials and supplies	54,200	50,200	42,000	8,200
Capital outlay	29,700	29,700	16,882	12,818
Other	5,500	5,500	2,634	2,866
Total support services-business	529,012	554,012	506,219	47,793

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ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance of plant:				
Salaries and wages	\$ 1,741,000	\$ 1,741,000	\$ 1,670,665	\$ 70,335
Fringe benefits	653,780	653,780	667,321	(13,541)
Purchased services	2,312,657	2,208,107	1,603,712	604,395
Materials and supplies.	296,142	296,142	264,187	31,955
Capital outlay	69,995	59,995	57,374	2,621
Other	25,000	25,000	16,774	8,226
Total support services-operations and maintenance of plant	<u>5,098,574</u>	<u>4,984,024</u>	<u>4,280,033</u>	<u>703,991</u>
Support services-pupil transportation:				
Salaries and wages	1,778,435	1,778,435	1,763,245	15,190
Fringe benefits	846,610	846,610	849,331	(2,721)
Purchased services	165,542	107,287	103,869	3,418
Materials and supplies.	296,078	299,220	283,377	15,843
Capital outlay	287,740	445,853	439,332	6,521
Total support services-pupil transportation	<u>3,374,405</u>	<u>3,477,405</u>	<u>3,439,154</u>	<u>38,251</u>
Support services-central:				
Salaries and wages	526,150	526,150	471,552	54,598
Fringe benefits	811,204	805,254	780,489	24,765
Purchased services	185,757	197,107	167,032	30,075
Materials and supplies.	81,682	76,782	70,336	6,446
Capital outlay	46,300	45,800	42,392	3,408
Total support services-central	<u>1,651,093</u>	<u>1,651,093</u>	<u>1,531,801</u>	<u>119,292</u>
Operation of non-instructional services:				
Other non-instructional services:				
Fringe benefits	2,000	2,000	-	2,000
Materials and supplies.	2,000	563	303	260
Total operation of non-instructional services	<u>4,000</u>	<u>2,563</u>	<u>303</u>	<u>2,260</u>
Extracurricular activities:				
Salaries and wages	945,900	945,900	982,614	(36,714)
Fringe benefits	193,220	193,220	199,150	(5,930)
Purchased services	18,200	200	185	15
Total extracurricular activities.	<u>1,157,320</u>	<u>1,139,320</u>	<u>1,181,949</u>	<u>(42,629)</u>
Total expenditures	<u>45,252,350</u>	<u>45,284,850</u>	<u>43,759,430</u>	<u>1,525,420</u>
Excess of revenues over expenditures	<u>1,173,506</u>	<u>1,141,006</u>	<u>4,253,669</u>	<u>3,112,663</u>

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ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 6,000	\$ 6,000	\$ 20,651	\$ 14,651
Transfers out	(2,706,700)	(2,706,700)	(2,706,700)	-
Advances in	554,100	554,100	554,100	-
Advances out.	-	-	(64,900)	(64,900)
Proceeds from the sale of capital assets . . .	500	500	-	(500)
Contingencies	(294,600)	(258,500)	-	258,500
<i>Total other financing sources (uses)</i>	<u>(2,440,700)</u>	<u>(2,404,600)</u>	<u>(2,196,849)</u>	<u>207,751</u>
<i>Net change in fund balance</i>	(1,267,194)	(1,263,594)	2,056,820	3,320,414
<i>Fund balance at beginning of year</i>	24,013,550	24,013,550	24,013,550	-
<i>Prior year encumbrances appropriated. . . .</i>	<u>520,159</u>	<u>520,159</u>	<u>520,159</u>	-
<i>Fund balance at end of year.</i>	<u>\$ 23,266,515</u>	<u>\$ 23,270,115</u>	<u>\$ 26,590,529</u>	<u>\$ 3,320,414</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 2,228,500	\$ 2,131,481	\$ (97,019)
Intergovernmental.	240,784	230,301	(10,483)
Investment earnings.	<u>80,801</u>	<u>77,283</u>	<u>(3,518)</u>
<i>Total revenues.</i>	<u>2,550,085</u>	<u>2,439,065</u>	<u>(111,020)</u>
Expenditures:			
Debt service:			
Principal retirement.	850,000	850,000	-
Interest and fiscal charges	1,253,801	1,007,727	246,074
Bond issue costs	<u>183,859</u>	<u>183,859</u>	<u>-</u>
Total debt service	<u>2,287,660</u>	<u>2,041,586</u>	<u>246,074</u>
<i>Total expenditures</i>	<u>2,287,660</u>	<u>2,041,586</u>	<u>246,074</u>
<i>Excess of revenues over expenditures</i>	<u>262,425</u>	<u>397,479</u>	<u>135,054</u>
Other financing sources (uses):			
Proceeds from the sale of bonds.	18,439,651	18,354,970	(84,681)
Premium on bonds sold	850,000	841,741	(8,259)
Payment to refunded bond escrow agent	<u>(19,012,852)</u>	<u>(19,012,852)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>276,799</u>	<u>183,859</u>	<u>(92,940)</u>
<i>Net change in fund balance</i>	539,224	581,338	42,114
<i>Fund balance at beginning of year</i>	<u>1,212,131</u>	<u>1,212,131</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,751,355</u>	<u>\$ 1,793,469</u>	<u>\$ 42,114</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property and other local taxes	\$ 791,281	\$ 818,417	\$ 27,136
Intergovernmental	95,095	98,356	3,261
Investment earnings	118,477	122,540	4,063
Miscellaneous	<u>123,478</u>	<u>127,713</u>	<u>4,235</u>
<i>Total revenues</i>	<u>1,128,331</u>	<u>1,167,026</u>	<u>38,695</u>
Expenditures:			
Current:			
Facilities acquisition and construction:			
Capital outlay	<u>3,315,916</u>	<u>3,292,099</u>	<u>23,817</u>
Total facilities acquisition and construction	<u>3,315,916</u>	<u>3,292,099</u>	<u>23,817</u>
<i>Total expenditures</i>	<u>3,315,916</u>	<u>3,292,099</u>	<u>23,817</u>
<i>Excess of revenues (under) expenditures</i>	<u>(2,187,585)</u>	<u>(2,125,073)</u>	<u>62,512</u>
Other financing sources (uses):			
Transfers in	2,462,258	2,546,700	84,442
Advances (out)	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>2,012,258</u>	<u>2,096,700</u>	<u>84,442</u>
<i>Net change in fund balance</i>	(175,327)	(28,373)	146,954
<i>Fund balance at beginning of year</i>	342,050	342,050	-
<i>Prior year encumbrances appropriated</i>	<u>2,318,536</u>	<u>2,318,536</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 2,485,259</u>	<u>\$ 2,632,213</u>	<u>\$ 146,954</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Program fees	\$ 1,684,705	\$ 1,379,284	\$ (305,421)
Sales/charges for services.	121,563	61,734	(59,829)
Other.	<u>31,185</u>	<u>40,491</u>	<u>9,306</u>
<i>Total operating revenues</i>	<u>1,837,453</u>	<u>1,481,509</u>	<u>(355,944)</u>
Operating expenses:			
Salaries.	1,219,722	1,066,367	153,355
Fringe benefits	452,066	332,115	119,951
Purchased services	882,735	536,606	346,129
Materials and supplies	159,789	94,032	65,757
Capital outlay.	50,560	30,076	20,484
Other.	<u>24,400</u>	<u>15,169</u>	<u>9,231</u>
<i>Total operating expenses</i>	<u>2,789,272</u>	<u>2,074,365</u>	<u>714,907</u>
<i>Operating loss</i>	<u>(951,819)</u>	<u>(592,856)</u>	<u>358,963</u>
Nonoperating revenues (expenses):			
Grants and subsidies	137,546	103,939	(33,607)
Investment earnings	63,000	149,964	86,964
Property taxes	784,243	824,543	40,300
Contributions and donations.	12,786	19,888	7,102
Refund of prior year's expense.	<u>-</u>	<u>311</u>	<u>311</u>
<i>Total nonoperating revenues (expenses).</i>	<u>997,575</u>	<u>1,098,645</u>	<u>101,070</u>
<i>Net change in fund balance</i>	45,756	505,789	460,033
<i>Fund equity at beginning of year</i>	2,971,457	2,971,457	-
<i>Prior year encumbrances appropriated.</i>	<u>249</u>	<u>249</u>	<u>-</u>
<i>Fund equity at end of year.</i>	<u>\$ 3,017,462</u>	<u>\$ 3,477,495</u>	<u>\$ 460,033</u>

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ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 508,676	\$ 167,013	\$ 675,689
Accounts receivable	150	-	150
Accrued interest receivable.	2,670	2,566	5,236
Intergovernmental receivable.	246,283	-	246,283
Inventory held for resale	25,653	-	25,653
Materials and supplies inventory	8,200	-	8,200
	<u> </u>	<u> </u>	<u> </u>
<i>Total assets.</i>	<u>\$ 791,632</u>	<u>\$ 169,579</u>	<u>\$ 961,211</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable.	\$ 4,105	\$ -	\$ 4,105
Accrued wages payable.	102,948	-	102,948
Interfund loan payable	64,900	-	64,900
Pension obligation payable.	45,018	-	45,018
Intergovernmental payable	41,811	-	41,811
Undistributed monies.	5,487	-	5,487
Deferred revenue	42,069	1,071	43,140
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities.</i>	<u>306,338</u>	<u>1,071</u>	<u>307,409</u>
 Fund Balances:			
Reserved for encumbrances	13,104	-	13,104
Unreserved, undesignated, reported in:			
Special revenue funds	472,190	-	472,190
Capital projects funds	-	168,508	168,508
	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balances</i>	<u>485,294</u>	<u>168,508</u>	<u>653,802</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities and fund balances.</i>	<u>\$ 791,632</u>	<u>\$ 169,579</u>	<u>\$ 961,211</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 1,389,445	\$ -	\$ 1,389,445
Investment earnings	13,796	11,142	24,938
Extracurricular activities	216,845	-	216,845
Classroom materials and fees	81,140	-	81,140
Charges for services	466,038	-	466,038
Miscellaneous	10,397	-	10,397
	<u> </u>	<u> </u>	<u> </u>
<i>Total revenues</i>	<u>2,177,661</u>	<u>11,142</u>	<u>2,188,803</u>
Expenditures:			
Current:			
Instruction:			
Regular	165,383	-	165,383
Special	274,721	-	274,721
Other	-	37,728	37,728
Support services:			
Pupil	404,363	-	404,363
Instructional staff	113,784	-	113,784
Administration	3,448	-	3,448
Central	23,999	-	23,999
Operation of non-instructional services:			
Food service operations	618,018	-	618,018
Other non-instructional services	2,725	-	2,725
Extracurricular activities	295,219	-	295,219
Facilities acquisition and construction	-	579	579
Intergovernmental pass through	511,147	-	511,147
	<u> </u>	<u> </u>	<u> </u>
<i>Total expenditures</i>	<u>2,412,807</u>	<u>38,307</u>	<u>2,451,114</u>
<i>Excess of revenues (under)</i>			
<i> expenditures</i>	<u>(235,146)</u>	<u>(27,165)</u>	<u>(262,311)</u>
Other financing sources:			
Transfers in	160,000	-	160,000
	<u> </u>	<u> </u>	<u> </u>
<i>Total other financing sources</i>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
<i>Net change in fund balances</i>	(75,146)	(27,165)	(102,311)
<i>Fund balances at beginning of year</i>	560,440	195,673	756,113
	<u> </u>	<u> </u>	<u> </u>
<i>Fund balances at end of year</i>	<u>\$ 485,294</u>	<u>\$ 168,508</u>	<u>\$ 653,802</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Public School Support Fund

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

Local Grants Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Education Management Information System Fund

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

Entry Year Programs Fund

To implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

Ohio K-12 Network Connectivity Fund

To account for money appropriated for Ohio Educational Computer Network Connections.

eTech Professional Development Fund

A fund provided to account for a limited number of professional development subsidy grants.

Miscellaneous State Grants

To account for monies received from state agencies which are not classified elsewhere.

Title VI-B Fund

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

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Title III Fund

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

Title I Fund

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

Title V Fund

To account for federal monies used to assist in the reform of elementary and secondary education to facilitate school improvement and parental involvement activities.

Drug Free Schools Grant Fund

A fund provided to account for federal monies which support the implementation of programs designed to prevent violence and the illegal use of alcohol, tobacco and drugs.

Preschool Disability Fund

To account for monies received for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A Fund

To account for grant monies used for the hiring of additional teachers in grades 1-3.

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal government.

Food Service Fund

To account for monies received and used that are related to the food service operations of the School District.

Memorial Fund

To account for monies to be used for the purchase of library books or other materials for the School District.

Uniform School Supplies Fund

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

ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007*

	Public School Support	Local Grants	District Managed Activity
Assets:			
Equity in pooled cash and cash equivalents	\$ 45,634	\$ 26,459	\$ 72,455
Accounts receivable	150	-	-
Accrued interest receivable	-	-	-
Intergovernmental receivable	-	-	-
Inventory held for resale	-	-	-
Materials and supplies inventory	-	-	-
<i>Total assets.</i>	<u>\$ 45,784</u>	<u>\$ 26,459</u>	<u>\$ 72,455</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 41	\$ -	\$ 14
Accrued wages payable	-	-	-
Interfund loan payable	-	-	-
Pension obligation payable	-	-	672
Intergovernmental payable	-	-	-
Undistributed monies	-	-	-
Deferred revenue	-	-	-
<i>Total liabilities.</i>	<u>41</u>	<u>-</u>	<u>686</u>
Fund Balances:			
Reserved for encumbrances	232	-	-
Unreserved, undesignated	45,511	26,459	71,769
<i>Total fund balances</i>	<u>45,743</u>	<u>26,459</u>	<u>71,769</u>
<i>Total liabilities and fund balances</i>	<u>\$ 45,784</u>	<u>\$ 26,459</u>	<u>\$ 72,455</u>

Auxiliary Services	Education Management Information Systems	Entry Year Programs	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 41,250	\$ 1	\$ 26	\$ 60	\$ 119	\$ 55,004
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,700	-	-	172,253
-	-	-	-	-	-
-	-	-	-	-	8,200
<u>\$ 41,250</u>	<u>\$ 1</u>	<u>\$ 3,726</u>	<u>\$ 60</u>	<u>\$ 119</u>	<u>\$ 235,457</u>
\$ 517	\$ -	\$ -	\$ -	\$ -	\$ 3,342
29,956	-	-	-	-	28,206
-	-	-	-	-	63,000
3,542	-	-	-	-	8,170
495	-	-	-	-	40,569
-	-	-	-	-	-
-	-	-	-	-	21,806
<u>34,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,093</u>
1,099	-	-	-	-	9,516
<u>5,641</u>	<u>1</u>	<u>3,726</u>	<u>60</u>	<u>119</u>	<u>60,848</u>
<u>6,740</u>	<u>1</u>	<u>3,726</u>	<u>60</u>	<u>119</u>	<u>70,364</u>
<u>\$ 41,250</u>	<u>\$ 1</u>	<u>\$ 3,726</u>	<u>\$ 60</u>	<u>\$ 119</u>	<u>\$ 235,457</u>

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ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2007*

	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,977	\$ 6,252	\$ 50	\$ 549
Accounts receivable	-	-	-	-
Accrued interest receivable.	-	-	-	-
Intergovernmental receivable.	10,598	24,382	4,370	496
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
<i>Total assets.</i>	<u>\$ 12,575</u>	<u>\$ 30,634</u>	<u>\$ 4,420</u>	<u>\$ 1,045</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages payable.	-	24,225	-	-
Interfund loan payable	300	-	1,100	-
Pension obligation payable.	-	2,720	-	-
Intergovernmental payable	-	542	-	-
Undistributed monies.	-	-	-	-
Deferred revenue	9,392	-	2,394	496
<i>Total liabilities.</i>	<u>9,692</u>	<u>27,487</u>	<u>3,494</u>	<u>496</u>
Fund Balances:				
Reserved for encumbrances	1,828	-	-	-
Unreserved, undesignated	1,055	3,147	926	549
<i>Total fund balances</i>	<u>2,883</u>	<u>3,147</u>	<u>926</u>	<u>549</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,575</u>	<u>\$ 30,634</u>	<u>\$ 4,420</u>	<u>\$ 1,045</u>

Preschool Disability	Title II-A	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 1,525	\$ 1,875	\$ 250	\$ 125,922	\$ 50,866	\$ 78,402	\$ 508,676
-	-	-	-	-	-	150
-	-	-	1,935	735	-	2,670
9,919	9,316	327	10,922	-	-	246,283
-	-	-	4,935	-	20,718	25,653
-	-	-	-	-	-	8,200
<u>\$ 11,444</u>	<u>\$ 11,191</u>	<u>\$ 577</u>	<u>\$ 143,714</u>	<u>\$ 51,601</u>	<u>\$ 99,120</u>	<u>\$ 791,632</u>
\$ 191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,105
-	8,311	-	12,250	-	-	102,948
-	-	500	-	-	-	64,900
446	1,032	-	28,436	-	-	45,018
-	205	-	-	-	-	41,811
-	-	-	-	5,487	-	5,487
6,866	-	-	808	307	-	42,069
<u>7,503</u>	<u>9,548</u>	<u>500</u>	<u>41,494</u>	<u>5,794</u>	<u>-</u>	<u>306,338</u>
429	-	-	-	-	-	13,104
3,512	1,643	77	102,220	45,807	99,120	472,190
3,941	1,643	77	102,220	45,807	99,120	485,294
<u>\$ 11,444</u>	<u>\$ 11,191</u>	<u>\$ 577</u>	<u>\$ 143,714</u>	<u>\$ 51,601</u>	<u>\$ 99,120</u>	<u>\$ 791,632</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Public School Support</u>	<u>Local Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>
Revenues:					
Intergovernmental	\$ -	\$ 23,545	\$ -	\$ 494,315	\$ 8,049
Investment earnings	-	-	-	4,047	-
Extracurricular activities	134,912	-	81,933	-	-
Classroom materials and fees	5,120	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	5,485	-	4,761	-	-
<i>Total revenues</i>	<u>145,517</u>	<u>23,545</u>	<u>86,694</u>	<u>498,362</u>	<u>8,049</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	19,823	-	-	-
Special	8,501	800	-	-	-
Support services:					
Pupil	44,446	304	-	-	-
Instructional staff	2,499	-	-	-	-
Administration	-	365	-	-	-
Central	-	-	-	-	8,049
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	-	-
Extracurricular activities	105,098	-	190,121	-	-
Intergovernmental pass through	-	-	-	511,147	-
<i>Total expenditures</i>	<u>160,544</u>	<u>21,292</u>	<u>190,121</u>	<u>511,147</u>	<u>8,049</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(15,027)</u>	<u>2,253</u>	<u>(103,427)</u>	<u>(12,785)</u>	<u>-</u>
Other financing sources:					
Transfers in	-	-	110,000	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(15,027)</u>	<u>2,253</u>	<u>6,573</u>	<u>(12,785)</u>	<u>-</u>
<i>Fund balances at beginning of year</i>	<u>60,770</u>	<u>24,206</u>	<u>65,196</u>	<u>19,525</u>	<u>1</u>
<i>Fund balances at end of year</i>	<u>\$ 45,743</u>	<u>\$ 26,459</u>	<u>\$ 71,769</u>	<u>\$ 6,740</u>	<u>\$ 1</u>

Entry Year Programs	Ohio K-12 Network Connectivity	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 3,700	\$ 11,997	\$ 3,300	\$ 5,823	\$ 490,922
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,700	11,997	3,300	5,823	490,922
-	-	-	-	5,373
-	-	-	-	69,781
-	-	-	-	346,935
-	-	-	5,704	102,001
-	-	-	-	3,083
-	11,997	3,953	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	11,997	3,953	5,704	527,173
3,700	-	(653)	119	(36,251)
-	-	-	-	-
-	-	-	-	-
3,700	-	(653)	119	(36,251)
26	-	713	-	106,615
\$ 3,726	\$ -	\$ 60	\$ 119	\$ 70,364

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ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools Grant</u>
Revenues:				
Intergovernmental	\$ 7,637	\$ 168,552	\$ 6,512	\$ 6,611
Investment earnings	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,637</u>	<u>168,552</u>	<u>6,512</u>	<u>6,611</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	6,718
Special	6,220	178,377	-	-
Support services:				
Pupil	-	-	5,164	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	775	581
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
<i>Total expenditures</i>	<u>6,220</u>	<u>178,377</u>	<u>5,939</u>	<u>7,299</u>
<i>Excess of revenues over (under) expenditures</i>	<u>1,417</u>	<u>(9,825)</u>	<u>573</u>	<u>(688)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
<i>Net change in fund balances</i>	1,417	(9,825)	573	(688)
<i>Fund balances at beginning of year</i>	<u>1,466</u>	<u>12,972</u>	<u>353</u>	<u>1,237</u>
<i>Fund balances at end of year</i>	<u>\$ 2,883</u>	<u>\$ 3,147</u>	<u>\$ 926</u>	<u>\$ 549</u>

<u>Preschool Disability</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Memorial</u>	<u>Uniform School Supplies</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 15,287	\$ 57,800	\$ 1,262	\$ 84,133	\$ -	\$ -	\$ 1,389,445
-	-	-	8,008	1,741	-	13,796
-	-	-	-	-	-	216,845
-	-	-	-	-	76,020	81,140
-	-	-	466,038	-	-	466,038
-	-	-	-	151	-	10,397
<u>15,287</u>	<u>57,800</u>	<u>1,262</u>	<u>558,179</u>	<u>1,892</u>	<u>76,020</u>	<u>2,177,661</u>
-	56,800	-	-	-	76,669	165,383
11,042	-	-	-	-	-	274,721
5,956	-	1,558	-	-	-	404,363
600	2,880	-	-	100	-	113,784
-	-	-	-	-	-	3,448
-	-	-	-	-	-	23,999
-	-	-	618,018	-	-	618,018
-	1,369	-	-	-	-	2,725
-	-	-	-	-	-	295,219
-	-	-	-	-	-	511,147
<u>17,598</u>	<u>61,049</u>	<u>1,558</u>	<u>618,018</u>	<u>100</u>	<u>76,669</u>	<u>2,412,807</u>
<u>(2,311)</u>	<u>(3,249)</u>	<u>(296)</u>	<u>(59,839)</u>	<u>1,792</u>	<u>(649)</u>	<u>(235,146)</u>
-	-	-	50,000	-	-	160,000
-	-	-	50,000	-	-	160,000
(2,311)	(3,249)	(296)	(9,839)	1,792	(649)	(75,146)
<u>6,252</u>	<u>4,892</u>	<u>373</u>	<u>112,059</u>	<u>44,015</u>	<u>99,769</u>	<u>560,440</u>
<u>\$ 3,941</u>	<u>\$ 1,643</u>	<u>\$ 77</u>	<u>\$ 102,220</u>	<u>\$ 45,807</u>	<u>\$ 99,120</u>	<u>\$ 485,294</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular activities	\$ 135,860	\$ 134,761	\$ (1,099)
Classroom materials and fees	5,760	5,120	(640)
Miscellaneous	<u>20,100</u>	<u>5,531</u>	<u>(14,569)</u>
<i>Total revenues.</i>	<u>161,720</u>	<u>145,412</u>	<u>(16,308)</u>
Expenditures:			
Current:			
Instruction-special:			
Purchased services	6,760	4,272	2,488
Materials and supplies	<u>4,659</u>	<u>4,461</u>	<u>198</u>
Total instruction-special	<u>11,419</u>	<u>8,733</u>	<u>2,686</u>
Support services-pupil:			
Materials and supplies	43,500	38,653	4,847
Capital outlay	<u>9,000</u>	<u>5,793</u>	<u>3,207</u>
Total support services-pupil	<u>52,500</u>	<u>44,446</u>	<u>8,054</u>
Support services-instructional staff:			
Purchased services	3,900	500	3,400
Materials and supplies	4,500	1,999	2,501
Capital outlay	<u>3,400</u>	<u>-</u>	<u>3,400</u>
Total support services-instructional staff	<u>11,800</u>	<u>2,499</u>	<u>9,301</u>
Extracurricular activities:			
Purchased services	85,814	71,806	14,008
Materials and supplies	22,817	21,917	900
Capital outlay	<u>13,000</u>	<u>11,818</u>	<u>1,182</u>
Total extracurricular activities	<u>121,631</u>	<u>105,541</u>	<u>16,090</u>
<i>Total expenditures</i>	<u>197,350</u>	<u>161,219</u>	<u>36,131</u>
<i>Net change in fund balance</i>	(35,630)	(15,807)	19,823
<i>Fund balance at beginning of year</i>	60,895	60,895	-
<i>Prior year encumbrances appropriated.</i>	<u>314</u>	<u>314</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 25,579</u>	<u>\$ 45,402</u>	<u>\$ 19,823</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 14,013	\$ 23,545	\$ 9,532
<i>Total revenues.</i>	<u>14,013</u>	<u>23,545</u>	<u>9,532</u>
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	4,019	3,426	593
Materials and supplies	16,944	7,280	9,664
Capital outlay	<u>15,174</u>	<u>9,117</u>	<u>6,057</u>
Total instruction-regular.	<u>36,137</u>	<u>19,823</u>	<u>16,314</u>
Instruction-special:			
Purchased services	<u>800</u>	<u>800</u>	<u>-</u>
Total instruction-special	<u>800</u>	<u>800</u>	<u>-</u>
Instruction-vocational:			
Materials and supplies	<u>100</u>	<u>-</u>	<u>100</u>
Total instruction-vocational	<u>100</u>	<u>-</u>	<u>100</u>
Support services-pupil:			
Materials and supplies	<u>312</u>	<u>304</u>	<u>8</u>
Total support services-pupil.	<u>312</u>	<u>304</u>	<u>8</u>
Support services-administration:			
Materials and supplies	-	-	-
Capital outlay	<u>370</u>	<u>365</u>	<u>5</u>
Total support services-administration.	<u>370</u>	<u>365</u>	<u>5</u>
<i>Total expenditures</i>	<u>37,719</u>	<u>21,292</u>	<u>16,427</u>
<i>Net change in fund balance</i>	(23,706)	2,253	25,959
<i>Fund balance at beginning of year</i>	<u>24,206</u>	<u>24,206</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 500</u>	<u>\$ 26,459</u>	<u>\$ 25,959</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Extracurricular activities	\$ 184,115	\$ 81,933	\$ (102,182)
Miscellaneous	<u>26,750</u>	<u>4,761</u>	<u>(21,989)</u>
<i>Total revenues.</i>	<u>210,865</u>	<u>86,694</u>	<u>(124,171)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	13,535	14,560	(1,025)
Fringe benefits	2,205	2,314	(109)
Purchased services	106,852	101,427	5,425
Materials and supplies	75,153	70,240	4,913
Capital outlay	<u>1,540</u>	<u>1,540</u>	<u>-</u>
Total extracurricular activities	<u>199,285</u>	<u>190,081</u>	<u>9,204</u>
<i>Total expenditures</i>	<u>199,285</u>	<u>190,081</u>	<u>9,204</u>
<i>Excess of revenues over (under) expenditures</i>	<u>11,580</u>	<u>(103,387)</u>	<u>(114,967)</u>
Other financing sources:			
Transfers in	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<i>Total other financing sources</i>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<i>Net change in fund balance</i>	121,580	6,613	(114,967)
<i>Fund balance at beginning of year</i>	65,392	65,392	-
<i>Prior year encumbrances appropriated.</i>	<u>450</u>	<u>450</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 187,422</u>	<u>\$ 72,455</u>	<u>\$ (114,967)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental.	\$ 500,000	\$ 494,316	\$ (5,684)
Investment earnings	-	4,048	4,048
<i>Total revenues.</i>	<u>500,000</u>	<u>498,364</u>	<u>(1,636)</u>
Expenditures:			
Current:			
Intergovernmental pass through			
Salaries and wages	154,907	150,821	4,086
Fringe benefits	48,044	46,682	1,362
Purchased services	251,995	244,811	7,184
Materials and supplies.	15,595	20,118	(4,523)
Capital outlay	<u>47,991</u>	<u>48,231</u>	<u>(240)</u>
Total intergovernmental pass through	<u>518,532</u>	<u>510,663</u>	<u>7,869</u>
<i>Total expenditures</i>	<u>518,532</u>	<u>510,663</u>	<u>7,869</u>
<i>Net change in fund balance</i>	(18,532)	(12,299)	6,233
<i>Fund balance at beginning of year</i>	<u>51,933</u>	<u>51,933</u>	-
<i>Fund balance at end of year.</i>	<u>\$ 33,401</u>	<u>\$ 39,634</u>	<u>\$ 6,233</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 8,049	\$ 8,049	\$ -
<i>Total revenues.</i>	<u>8,049</u>	<u>8,049</u>	<u>-</u>
Expenditures:			
Current:			
Support services-central:			
Salaries and wages	3,897	3,897	-
Fringe benefits	949	949	-
Purchased services	<u>3,203</u>	<u>3,203</u>	<u>-</u>
Total support services-central	<u>8,049</u>	<u>8,049</u>	<u>-</u>
<i>Total expenditures</i>	<u>8,049</u>	<u>8,049</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 8,000	\$ -	\$ (8,000)
Total revenues	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total instruction-regular	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>26</u>	<u>26</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO K-12 NETWORK CONNECTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,000	\$ 11,997	\$ (3)
<i>Total revenues.</i>	<u>12,000</u>	<u>11,997</u>	<u>(3)</u>
 Expenditures:			
Current:			
Support services-central:			
Purchased services	<u>12,000</u>	<u>11,997</u>	<u>3</u>
Total support services-central	<u>12,000</u>	<u>11,997</u>	<u>3</u>
 <i>Total expenditures</i>	<u>12,000</u>	<u>11,997</u>	<u>3</u>
 <i>Net change in fund balance</i>	-	-	-
 <i>Fund balance at beginning of year</i>	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ETECH PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 3,300	\$ 3,300	\$ -
<i>Total revenues.</i>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Expenditures:			
Current:			
Support services-central:			
Purchased services	<u>4,013</u>	<u>3,953</u>	<u>60</u>
Total support services-central	<u>4,013</u>	<u>3,953</u>	<u>60</u>
<i>Total expenditures</i>	<u>4,013</u>	<u>3,953</u>	<u>60</u>
<i>Net change in fund balance</i>	(713)	(653)	60
<i>Fund balance at beginning of year</i>	<u>713</u>	<u>713</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 5,823	\$ 5,823	\$ -
<i>Total revenues.</i>	<u>5,823</u>	<u>5,823</u>	<u>-</u>
 Expenditures:			
Current:			
Support services-instructional staff:			
Purchased services	2,579	2,467	112
Supplies	2,870	2,863	7
Capital outlay	<u>374</u>	<u>374</u>	<u>-</u>
Total support services-instructional staff	<u>5,823</u>	<u>5,704</u>	<u>119</u>
 <i>Total expenditures</i>	<u>5,823</u>	<u>5,704</u>	<u>119</u>
 <i>Net change in fund balance</i>	-	119	119
 <i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 119</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)*

TITLE VI-B FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 518,121	\$ 440,475	\$ (77,646)
<i>Total revenues.</i>	<u>518,121</u>	<u>440,475</u>	<u>(77,646)</u>
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	<u>5,373</u>	<u>5,373</u>	<u>-</u>
Total instruction-regular	<u>5,373</u>	<u>5,373</u>	<u>-</u>
Instruction-special:			
Salaries and wages	47,674	23,637	24,037
Fringe benefits	7,629	3,844	3,785
Purchased services	3,800	2,949	851
Materials and supplies	42,997	42,332	665
Capital outlay	<u>8,096</u>	<u>8,061</u>	<u>35</u>
Total instruction-special	<u>110,196</u>	<u>80,823</u>	<u>29,373</u>
Support services-pupil:			
Salaries and wages	115,250	94,476	20,774
Fringe benefits	33,574	27,418	6,156
Purchased services	259,408	225,941	33,467
Materials and supplies	8,550	8,438	112
Capital outlay	<u>749</u>	<u>749</u>	<u>-</u>
Total support services-pupil	<u>417,531</u>	<u>357,022</u>	<u>60,509</u>
Support services-instructional staff:			
Salaries and wages	91,056	77,939	13,117
Fringe benefits	19,320	17,038	2,282
Purchased services	3,229	3,195	34
Materials and supplies	<u>1,500</u>	<u>618</u>	<u>882</u>
Total support services-instructional staff	<u>115,105</u>	<u>98,790</u>	<u>16,315</u>
Support services-administration:			
Purchased services	1,800	1,591	209
Materials and supplies	<u>1,652</u>	<u>1,492</u>	<u>160</u>
Total support services-administration	<u>3,452</u>	<u>3,083</u>	<u>369</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	<u>4,881</u>	<u>-</u>	<u>4,881</u>
Total operation of non-instructional services	<u>4,881</u>	<u>-</u>	<u>4,881</u>
<i>Total expenditures</i>	<u>656,538</u>	<u>545,091</u>	<u>111,447</u>
<i>Excess of revenues (under) expenditures</i>	<u>(138,417)</u>	<u>(104,616)</u>	<u>33,801</u>
Other financing sources (uses):			
Advances in	100,000	63,000	(37,000)
Advances out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<i>Total other financing sources (uses).</i>	<u>-</u>	<u>(37,000)</u>	<u>(37,000)</u>
<i>Net change in fund balance</i>	<u>(138,417)</u>	<u>(141,616)</u>	<u>(3,199)</u>
<i>Fund balance at beginning of year</i>	76,973	76,973	-
<i>Prior year encumbrances appropriated.</i>	66,837	66,837	-
<i>Fund balance at end of year.</i>	<u>\$ 5,393</u>	<u>\$ 2,194</u>	<u>\$ (3,199)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 30,000	\$ 6,431	\$ (23,569)
<i>Total revenues</i>	<u>30,000</u>	<u>6,431</u>	<u>(23,569)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	4,518	-	4,518
Fringe benefits	700	-	700
Purchased services	10,484	6,755	3,729
Materials and supplies	2,593	325	2,268
Capital outlay	<u>968</u>	<u>968</u>	<u>-</u>
Total instruction-special	<u>19,263</u>	<u>8,048</u>	<u>11,215</u>
<i>Total expenditures</i>	<u>19,263</u>	<u>8,048</u>	<u>11,215</u>
<i>Excess of revenues over (under) expenditures</i>	<u>10,737</u>	<u>(1,617)</u>	<u>(12,354)</u>
Other financing sources:			
Advances in	<u>-</u>	<u>300</u>	<u>300</u>
<i>Total other financing sources</i>	<u>-</u>	<u>300</u>	<u>300</u>
<i>Net change in fund balance</i>	10,737	(1,317)	(12,054)
<i>Fund balance at beginning of year</i>	698	698	-
<i>Prior year encumbrances appropriated</i>	<u>768</u>	<u>768</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 12,203</u>	<u>\$ 149</u>	<u>\$ (12,054)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 199,928	\$ 170,557	\$ (29,371)
<i>Total revenues.</i>	<u>199,928</u>	<u>170,557</u>	<u>(29,371)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	138,318	117,835	20,483
Fringe benefits	52,537	44,297	8,240
Purchased services	9,475	8,334	1,141
Materials and supplies.	<u>5,657</u>	<u>4,543</u>	<u>1,114</u>
Total instruction-special	<u>205,987</u>	<u>175,009</u>	<u>30,978</u>
<i>Total expenditures</i>	<u>205,987</u>	<u>175,009</u>	<u>30,978</u>
<i>Net change in fund balance</i>	(6,059)	(4,452)	1,607
<i>Fund balance at beginning of year</i>	<u>11,048</u>	<u>11,048</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 4,989</u>	<u>\$ 6,596</u>	<u>\$ 1,607</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 9,828	\$ 4,536	\$ (5,292)
<i>Total revenues.</i>	<u>9,828</u>	<u>4,536</u>	<u>(5,292)</u>
 Expenditures:			
Current:			
Support services-pupil:			
Purchased services	7,431	4,399	3,032
Materials and supplies	<u>962</u>	<u>765</u>	<u>197</u>
Total support services-pupil.	<u>8,393</u>	<u>5,164</u>	<u>3,229</u>
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies	<u>866</u>	<u>775</u>	<u>91</u>
Total operation of non-instructional services	<u>866</u>	<u>775</u>	<u>91</u>
 <i>Total expenditures</i>	<u>9,259</u>	<u>5,939</u>	<u>3,320</u>
 <i>Excess of revenues over (under) expenditures.</i>	<u>569</u>	<u>(1,403)</u>	<u>(1,972)</u>
 Other financing sources:			
Advances in	<u>-</u>	<u>1,100</u>	<u>1,100</u>
<i>Total other financing uses</i>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
 <i>Net change in fund balance</i>	569	(303)	(872)
 <i>Fund balance at beginning of year</i>	<u>353</u>	<u>353</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 922</u>	<u>\$ 50</u>	<u>\$ (872)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 8,812	\$ 6,611	\$ (2,201)
<i>Total revenues.</i>	<u>8,812</u>	<u>6,611</u>	<u>(2,201)</u>
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	6,241	6,156	85
Materials and supplies	<u>562</u>	<u>562</u>	<u>-</u>
Total instruction-regular.	<u>6,803</u>	<u>6,718</u>	<u>85</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	581	581	-
Materials and supplies	<u>960</u>	<u>-</u>	<u>960</u>
Total operation of non-instructional services	<u>1,541</u>	<u>581</u>	<u>960</u>
<i>Total expenditures</i>	<u>8,344</u>	<u>7,299</u>	<u>1,045</u>
<i>Net change in fund balance</i>	468	(688)	(1,156)
<i>Fund balance at beginning of year</i>	<u>1,237</u>	<u>1,237</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,705</u>	<u>\$ 549</u>	<u>\$ (1,156)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 26,333	\$ 16,414	\$ (9,919)
<i>Total revenues.</i>	<u>26,333</u>	<u>16,414</u>	<u>(9,919)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	5,988	1,648	4,340
Fringe benefits	985	270	715
Purchased services	2,060	513	1,547
Materials and supplies.	9,225	5,308	3,917
Capital outlay	2,998	2,997	1
Total instruction-special	<u>21,256</u>	<u>10,736</u>	<u>10,520</u>
Support services-pupil:			
Purchased services	5,500	5,196	304
Materials and supplies.	1,253	1,253	-
Capital outlay	-	-	-
Total support services-pupil.	<u>6,753</u>	<u>6,449</u>	<u>304</u>
Support services-instructional staff:			
Purchased services	600	600	-
Total support services-instructional staff	<u>600</u>	<u>600</u>	<u>-</u>
<i>Total expenditures</i>	<u>28,609</u>	<u>17,785</u>	<u>10,824</u>
<i>Excess of revenues (under) expenditures</i>	<u>(2,276)</u>	<u>(1,371)</u>	<u>905</u>
Other financing uses:			
Advances (out)	(4,100)	(4,100)	-
Total other financing uses.	<u>(4,100)</u>	<u>(4,100)</u>	<u>-</u>
<i>Net change in fund balance</i>	(6,376)	(5,471)	905
<i>Fund balance at beginning of year</i>	4,752	4,752	-
<i>Prior year encumbrances appropriated.</i>	1,624	1,624	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 905</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 71,821	\$ 60,887	\$ (10,934)
<i>Total revenues.</i>	<u>71,821</u>	<u>60,887</u>	<u>(10,934)</u>
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	51,022	43,657	7,365
Fringe benefits	<u>14,461</u>	<u>12,339</u>	<u>2,122</u>
Total instruction-regular.	<u>65,483</u>	<u>55,996</u>	<u>9,487</u>
Support services-instructional staff:			
Purchased services	<u>4,477</u>	<u>2,880</u>	<u>1,597</u>
Total support services-instructional staff	<u>4,477</u>	<u>2,880</u>	<u>1,597</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	1,023	960	63
Materials and supplies.	<u>450</u>	<u>407</u>	<u>43</u>
Total operation of non-instructional services	<u>1,473</u>	<u>1,367</u>	<u>106</u>
<i>Total expenditures</i>	<u>71,433</u>	<u>60,243</u>	<u>11,190</u>
<i>Net change in fund balance</i>	388	644	256
<i>Fund balance at beginning of year</i>	<u>1,231</u>	<u>1,231</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,619</u>	<u>\$ 1,875</u>	<u>\$ 256</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,662	\$ 935	\$ (727)
<i>Total revenues.</i>	<u>1,662</u>	<u>935</u>	<u>(727)</u>
Expenditures:			
Current:			
Support services-pupil:			
Purchased services	<u>1,558</u>	<u>1,558</u>	<u>-</u>
Total support services-pupil.	<u>1,558</u>	<u>1,558</u>	<u>-</u>
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	<u>77</u>	<u>-</u>	<u>77</u>
Total operation of non-instructional services	<u>77</u>	<u>-</u>	<u>77</u>
<i>Total expenditures</i>	<u>1,635</u>	<u>1,558</u>	<u>77</u>
<i>Excess of revenues over (under) expenditures</i>	<u>27</u>	<u>(623)</u>	<u>(650)</u>
Other financing sources:			
Advances in	<u>-</u>	<u>500</u>	<u>500</u>
Total other financing sources	<u>-</u>	<u>500</u>	<u>500</u>
<i>Net change in fund balance</i>	27	(123)	(150)
<i>Fund balance at beginning of year</i>	<u>373</u>	<u>373</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 400</u>	<u>\$ 250</u>	<u>\$ (150)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,800	\$ 61,090	\$ (710)
Investment earnings	3,000	6,542	3,542
Charges for services.	<u>505,300</u>	<u>466,097</u>	<u>(39,203)</u>
<i>Total revenues.</i>	<u>570,100</u>	<u>533,729</u>	<u>(36,371)</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	233,500	228,001	5,499
Fringe benefits	117,500	126,249	(8,749)
Purchased services	3,500	2,626	874
Materials and supplies.	235,500	219,323	16,177
Capital outlay	<u>15,000</u>	<u>14,483</u>	<u>517</u>
<i>Total food service operations.</i>	<u>605,000</u>	<u>590,682</u>	<u>14,318</u>
<i>Total expenditures</i>	<u>605,000</u>	<u>590,682</u>	<u>14,318</u>
<i>Excess of revenues</i> <i>(under) expenditures.</i>	<u>(34,900)</u>	<u>(56,953)</u>	<u>(22,053)</u>
Other financing sources:			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Total other financing sources</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Net change in fund balance</i>	15,100	(6,953)	(22,053)
<i>Fund balance at beginning of year</i>	<u>132,676</u>	<u>132,676</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 147,776</u>	<u>\$ 125,723</u>	<u>\$ (22,053)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEMORIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings	\$ 100	\$ 1,204	\$ 1,104
Miscellaneous.	<u>1,100</u>	<u>151</u>	<u>(949)</u>
<i>Total revenues.</i>	<u>1,200</u>	<u>1,355</u>	<u>155</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Materials and supplies.	30,331	100	30,231
Capital outlay	<u>515</u>	<u>-</u>	<u>515</u>
Total support services-instructional staff	<u>30,846</u>	<u>100</u>	<u>30,746</u>
Extracurricular activities:			
Materials and supplies.	<u>755</u>	<u>-</u>	<u>755</u>
Total extracurricular activities.	<u>755</u>	<u>-</u>	<u>755</u>
<i>Total expenditures</i>	<u>31,601</u>	<u>100</u>	<u>31,501</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(30,401)</u>	<u>1,255</u>	<u>31,656</u>
Other financing uses:			
Refund of prior year's (receipts)	<u>(17,611)</u>	<u>-</u>	<u>17,611</u>
<i>Total other financing uses</i>	<u>(17,611)</u>	<u>-</u>	<u>17,611</u>
<i>Net change in fund balance</i>	(48,012)	1,255	49,267
<i>Fund balance at beginning of year</i>	<u>49,577</u>	<u>49,577</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,565</u>	<u>\$ 50,832</u>	<u>\$ 49,267</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Classroom materials and fees	\$ 105,605	\$ 76,104	\$ (29,501)
<i>Total revenues.</i>	<u>105,605</u>	<u>76,104</u>	<u>(29,501)</u>
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies.	<u>99,888</u>	<u>71,666</u>	<u>28,222</u>
Total instruction-regular.	<u>99,888</u>	<u>71,666</u>	<u>28,222</u>
Instruction-vocational:			
Materials and supplies.	<u>3,135</u>	<u>2,505</u>	<u>630</u>
Total instruction-vocational	<u>3,135</u>	<u>2,505</u>	<u>630</u>
<i>Total expenditures</i>	<u>103,023</u>	<u>74,171</u>	<u>28,852</u>
<i>Net change in fund balance</i>	2,582	1,933	(649)
<i>Fund balance at beginning of year</i>	<u>76,469</u>	<u>76,469</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 79,051</u>	<u>\$ 78,402</u>	<u>\$ (649)</u>

**ORANGE CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor Capital Projects Fund

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects fund follows:

Building Improvement Fund

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

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings	\$ 9,500	\$ 9,215	\$ (285)
<i>Total revenues.</i>	<u>9,500</u>	<u>9,215</u>	<u>(285)</u>
 Expenditures:			
Current:			
Facilities acquisition and construction:			
Capital outlay	<u>159,193</u>	<u>580</u>	<u>158,613</u>
Total facilities acquisition and construction.	<u>159,193</u>	<u>580</u>	<u>158,613</u>
<i>Total expenditures</i>	<u>159,193</u>	<u>580</u>	<u>158,613</u>
 <i>Excess of revenues over (under) expenditures</i>	<u>(149,693)</u>	<u>8,635</u>	<u>158,328</u>
 Other financing uses:			
Refund of prior year's receipts	<u>(38,307)</u>	<u>(37,728)</u>	<u>579</u>
<i>Total other financing uses.</i>	<u>(38,307)</u>	<u>(37,728)</u>	<u>579</u>
 <i>Net change in fund balance</i>	(188,000)	(29,093)	158,907
 <i>Fund balance at beginning of year</i>	<u>195,842</u>	<u>195,842</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 7,842</u>	<u>\$ 166,749</u>	<u>\$ 158,907</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - FIDUCIARY FUNDS

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

PRIVATE-PURPOSE TRUST FUND

Scholarship Fund

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

AGENCY FUNDS

District Agency Fund

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

Employee Benefits Fund

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

Student Managed Activities Fund

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

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Contributions and donations	\$ -	\$ 50	\$ 50
<i>Total operating revenues</i>	<u>-</u>	<u>50</u>	<u>50</u>
Operating expenses:			
Scholarships awarded	23,045	2,500	20,545
<i>Total operating expenses</i>	<u>23,045</u>	<u>2,500</u>	<u>20,545</u>
<i>Operating loss</i>	<u>(23,045)</u>	<u>(2,450)</u>	<u>20,595</u>
Nonoperating revenues:			
Investment earnings	4,000	3,689	(311)
<i>Total nonoperating revenues</i>	<u>4,000</u>	<u>3,689</u>	<u>(311)</u>
<i>Net change in fund balance</i>	(19,045)	1,239	20,284
<i>Fund equity at beginning of year</i>	78,146	78,146	-
<i>Fund equity at end of year</i>	<u>\$ 59,101</u>	<u>\$ 79,385</u>	<u>\$ 20,284</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

	<u>Beginning Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2007</u>
District Agency				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 4,029</u>	<u>\$ 77,272</u>	<u>\$ 74,870</u>	<u>\$ 6,431</u>
Liabilities:				
Undistributed monies.	<u>\$ 4,029</u>	<u>\$ 77,272</u>	<u>\$ 74,870</u>	<u>\$ 6,431</u>
 Employee Benefits				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 15,395</u>	<u>\$ 71,916</u>	<u>\$ 82,099</u>	<u>\$ 5,212</u>
Liabilities:				
Undistributed monies.	<u>\$ 15,395</u>	<u>\$ 71,916</u>	<u>\$ 82,099</u>	<u>\$ 5,212</u>
 Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 77,857</u>	<u>\$ 143,015</u>	<u>\$ 129,033</u>	<u>\$ 91,839</u>
Liabilities:				
Due to students	<u>\$ 77,857</u>	<u>\$ 143,015</u>	<u>\$ 129,033</u>	<u>\$ 91,839</u>
 Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 97,281</u>	<u>\$ 292,203</u>	<u>\$ 286,002</u>	<u>\$ 103,482</u>
Liabilities:				
Undistributed monies.	<u>\$ 19,424</u>	<u>\$ 149,188</u>	<u>\$ 156,969</u>	<u>\$ 11,643</u>
Due to students	<u>77,857</u>	<u>143,015</u>	<u>129,033</u>	<u>91,839</u>
<i>Total liabilities.</i>	<u>\$ 97,281</u>	<u>\$ 292,203</u>	<u>\$ 286,002</u>	<u>\$ 103,482</u>

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	114-127
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	128-134
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	135-138
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	139-140
Operating Information These schedules contain service and infrastructure 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.	141-148

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,338,264	\$ 14,173,058	\$ 13,879,066	\$ 8,994,910
Restricted	5,782,995	4,129,749	4,258,217	8,517,577
Unrestricted	<u>25,515,875</u>	<u>23,274,232</u>	<u>20,781,033</u>	<u>17,943,454</u>
Total governmental activities net assets	<u>\$ 46,637,134</u>	<u>\$ 41,577,039</u>	<u>\$ 38,918,316</u>	<u>\$ 35,455,941</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,267,860	\$ 2,390,490	\$ 2,502,295	\$ 2,598,355
Unrestricted	<u>4,150,252</u>	<u>3,581,815</u>	<u>2,624,723</u>	<u>2,923,313</u>
Total business-type activities net assets	<u>\$ 6,418,112</u>	<u>\$ 5,972,305</u>	<u>\$ 5,127,018</u>	<u>\$ 5,521,668</u>
Primary government				
Invested in capital assets, net of related debt	\$ 17,606,124	\$ 16,563,548	\$ 16,381,361	\$ 11,593,265
Restricted	5,782,995	4,129,749	4,258,217	8,517,577
Unrestricted	<u>29,666,127</u>	<u>26,856,047</u>	<u>23,405,756</u>	<u>20,866,767</u>
Total primary government net assets	<u>\$ 53,055,246</u>	<u>\$ 47,549,344</u>	<u>\$ 44,045,334</u>	<u>\$ 40,977,609</u>

Source: School District financial records.

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

Note: The District implemented GASB Statement No. 34 in fiscal year 2002. Information has been provided since that date.

<u>2003 (1)</u>	<u>2002</u>
\$ 12,602,070	\$ 11,202,586
3,331,506	4,351,769
<u>14,916,846</u>	<u>12,902,453</u>
<u>\$ 30,850,422</u>	<u>\$ 28,456,808</u>

\$ 2,615,782	\$ 1,892,421
2,771,335	3,260,963
<u>\$ 5,387,117</u>	<u>\$ 5,153,384</u>

\$ 15,217,852	\$ 13,095,007
3,331,506	4,351,769
<u>17,688,181</u>	<u>16,163,416</u>
<u>\$ 36,237,539</u>	<u>\$ 33,610,192</u>

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

CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 17,962,128	\$ 17,066,373	\$ 16,379,861	\$ 16,320,163	\$ 14,545,778
Special	5,475,417	6,310,151	6,202,166	5,028,484	6,017,671
Vocational	324,513	296,866	253,802	280,092	241,796
Other instructional	2,828	-	-	23,649	11,775
Support services:					
Pupil	3,337,866	2,799,441	2,648,841	2,734,653	2,210,058
Instructional staff	3,499,573	2,864,820	2,681,775	3,081,414	1,480,216
Board of Education	143,355	181,753	163,202	141,777	89,482
Administration	2,849,409	2,827,023	2,603,395	2,606,354	2,291,678
Fiscal	1,126,029	1,129,981	1,115,331	1,053,898	1,032,334
Business	509,048	545,223	443,553	432,204	396,839
Operations and maintenance of plant	5,096,407	5,318,201	4,441,976	3,386,491	4,213,242
Pupil transportation	3,366,186	3,228,108	3,029,567	3,162,885	3,028,156
Central	1,114,698	1,223,883	924,539	938,416	1,073,794
Operation of non-instructional services:					
Food service operations	603,470	569,200	633,098	592,915	589,708
Other non-instructional services	51,787	16,871	23,129	20,045	39,822
Extracurricular activities	1,584,091	1,683,450	1,469,294	1,385,763	1,464,133
Intergovernmental pass-through	483,574	394,972	380,069	356,394	423,977
Interest and fiscal charges	1,165,809	1,401,244	1,452,048	1,335,954	1,640,230
Total governmental activities expenses	<u>48,696,188</u>	<u>47,857,560</u>	<u>44,845,646</u>	<u>42,881,551</u>	<u>40,790,689</u>
Business-type activities:					
Recreation	2,155,699	2,236,723	2,311,856	2,254,392	2,017,600
Total business-type activities expenses	<u>2,155,699</u>	<u>2,236,723</u>	<u>2,311,856</u>	<u>2,254,392</u>	<u>2,017,600</u>
Total primary government expenses	<u>\$ 50,851,887</u>	<u>\$ 50,094,283</u>	<u>\$ 47,157,502</u>	<u>\$ 45,135,943</u>	<u>\$ 42,808,289</u>

2002

\$ 14,568,032
6,402,994
230,331
-

2,179,425
1,460,404
55,562
2,398,794
1,024,004
385,116
3,763,576
2,733,130
721,406

484,331
243,162
1,360,754
-

1,435,275
39,446,296

1,785,160
1,785,160

\$ 41,231,456
- - Continued

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

CHANGES IN NET ASSETS (CONTINUED)
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2007	2006	2005	2004	2003 (1)
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 701,197	\$ 3,477,083	\$ 1,856,569	\$ 2,321,244	\$ 4,444,894
Special	2,770,390	4,823	3,773	2,041	2,199
Vocational	78,262	-	-	-	-
Support services:					
Pupil	38,767	41,945	44,702	30,646	37,704
Instructional staff	2,180	419	2,425	5,901	874
Operations and maintenance of plant	7,140	4,750	6,692	7,441	8,243
Pupil transportation	14,772	10,391	19,416	3,888	-
Operation of non-instructional services:					
Food service operations	466,038	480,615	441,373	443,993	435,523
Extracurricular activities	173,603	337,025	171,189	211,134	350,672
Operating grants and contributions:					
Instruction:					
Regular	89,485	84,881	93,586	159,018	108,626
Special	242,760	281,127	284,739	273,719	231,316
Vocational	-	227	-	-	-
Support services:					
Pupil	333,655	308,004	310,124	199,665	127,166
Instructional staff	105,450	114,446	70,685	44,868	28,408
Administration	3,258	11,788	6,688	13,765	5,361
Operations and maintenance of plant	2,310	-	2,315	1,575	4,211
Pupil transportation	163,705	-	-	-	-
Central	23,346	22,713	19,613	20,813	19,074
Operation of non-instructional services:					
Food service operations	92,126	61,784	67,179	74,061	67,633
Other non-instructional services	-	3,438	7,896	4,446	13,464
Extracurricular activities	4,761	25,967	10,223	1,162	-
Intergovernmental pass-through	498,362	399,230	381,847	361,031	394,215
Capital grants and contributions:					
Support services:					
Operations and maintenance of plant	127,713	11,211	43,794	59,445	104,583
Pupil transportation	35,008	-	-	-	-
Central	-	-	18,270	-	-
Total governmental program revenues	5,974,288	5,681,867	3,863,098	4,239,856	6,384,166
Business-type activities:					
Charges for services:					
Recreation	1,451,743	1,459,405	1,453,400	1,463,320	1,365,066
Operating grants and contributions	124,138	106,552	138,219	185,204	87,731
Capital grants and contributions	-	-	11,000	-	-
Total business-type activities program revenues	1,575,881	1,565,957	1,602,619	1,648,524	1,452,797
Total primary government program revenue	\$ 7,550,169	\$ 7,247,824	\$ 5,465,717	\$ 5,888,380	\$ 7,836,963
Net (Expense)/Revenue					
Governmental activities	(42,721,900)	(42,175,693)	(40,982,548)	(38,641,695)	(34,406,523)
Business-type activities	(579,818)	(670,766)	(709,237)	(605,868)	(564,803)
Total primary government net expense	\$ (43,301,718)	\$ (42,846,459)	\$ (41,691,785)	\$ (39,247,563)	\$ (34,971,326)

2002

\$ 4,604,407

-

-

-

-

-

-

399,190

186,142

102,730

162,309

401

104,197

18,161

9,736

4,558

-

8,779

54,714

266,490

837

-

-

27,880

-

5,950,531

1,184,354

151,672

-

1,336,026

\$ 7,286,557

(33,495,765)

(449,134)

\$ (33,944,899)

- - Continued

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

CHANGES IN NET ASSETS (CONTINUED)
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 36,302,829	\$ 34,123,527	\$ 34,448,820	\$ 33,236,580	\$ 27,843,273
Debt service	2,102,099	1,986,733	2,021,985	2,330,475	2,458,241
Capital projects	807,873	769,922	775,449	631,737	-
Grants and entitlements not restricted to specific programs	7,000,298	6,748,771	6,581,853	6,377,995	5,975,363
Investment earnings	1,990,147	1,196,647	575,766	268,877	440,002
Gain on sale of capital assets	-	-	-	2,124	-
Miscellaneous	22,700	8,816	46,550	139,337	83,258
Transfers	-	-	(5,500)	-	-
Extraordinary item	-	-	-	260,089	-
Total governmental activities	<u>48,225,946</u>	<u>44,834,416</u>	<u>44,444,923</u>	<u>43,247,214</u>	<u>36,800,137</u>
Business-type activities:					
Property taxes levied for:					
Recreation	815,148	1,362,258	230,367	679,573	660,894
Investment earnings	193,580	120,835	65,348	26,811	61,914
Miscellaneous	30,172	32,960	13,372	34,035	75,728
Transfers	-	-	5,500	-	-
Total business-type activities	<u>1,038,900</u>	<u>1,516,053</u>	<u>314,587</u>	<u>740,419</u>	<u>798,536</u>
Total primary government	<u>\$ 49,264,846</u>	<u>\$ 46,350,469</u>	<u>\$ 44,759,510</u>	<u>\$ 43,987,633</u>	<u>\$ 37,598,673</u>
Change in Net Assets					
Governmental activities	5,504,046	2,658,723	3,462,375	4,605,519	2,393,614
Business-type activities	459,082	845,287	(394,650)	134,551	233,733
Total primary government	<u>\$ 5,963,128</u>	<u>\$ 3,504,010</u>	<u>\$ 3,067,725</u>	<u>\$ 4,740,070</u>	<u>\$ 2,627,347</u>

Source: School District financial records.

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

Note: The District implemented GASB Statement No. 34 in fiscal year 2002. Information has been provided since that date.

2002

\$ 35,669,489
3,058,132
-

5,717,812
543,836
-
78,756
-

45,068,025

651,353
53,226
44,846
-

749,425

\$ 45,817,450

11,572,260
300,291

\$ 11,872,551

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>
General Fund:				
Reserved	\$ 4,806,799	\$ 4,419,363	\$ 6,405,735	\$ 5,807,656
Unreserved	22,494,931	19,852,597	15,513,098	12,520,841
Total general fund	<u>27,301,730</u>	<u>24,271,960</u>	<u>21,918,833</u>	<u>18,328,497</u>
All Other Governmental Funds:				
Reserved	2,595,005	3,386,156	1,622,627	6,179,105
Unreserved, reported in:				
Special revenue funds	472,190	496,295	447,072	438,804
Capital projects funds	2,834,842	85,739	2,147,760	2,154,219
Debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>5,902,037</u>	<u>3,968,190</u>	<u>4,217,459</u>	<u>8,772,128</u>
Total governmental funds	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</u>	<u>\$ 26,136,292</u>	<u>\$ 27,100,625</u>

Source: School District financial records.

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

2003	2002	2001 (1)	2000 (1)	1999 (1)	1998
\$ 3,572,549	\$ 6,020,900	\$ 1,633,278	\$ 2,231,112	\$ 4,972,852	\$ 2,423,210
10,884,948	6,751,616	408,133	593,329	3,442,362	4,761,846
<u>14,457,497</u>	<u>12,772,516</u>	<u>2,041,411</u>	<u>2,824,441</u>	<u>8,415,214</u>	<u>7,185,056</u>
1,852,442	1,054,245	6,208,912	19,000,943	5,218,414	591,460
331,835	511,081	377,758	289,786	199,086	180,956
1,631,938	2,009,277	2,361,494	9,683,657	30,352,833	(3,259,170)
-	1,179,003	1,172,264	1,555,512	1,452,218	502,779
<u>3,816,215</u>	<u>4,753,606</u>	<u>10,120,428</u>	<u>30,529,898</u>	<u>37,222,551</u>	<u>(1,983,975)</u>
<u>\$ 18,273,712</u>	<u>\$ 17,526,122</u>	<u>\$ 12,161,839</u>	<u>\$ 33,354,339</u>	<u>\$ 45,637,765</u>	<u>\$ 5,201,081</u>

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>
Revenues				
From local sources:				
Taxes	\$ 39,797,661	\$ 36,917,405	\$ 36,671,073	\$ 35,808,052
Tuition and fees	3,701,388	3,004,688	2,476,688	3,474,021
Charges for services	466,038	480,615	441,373	443,993
Investment earnings	1,963,335	1,031,383	575,766	259,712
Extracurricular	216,845	378,972	217,569	244,742
Classroom materials and fees	86,046	84,173	91,794	85,328
Contributions and donations	-	-	-	-
Rentals	7,140	4,750	6,692	7,441
Other local revenues	190,711	86,873	148,003	226,701
Intergovernmental - State	8,588,456	8,007,852	7,849,318	7,528,082
Intergovernmental - Federal	-	-	-	-
Total revenues	<u>55,017,620</u>	<u>49,996,711</u>	<u>48,478,276</u>	<u>48,078,072</u>
Expenditures				
Current:				
Instruction:				
Regular	17,305,337	16,173,320	15,563,319	15,953,841
Special	5,289,978	6,157,219	6,033,382	5,088,254
Vocational	303,665	276,743	231,760	254,318
Other	37,728	-	314,102	23,649
Current:				
Pupil	3,299,577	2,721,090	2,604,010	2,608,696
Instructional staff	3,511,311	2,780,562	2,650,240	2,890,736
Board of Education	143,355	181,589	163,202	141,777
Administration	2,787,210	2,754,691	2,541,739	2,502,782
Fiscal	1,151,052	1,107,658	1,114,715	1,045,621
Business	510,033	509,897	418,029	398,249
Operations and maintenance of plant	4,278,812	4,563,040	3,938,245	3,154,984
Pupil transportation	3,511,181	3,286,647	3,072,781	2,930,094
Central	1,085,252	1,154,066	854,049	876,060
Operation of non-instructional services:				
Food service operations	618,018	527,599	589,150	519,613
Other non-instructional services	2,725	7,619	12,737	14,437
Extracurricular activities	1,490,130	1,589,738	1,376,799	1,293,867
Intergovernmental pass-through	511,147	381,980	407,017	339,705
Facilities acquisitions and construction	2,326,830	1,632,519	573,202	1,056,117
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	881,536	799,104	5,568,582	6,241,002
Interest and fiscal charges	1,009,126	1,287,772	1,415,766	1,295,340
Bond issuance costs	183,859	-	-	95,695
Total expenditures	<u>50,237,862</u>	<u>47,892,853</u>	<u>49,442,826</u>	<u>48,724,837</u>
Excess of revenues over (under) expenditures	4,779,758	2,103,858	(964,550)	(646,765)

	2003	2002	2001 (1)	2000 (1)	1999 (1)	1998
\$	30,096,717	\$ 37,947,949	\$ 28,201,938	\$ 24,309,358	\$ 24,675,632	\$ 22,571,130
	4,043,241	4,362,668	1,224,851	919,285	954,258	1,385,119
	557,859	576,898	35,431	26,851	39,459	40,649
	440,002	543,836	1,928,964	2,706,402	1,243,485	503,422
	391,449	186,142	162,405	363,850	156,101	152,260
	-	-	-	-	-	-
	68,421	2,000	21,064	338,199	136,770	25,869
	8,243	64,031	24,983	25,311	27,822	31,382
	193,724	78,756	165,001	37,197	21,018	173,269
	6,961,005	6,559,647	5,633,637	4,940,474	6,105,356	4,795,933
	-	-	-	-	-	-
	<u>42,760,661</u>	<u>50,321,927</u>	<u>37,398,274</u>	<u>33,666,927</u>	<u>33,359,901</u>	<u>29,679,033</u>
	14,077,659	13,447,944	12,625,478	12,442,821	11,872,111	10,874,248
	5,860,971	6,065,966	5,464,607	4,560,383	4,010,123	3,184,939
	218,558	202,804	232,294	213,375	82,633	462,098
	11,775	-	-	-	-	-
	2,133,191	2,050,681	1,888,665	1,930,600	1,804,779	1,629,421
	1,430,186	1,277,163	1,382,454	1,286,815	1,253,588	1,240,577
	90,263	55,528	62,624	69,623	82,571	77,567
	2,212,003	2,192,317	2,091,286	1,846,554	1,932,245	1,711,933
	1,028,462	1,001,996	863,583	760,422	701,767	727,401
	375,221	371,377	380,977	404,954	412,272	90,817
	3,993,961	3,558,199	3,424,856	3,066,533	2,957,963	3,057,897
	2,863,664	2,648,412	2,516,022	2,193,991	2,143,592	1,946,960
	986,330	625,026	485,845	547,736	728,006	746,713
	496,404	395,688	-	-	-	-
	30,782	243,543	291,444	257,264	252,887	227,235
	1,408,265	1,239,596	1,024,709	1,287,229	960,062	902,521
	421,377	-	-	-	-	-
	1,304,673	-	-	-	-	-
	169,374	6,533,745	22,877,238	10,125,065	1,758,291	977,160
	6,816,475	7,243,277	7,879,533	10,275,789	8,847	24,812
	1,405,032	1,554,382	1,528,572	1,659,463	923,992	123,432
	-	-	-	-	-	-
	<u>47,334,626</u>	<u>50,707,644</u>	<u>65,020,187</u>	<u>52,928,617</u>	<u>31,885,729</u>	<u>28,005,731</u>
	(4,573,965)	(385,717)	(27,621,913)	(19,261,690)	1,474,172	1,673,302

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>
Other Financing Sources (Uses)				
Transfers in	2,706,700	268,370	156,000	764,000
Transfers (out)	(2,706,700)	(268,370)	(156,000)	(764,000)
Refund of prior year expenditure	-	-	-	-
Sale of assets	-	-	217	2,124
Capital lease transaction	-	-	-	-
Sale of refunding bonds	18,354,970	-	-	-
Premium on refunding bonds sold	841,741	-	-	-
Payment to refunded bond escrow agent	(19,012,852)	-	-	-
Premium on bonds	-	-	-	202,302
Accrued interest on bonds	-	-	-	9,165
Issuance of bonds	-	-	-	4,499,998
Issuance of notes	-	-	-	4,500,000
Total other financing sources (uses)	<u>183,859</u>	<u>-</u>	<u>217</u>	<u>9,213,589</u>
Change in Inventory Reserve	-	-	-	-
Extraordinary item				
Reimbursement for storm damage	-	-	-	260,089
Net change in fund balances	<u>\$ 4,963,617</u>	<u>\$ 2,103,858</u>	<u>\$ (964,333)</u>	<u>\$ 8,826,913</u>
Debt service as a percentage of total expenditures	4.13%	4.36%	14.13%	15.66%

Source: School District financial records.

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

2003	2002	2001 (1)	2000 (1)	1999 (1)	1998
734,000	515,000	1,171,037	4,234,358	1,032,308	525,000
(734,000)	(515,000)	(1,171,037)	(4,252,358)	(1,038,824)	(505,000)
-	-	-	-	-	-
2,181	-	-	150	756	47
169,374	-	188,536	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	29,570,390	-
5,150,000	5,750,000	6,250,000	7,000,000	9,405,631	-
<u>5,321,555</u>	<u>5,750,000</u>	<u>6,438,536</u>	<u>6,982,150</u>	<u>38,970,261</u>	<u>20,047</u>
-	-	(9,123)	(3,886)	(7,749)	59,183
-	-	-	-	-	-
<u>\$ 747,590</u>	<u>\$ 5,364,283</u>	<u>\$ (21,192,500)</u>	<u>\$ (12,283,426)</u>	<u>\$ 40,436,684</u>	<u>\$ 1,752,532</u>
17.37%	17.35%	14.47%	22.55%	2.93%	0.53%

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

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

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$ 1,017,969,380	\$ 2,908,483,943	\$ 31,382,118	\$ 251,056,944	\$ 9,449,280	\$ 10,737,818
2006	921,968,860	2,634,196,743	38,351,782	166,746,878	9,984,050	11,345,511
2005	916,393,060	2,618,265,886	37,692,694	163,881,278	12,473,120	14,174,000
2004	904,032,290	2,618,254,600	35,735,048	155,369,774	10,764,920	12,232,864
2003	846,280,460	2,417,944,171	40,705,019	169,604,245	10,255,830	14,274,204
2002	827,980,640	2,365,658,971	43,236,393	172,945,572	8,213,920	9,334,000
2001	806,821,810	2,305,205,171	37,696,353	150,785,412	18,440,740	20,955,386
2000	705,439,830	2,015,542,371	40,664,220	162,656,880	16,126,190	18,325,216
1999	693,224,950	1,980,642,714	36,949,137	147,796,548	17,498,780	19,884,977
1998	686,445,870	1,961,273,914	37,333,996	149,335,984	17,227,850	19,577,102

Source: Cuyahoga County Auditor's Office

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

Total

Assessed Value	Estimated Actual Value	%
\$ 1,058,800,778	\$ 3,170,278,705	33.40%
970,304,692	2,812,289,132	34.50%
966,558,874	2,796,321,164	34.57%
950,532,258	2,785,857,238	34.12%
897,241,309	2,601,822,620	34.49%
879,430,953	2,547,938,543	34.52%
862,958,903	2,476,945,970	34.84%
762,230,240	2,196,524,467	34.70%
747,672,867	2,148,324,240	34.80%
741,007,716	2,130,187,001	34.79%

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

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

Tax Year/ Collection	Overlapping Rates			Direct Rates					
	County	City	Library	General	Bond	Voted		Unvoted	Total
						Permanent Improvement	Recreation		
Year									
2006/2007	\$ 18.20	\$9.50	\$ 2.00	\$ 76.55	\$2.30	\$ 1.00	\$ 0.95	\$ 5.20	86.00
2005/2006	18.30	9.50	2.00	76.55	2.40	1.00	0.95	5.20	86.10
2004/2005	18.30	7.10	2.00	76.55	2.40	1.00	0.95	5.20	86.10
2003/2004	16.50	7.20	1.40	71.55	2.40	1.00	0.95	5.20	81.10
2002/2003	16.20	7.30	1.40	71.55	3.40	-	0.95	5.20	81.10
2001/2002	16.20	7.60	1.40	71.55	3.40	-	0.95	5.20	81.10
2000/2001	16.20	7.60	1.40	71.55	3.40	-	0.95	5.20	81.10
1999/2000	15.30	7.60	1.40	62.05	3.30	-	0.95	5.20	71.50
1998/1999	15.30	7.30	1.40	62.05	3.30	-	0.95	5.20	71.50
1997/1998	16.60	6.90	1.40	62.05	-	-	0.95	5.20	68.20

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail L.L.C.	\$ 19,373,350	1	1.90%
HRP NOM L.P.	7,148,940	2	0.70%
Village Chagrin Partners	6,372,310	3	0.63%
The Park Synagogue	5,442,780	4	0.53%
Lowe's Home Center, Inc.	4,606,350	5	0.45%
Gotham King Fee Owner, L.L.C.	4,355,510	6	0.43%
Olympic Steel, Inc.	4,014,890	7	0.39%
AM Castle and Company	3,996,060	8	0.39%
Harp Midam Beachwood Hotel	3,582,810	9	0.35%
Lander Circle Company	3,223,890	10	0.32%
Total	<u>\$ 62,116,890</u>		<u>\$ 1,017,969,380</u>

December 31, 1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Eton Square	\$ 5,826,840	1	0.85%
Duke Realty Ltd. Partnership	4,270,000	2	0.62%
AM Castle and Company	4,087,650	3	0.60%
Olympic Steel, Inc.	3,384,220	4	0.49%
Pepper Pike Place	2,522,770	5	0.37%
RREEF Mid-American Fund	2,193,730	6	0.32%
Country Club, Inc.	2,009,280	7	0.29%
American Spring Wire Corporation	1,993,670	8	0.29%
PAH-Beachwood I, LLC	1,933,650	9	0.28%
Cleveland Racquet Club, Inc.	1,902,080	10	0.28%
Total	<u>\$ 30,123,890</u>		<u>686,445,870</u>

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Assessed Value
AM Castle and Company	\$ 4,614,940	1	14.71%
Olympic Steel, Inc.	3,698,880	2	11.79%
American Spring Wire Corporation	2,835,690	3	9.04%
Sherwin Williams Company	1,848,160	4	5.89%
Branch Group, Inc.	856,400	5	2.73%
Lowe's Home Center, Inc.	808,130	6	2.58%
Alson Jewelers, Inc.	543,630	7	1.73%
Formtek Metal Forming, Inc.	468,990	8	1.49%
Cleveland Coca-Cola	432,460	9	1.38%
USB Corporation	404,070	10	1.29%
Total	\$ 16,511,350		\$ 31,382,118

December 31, 1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Assessed Value
AM Castle and Company	\$ 5,762,180	1	15.43%
Olympic Steel, Inc.	4,617,130	2	12.37%
American Spring Wire Corporation	3,589,650	3	9.61%
Sherwin Williams dba Automotive Finishing	2,958,960	4	7.93%
Health O Meter, Inc.	2,531,940	5	6.78%
Southern Electric Supply Co., Inc.	1,178,560	6	3.16%
Forest City Babin Co.	989,260	7	2.65%
North Coast Distributing, Inc.	947,160	8	2.54%
BWAY Corporation	618,750	9	1.66%
Total	\$ 23,193,590		37,333,996

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 5,583,200	1	59.09%
Ohio Bell Telephone Company	1,290,050	2	13.65%
East Ohio Gas Company	718,710	3	7.61%
American Transmission	593,320	4	6.28%
New Par	493,570	5	5.22%
New Cingular Wireless PCS L.L.C.	222,820	6	2.36%
Total	\$ 8,901,670		\$ 9,449,280

December 31, 1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 10,877,050	1	63.14%
Ohio Bell Telephone Company	3,097,950	2	17.98%
East Ohio Gas Company	1,089,510	3	6.32%
Total	\$ 15,064,510		17,227,850

Source: Cuyahoga County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year/ Collection Year	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy	Outstanding Delinquent Taxes (1)	Total Delinquent Taxes As a Percent of Total Levy
2006/2007	\$ 45,354,998	\$ 42,835,059	94.44%	\$ 1,645,469	\$ 44,480,528	98.07%	\$ 2,331,806	5.14%
2005/2006	41,499,416	39,341,393	94.80%	1,373,393	40,714,786	98.11%	1,987,957	4.79%
2004/2005	41,103,795	37,140,146	90.36%	1,215,109	38,355,255	93.31%	2,480,347	6.03%
2003/2004	36,471,190	34,338,004	94.15%	1,197,127	35,535,131	97.43%	2,553,822	7.00%
2002/2003	36,294,519	32,885,998	90.61%	1,108,311	33,994,309	93.66%	1,899,567	5.23%
2001/2002	35,605,453	33,218,805	93.30%	704,915	33,923,720	95.28%	1,702,658	4.78%
2000/2001	27,016,336	25,376,719	93.93%	580,080	25,956,799	96.08%	1,023,409	3.79%
1999/2000	26,777,748	25,235,400	94.24%	645,573	25,880,973	96.65%	848,328	3.17%
1998/1999	24,022,082	22,602,658	94.09%	391,457	22,994,115	95.72%	654,088	2.72%
1997/1998	23,508,098	22,422,117	95.38%	294,978	22,717,095	96.64%	619,866	2.64%

Source: Cuyahoga County Auditor's Office

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

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

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

Fiscal Year	Governmental Activities			Business-Type Activities		(1) Total Primary Government	(2) Per Capita	(2) Per Enrollment
	General Obligation Bonds	General Obligation Notes	Capital Leases	Capital Leases				
2007	\$ 27,535,222	\$ -	\$ -	\$ -	\$ -	\$ 27,535,222	\$ 1,987	\$ 11,604
2006	28,216,092	-	31,536	-	-	28,247,628	2,039	12,000
2005	28,866,304	-	60,640	-	-	28,926,944	2,088	12,268
2004	29,785,978	4,500,000	99,222	-	-	34,385,200	2,482	14,381
2003	26,190,212	5,150,000	195,224	-	-	31,535,436	2,276	13,385
2002	26,843,221	5,750,000	137,325	-	-	32,730,546	2,362	13,747
2001	27,763,221	6,250,000	174,003	-	-	34,187,224	2,468	15,235
2000	28,628,221	7,000,000	-	-	-	35,628,221	2,551	15,828
1999	29,500,000	39,247,000	4,010	-	-	68,751,010	4,922	30,502
1998	-	3,102,000	12,857	16,760	-	3,131,617	224	1,384

Sources: School District Financial Records

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

(2) See schedule " Demographic and Economic Statistic, Last Ten Years" for population and enrollment information.

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total (1)		
2007	\$ 27,535,222	\$ 27,535,222	0.87%	\$ 1,987
2006	28,216,092	28,216,092	1.00%	2,037
2005	28,866,304	28,866,304	1.03%	2,083
2004	29,785,978	29,785,978	1.07%	2,150
2003	26,190,212	26,190,212	1.01%	1,890
2002	26,843,221	26,843,221	1.05%	1,937
2001	27,763,221	27,763,221	1.12%	2,004
2000	28,628,221	28,628,221	1.30%	2,050
1999	29,500,000	29,500,000	1.37%	2,112
1998	-	-	0.00%	-

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

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 27,535,222	100.00%	\$ 27,535,222
Overlapping debt:			
Cuyahoga County	214,338,691	3.19%	6,844,250
Regional Transit Authority	156,500,000	3.19%	4,992,350
Village of Orange	4,655,000	17.05%	793,814
City of Bedford Heights	6,004,000	4.99%	299,709
Village of Moreland Hills	1,185,000	19.08%	226,145
City of Pepper Pike	12,124,318	38.56%	4,675,533
City of Warrensville Heights	16,289,000	0.93%	151,771
City of Solon	22,310,000	2.37%	529,852
Village of Woodmere	1,535,000	5.51%	84,546
Village of Hunting Valley	<u>4,500,000</u>	11.49%	<u>517,203</u>
Total direct and overlapping debt	<u>\$ 466,976,231</u>		<u>\$ 46,650,395</u>

Source: Cuyahoga County Auditor's Office

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2006 collection year.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (2)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007 (1)	\$ 92,180,862	\$ 26,743,189	\$ 2,065,087	\$ 24,678,102	\$ 67,502,760	26.77%
2006	83,563,393	27,593,219	1,455,700	26,137,519	57,425,874	31.28%
2005	86,990,299	28,363,219	1,249,761	27,113,458	59,876,841	31.17%
2004	85,547,903	29,393,219	5,878,620	23,514,599	62,033,304	27.49%
2003	80,751,718	26,190,212	1,511,217	24,678,995	56,072,723	30.56%
2002	79,148,786	26,843,221	1,644,340	25,198,881	53,949,905	31.84%
2001	77,666,301	27,763,221	1,251,227	26,511,994	51,154,307	34.14%
2000	68,600,722	28,628,221	1,703,053	26,925,168	41,675,554	39.25%
1999	67,290,558	29,500,000	1,723,862	27,776,138	39,514,420	41.28%
1998	66,690,694	-	502,779	-	66,690,694	0.00%

Source: Cuyahoga County Auditor and School District financial records

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

- (1) Although the District's total assessed valuation for collection year 2007 is \$1,058,800,778, the tax valuation used for determining its current direct debt limitations in collection year 2007 is \$1,024,231,799, based on information concerning tangible personal property tax valuation provided by the State Department of Taxation.
- (2) Total Debt applicable to limit excludes accreted interest on capital appreciation bonds.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (4)</u>		
					<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2007	13,855	\$ 187,047	41.5	2,373	6.5%	6.1%	4.7%
2006	13,855	187,047	41.5	2,354	5.4%	5.2%	4.8%
2005	13,855	187,047	41.5	2,358	6.5%	6.1%	5.2%
2004	13,855	187,047	41.5	2,391	6.8%	6.4%	5.8%
2003	13,855	187,047	41.5	2,356	7.2%	6.8%	6.5%
2002	13,855	187,047	41.5	2,381	6.1%	6.0%	6.0%
2001	13,855	187,047	41.5	2,244	4.7%	4.4%	4.7%
2000	13,968	(2)	(2)	2,251	4.5%	4.2%	4.1%
1999	13,968	(2)	(2)	2,254	4.9%	4.5%	4.5%
1998	13,968	(2)	(2)	2,263	4.7%	4.4%	4.7%

(1) Information for 2001-2007 Obtained from the U.S. Census Bureau - 2000 Census.
Information for 1998-2000 Obtained from the U.S. Census Bureau - 1990 Census.

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

(3) Obtained from District Records.

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

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

PRINCIPAL EMPLOYERS
CURRENT YEAR

December 31, 2006

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Orange City School District (1)	616	1
Ursuline College	362	2
Sky Financial Group	126	3
City of Pepper Pike	101	4
Stern Advertising	80	5
Beech Brook	78	6
Merrill Lynch Pierce Fenner	75	7
Chagrin Valley Country Club	60	8
National City Corporation	51	9
Wachovia Shared Resources	43	10
Total	<u>1,592</u>	

Source: Regional Income Tax Agency

Note: The above table focuses on the City of Pepper Pike and the Village of Moreland Hills; the municipalities in which all District facilities are located.

(1) Includes all substitute and seasonal employees.

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

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

Type	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Professional Staff:										
Teaching Staff:										
Elementary	84.1	80.1	81.2	83.6	77.1	73.3	55.0	59.0	59.0	61.2
Middle	48.5	46.5	46.1	44.5	43.5	43.0	40.6	40.6	39.0	38.0
High	66.9	66.7	62.3	62.3	61.5	61.6	74.0	75.0	78.9	75.8
Others	17.7	16.7	16.7	16.7	14.7	13.7	13.7	14.0	14.0	13.3
Administration:										
District	20.0	21.0	19.0	19.0	19.0	19.0	19.0	20.0	19.0	19.0
Auxiliary Positions:										
Counselors	6.5	6.5	6.5	6.5	6.0	6.0	6.0	6.0	7.0	7.0
Nurses	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Speech	5.3	5.3	5.6	5.3	5.1	5.1	4.9	4.1	4.7	3.1
Mental Health Specialists	3.6	3.4	3.4	2.8	2.8	2.8	2.7	2.5	2.9	2.5
Others	9.6	9.6	8.1	7.9	7.9	7.3	7.1	7.0	7.0	6.0
Support Staff:										
Supervisors	11.0	11.0	11.0	11.0	11.0	9.0	9.0	8.0	8.0	8.0
Secretarial	33.5	32.0	32.0	32.0	32.0	31.0	31.0	31.0	31.0	31.0
Aides	53.5	54.0	49.5	50.1	48.1	44.1	40.3	39.6	31.1	24.5
Hall monitor/Security	1.0	-	-	-	-	-	-	-	-	-
Technical	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	1.0	1.0
Cooks	8.6	8.5	9.0	8.8	8.6	9.1	8.1	8.7	8.0	8.0
Custodial	25.3	25.3	25.3	24.0	23.0	24.5	25.0	23.5	23.5	23.4
Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Grounds										
Bus Driver	32.1	33.6	33.1	32.9	32.7	30.7	32.0	30.7	30.3	27.4
Bus Aides	2.5	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0	379.8	364.5
Function	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Instruction:										
Regular	159.2	152.9	152.2	154.7	144.2	143.5	135.2	142.9	148.3	149.6
Special	47.1	45.1	43.1	42.5	43.5	39.5	39.5	39.5	36.0	33.0
Vocational	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	36.5	35.8	34.1	33.0	32.3	31.2	30.7	29.6	30.6	27.6
Instructional staff	62.0	62.5	58.0	58.6	56.6	52.6	48.8	48.1	39.6	31.0
Administration	22.5	23.5	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Fiscal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	6.0
Business	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operations and maintenance	45.3	45.3	45.3	43.0	42.0	41.5	42.0	39.5	39.5	39.4
Pupil transportation	40.6	40.6	40.1	39.8	39.6	37.6	38.8	37.6	37.2	34.3
Central	10.0	9.0	9.0	9.0	8.0	7.0	7.0	6.5	5.0	5.0
Food Service Operations	9.0	9.5	10.0	9.8	9.6	10.1	9.1	9.7	9.0	9.0
Extracurricular activities	3.9	3.9	3.9	3.8	3.0	3.0	3.0	3.0	3.0	3.0
Total Governmental Activities	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0	379.8	364.5

Source: School District records

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Instruction:										
Regular and Special										
Enrollment (students)	2,373	2,354	2,358	2,391	2,356	2,381	2,244	2,251	2,254	2,263
Graduates	180	195	177	176	188	193	163	208	151	186
Support services:										
Board of education										
Regular meetings per year	12	12	12	12	12	12	12	12	12	12
Special meetings per year	33	34	23	26	24	17	23	26	29	24
Administration										
Student attendance rate	95.9%	96.1%	95.9%	95.9%	95.6%	95.4%	95.7%	95.6%	95.3%	95.4%
Fiscal										
Nonpayroll checks issued	6,424	6,800	6,368	6,743	6,624	6,820	6,816	6,405	6,113	6,431
Operations and maintenance										
Work orders completed	500	500	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Square footage maintained	534,881	534,881	534,881	534,881	534,881	534,881	430,948	404,988	404,988	404,988
Pupil transportation										
Avg. students transported daily (2)	2,592	2,637	2,724	2,687	2,655	2,564	2,654	(1)	(1)	(1)
Food service operations										
Meals served to students	192,466	187,274	156,191	174,192	161,938	152,118	(1)	(1)	(1)	(1)
Number of students with free or reduced lunches	174	144	124	(1)	(1)	(1)	(1)	(1)	(1)	(1)

Source: District records

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

(2) Figure includes public and nonpublic riders.

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

CAPITAL ASSET STATISTICS
LAST SIX FISCAL YEARS

Governmental Activities						
	2007	2006	2005	2004	2003	2002
Land	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	7,657	839,158	-	-	-	-
Land improvements	5,213,189	5,571,171	5,878,294	6,205,322	6,278,642	6,360,172
Buildings	28,168,267	26,808,386	27,547,417	28,380,439	28,807,005	29,246,102
Equipment	869,790	1,143,057	1,245,813	1,236,608	1,319,572	991,639
Vehicles	1,541,672	1,353,127	1,261,251	1,187,591	1,060,146	965,069
Total Governmental Activities						
Capital Assets, net	<u>\$42,170,725</u>	<u>\$42,085,049</u>	<u>\$ 42,302,925</u>	<u>\$ 43,380,110</u>	<u>\$ 43,835,515</u>	<u>\$ 43,933,132</u>
Business-Type Activities						
	2007	2006	2005	2004	2003	2002
Land improvements	\$ 49,292	\$ 54,760	\$ 60,228	\$ 60,058	\$ 39,256	\$ 17,146
Buildings	2,170,785	2,275,058	2,366,379	2,457,795	2,488,485	1,797,673
Equipment	18,066	24,841	33,743	42,892	45,416	29,962
Vehicles	29,717	35,831	41,945	37,610	42,625	47,640
Total Business-Type Activities						
Capital Assets, net	<u>\$ 2,267,860</u>	<u>\$ 2,390,490</u>	<u>\$ 2,502,295</u>	<u>\$ 2,598,355</u>	<u>\$ 2,615,782</u>	<u>\$ 1,892,421</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Orange High School (1973)						
Square feet	215,886	215,886	215,886	215,886	215,886	215,886
Capacity (All)	960	960	960	960	960	960
Enrollment	737	764	787	792	770	777
Brady Middle School (1965)						
Square feet	86,138	86,138	86,138	86,138	86,138	86,138
Capacity (All)	720	720	720	720	720	720
Enrollment	532	509	501	495	510	544
Moreland Hills Elementary (2001)						
Square feet	124,875	124,875	124,875	124,875	124,875	124,875
Capacity (All)	1,440	1,440	1,440	1,440	1,440	1,440
Enrollment	1,023	992	980	1,010	980	965
Old Moreland Hills Elementary (1958)						
Square feet	(1)	(1)	(1)	(1)	(1)	(1)
Capacity (All)	(1)	(1)	(1)	(1)	(1)	(1)
Enrollment	(1)	(1)	(1)	(1)	(1)	(1)
Pepper Pike Elementary (1954)						
Square feet	(2)	(2)	(2)	(2)	(2)	(2)
Capacity (All)	(2)	(2)	(2)	(2)	(2)	(2)
Enrollment	(2)	(2)	(2)	(2)	(2)	(2)
Gund School (1978)						
Square feet	6,000	6,000	6,000	6,000	6,000	6,000
Capacity (All)	84	84	84	84	84	84
Enrollment	53	66	64	79	82	81
New Directions (1989)						
Square feet	18,000	18,000	18,000	18,000	13,000	13,000
Capacity (All)	28	28	28	28	18	18
Enrollment	28	23	26	15	14	14

Source: District records

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

(1) This building was converted from an elementary to a maintenance/technology facility upon completion of the new Moreland Hills Elementary in 2001.

(2) This building was converted from an elementary to the headquarters of the Orange Community Education and Recreation Department upon completion of the new Moreland Hills Elementary in 2001.

2001	2000	1999	1998
215,886	189,926	189,926	189,926
960	960	960	960
895	933	919	919
86,138	86,138	86,138	86,138
720	720	720	720
509	528	522	533
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
45,247	45,247	45,247	45,247
720	720	720	720
456	423	405	402
50,413	50,413	50,413	50,413
480	480	480	480
279	289	323	333
6,000	6,000	6,000	6,000
84	84	84	84
77	67	71	68
13,000	13,000	13,000	13,000
18	18	18	18
28	11	14	8

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment (3)	Percent Change
	Expenses (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2007	\$ 48,163,341	\$ 20,296	\$ 47,530,379	\$ 20,030	2,373	0.81%
2006	45,805,977	19,459	46,456,316	19,735	2,354	-0.17%
2005	42,458,478	18,006	43,393,598	18,403	2,358	-1.38%
2004	40,707,958	17,025	41,545,597	17,376	2,391	1.49%
2003	39,113,119	16,601	39,150,459	16,617	2,356	-1.05%
2002	41,909,985	17,602	38,011,021	15,964	2,381	6.11%
2001	55,612,082	24,783	N/A	N/A	2,244	-0.31%
2000	40,993,365	18,211	N/A	N/A	2,251	-0.13%
1999	31,015,235	13,760	N/A	N/A	2,254	-0.40%
1998	27,857,487	12,310	N/A	N/A	2,263	-1.82%

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2002.

(3) Enrollment derived from fall ADM count for each respective year.

(4) Teaching staff headcount represents full-time equivalents.

Teaching Staff (4)	Pupil/Teacher Ratio	Student Attendance Percentage
217.2	10.93	95.9%
210.0	11.21	96.1%
206.3	11.43	95.9%
207.1	11.55	95.9%
196.8	11.97	95.6%
191.6	12.43	95.4%
183.3	12.24	95.7%
188.6	11.94	95.6%
190.9	11.81	95.3%
188.3	12.02	95.4%

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

TEACHER STATISTICS
JUNE 30, 2007

Degree	Number of Teachers	Percentage of Total	Pay Range
Associates	1	0.42%	(1)
Bachelor's Degree	41	17.15%	\$39,637 - \$72,620
Master's Degree	192	80.33%	\$43,759 - \$88,598
Ph.D.	5	2.09%	\$45,759 - \$89,598
	<u>239</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	34	14.23%
6 - 10	58	24.27%
11 and over	147	61.51%
	<u>239</u>	<u>100.00%</u>

Source: School District Personnel Records

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



Mary Taylor, CPA
Auditor of State

ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2008**