

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

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

L. GREG SLEMONS, TREASURER



Dave Yost • Auditor of State

Board of Education
Orange City School District
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

We have reviewed the *Independent Accountants' Report* of the Orange City School District, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Orange City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 30, 2013

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

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**ORANGE CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(C) National School Lunch Program - Food Donation	10.555	2012	25,743	25,743
(D) National School Lunch Program	10.555	2012	125,995	125,995
Total National School Lunch Program and U.S. Department of Agriculture			<u>151,738</u>	<u>151,738</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
<i>Title I Grant Cluster:</i>				
(E)(G) Title I Grants to Local Educational Agencies	84.010	2011	34,468	32,192
(E)(G) Title I Grants to Local Educational Agencies	84.010	2012	185,360	179,199
Total Title I Grants to Local Educational Agencies			<u>219,828</u>	<u>211,391</u>
(E) ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	2011	6,095	6,177
Total Title I Grant Cluster			<u>225,923</u>	<u>217,568</u>
<i>Special Education Grant Cluster:</i>				
(F)(G) Special Education_Grants to States	84.027	2011	80,461	77,666
(F)(G) Special Education_Grants to States	84.027	2012	387,884	386,070
Total Special Education _Grants to States			<u>468,345</u>	<u>463,736</u>
(F) ARRA - Special Education Grants to States, Recovery Act	84.391	2011	48,456	53,667
(F) Special Education_Preschool Grants	84.173	2011	2,177	2,279
(F) Special Education_Preschool Grants	84.173	2012	14,568	14,258
Total Special Education_Preschool Grants			<u>16,745</u>	<u>16,537</u>
Total Special Education Grant Cluster			<u>533,546</u>	<u>533,940</u>
Educational Technology State Grants	84.318	2011	-	23
Educational Technology State Grants	84.318	2012	1,196	1,195
Total Educational Technology State Grants			<u>1,196</u>	<u>1,218</u>
Improving Teacher Quality State Grants	84.367	2011	9,743	9,376
Improving Teacher Quality State Grants	84.367	2012	41,492	41,003
Total Improving Teacher Quality State Grants			<u>51,235</u>	<u>50,379</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	2011	-	31,251
ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395A	2012	1,750	1,750
(G) Education Jobs Fund	84.410	2011	7,063	7,625
(G) Education Jobs Fund	84.410	2012	18,574	18,120
Total Education Jobs Fund			<u>25,637</u>	<u>25,745</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE EDUCATIONAL SERVICE CENTER OF CUYAHOGA COUNTY				
English Language Acquisition State Grants	84.365	2011	6,811	17,528
English Language Acquisition State Grants	84.365	2012	757	-
Total English Language Acquisition State Grants			<u>7,568</u>	<u>17,528</u>
Total U.S. Department of Education			<u>846,855</u>	<u>879,379</u>
Total Federal Financial Assistance			<u>\$ 998,593</u>	<u>\$ 1,031,117</u>

Continued -

**ORANGE CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass through numbers for fiscal year 2012
- (B) This schedule was prepared on the cash basis of accounting
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at entitlement value
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis
- (E) Included as part of "Title I Grant Cluster" in determining major programs.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District may transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2012, the ODE authorized the following transfers

	CFDA	Grant Year	Transfers Out	Transfers In
Title I Grants to Local Educational Agencies	84.010	2011	\$ 539	
Title I Grants to Local Educational Agencies	84.010	2012		\$ 539
Special Education_Grants to States	84.027	2011	224	
Special Education_Grants to States	84.027	2012		224
Education Jobs Fund	84.410	2011	737	
Education Jobs Fund	84.410	2012		737
			\$ 1,500	\$ 1,500



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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 44124-5974

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, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Orange City School District's basic financial statements and have issued our report thereon dated December 24, 2012. 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 Orange City School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Orange City School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Orange City School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Orange City School District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Board of Education
Orange City School District

Compliance and Other Matters

As part of reasonably assuring whether the Orange City School 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 also noted certain matters not requiring inclusion in this report that we reported to the Orange City School District's management in a separate letter dated December 24, 2012.

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 24, 2012



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Accountants' Report on Compliance With Requirements Applicable to Its
Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133**

Orange City School District
Cuyahoga County
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

To the Board of Education:

Compliance

We have audited the compliance of the Orange City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect the Orange City School District's major federal program for the fiscal year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the Orange City School District's major federal program. The Orange City School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Orange City School District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 Orange City School District's compliance with these 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 Orange City School District's compliance with these requirements.

In our opinion, the Orange City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2012.

Board of Education
Orange City School District

Internal Control Over Compliance

The Orange City School 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 Orange City School District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Orange City School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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 Receipts and Expenditures of Federal Awards

We have also audited and issued our unqualified opinion on the 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, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 24, 2012. Our audit was performed to form opinions on the financial statements that collectively comprise the Orange City School District's basic financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Board of Education
Orange City School District

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc." with a small flourish at the end.

Julian & Grube, Inc.
December 24, 2012

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Grant Cluster: Special Education_Grants to States, CFDA #84.027, ARRA - Special Education Grants to States, Recovery Act, CFDA #84.391, and Special Education_Preschool Grants CFDA #84.173
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2012**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Prepared by
Treasurer's Department
L. Greg Slemmons, Treasurer

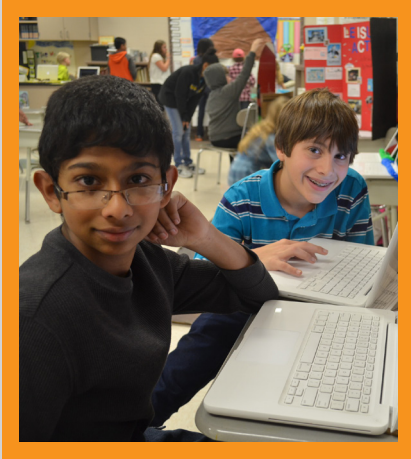
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Comprehensive
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Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



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Orange City School District
32000 Chagrin Blvd
Pepper Pike, Oh 44124
Ph: 216.831.8600 - Fax: 216.831.8029
www.orangeschools.org

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Comprehensive
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Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



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Introductory Section

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Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
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December 24, 2012

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, 2012. This CAFR includes an opinion from an independent auditor 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, while the Pepper Pike Elementary School housed grades 3-4. Starting with the 2001-2002 school year, the original Moreland Hills Elementary 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. Beginning in the fall of 2009 the school served grades K-5 with the pre-K, the Orange Inclusive Preschool program, moved to the Pepper Pike Learning Center (formerly known as Pepper Pike Elementary School). 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 through 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 starting with 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. A new gymnasium broke ground in 2009 and was completed in 2011.

Orange High School was remodeled and expanded many times with the last two major renovations taking place in 2001 and 2007. The library and commons areas were renovated in the years 2006 and 2009, respectively. 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, Moreland Hills, Orange, Hunting Valley and Woodmere as well as small portions of Solon, Bedford Heights, and Warrensville Heights.

Many of the District's 2,245 students are bused daily to the campus consisting of four school buildings: Moreland Hills Elementary School, Brady Middle School, Orange High School and Pepper Pike Learning Center, which houses an inclusive preschool program. 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 public 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. Gund School, which adjoins the District's campus within the Beechbrook residential facility, provides instruction for 58 students with special needs. The District also serves 26 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 35 percent of the student population in the District. The majority of residents in the District have a bachelor's degree or higher and are 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 98 percent of the District's graduates pursue post-secondary education. Over the past 25 years, residents have passed all school operating levies placed on the ballot for their approval. A .95-mill replacement levy for the Orange Community Education and Recreation Department was approved by 68 percent of the voters in November 2010. Most recently, a general operating levy of 5 mills, which was on the ballot in November 2011, was approved by 60 percent of the voters. In addition, a \$36.5 million 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, Director of Special Education, Coordinator of Special Education, Coordinator of Communications, Director of Community Education and Recreation, Coordinator of Computer Services, Assistant Treasurer, Supervisor of Transportation Services, Supervisor of Food Services, Director of Operations and Business Services, Campus Supervisor, and Building Principals.

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 and support in order to fulfill the educational needs of the schools.

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 North Coast Council (NCC), the Ohio Schools Council and the Suburban Health Consortium. These organizations are presented in Notes 15 and 16 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaging Students in 21st Century Learning

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 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 to be life-long learners, communicate effectively, work collaboratively, 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, Partnership for Next Generation Learning participation, opportunities for collaboration with other schools and community stakeholders, 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.
 - Provide a learner-centered, innovative experience for all students to help transform the District into one that appropriately reflects the needs of today's children through various initiatives, such as our work with the Partnership for Next Generation Learning and the Schlechty Center.
 - 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 systematic approach to 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 permanent appropriation measure prior to October 1.
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, information, and features 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, social 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 has established the following goals:
- Maximize achievement for all Orange students.
 - Maintain fiscally responsible operation of the District.
 - Evaluate educational programs.
 - Acknowledge, embrace and address diversity.
 - Maintain a safe school environment.
 - Improve District relationships and communications with residents.

- Expand community partnerships.
- Follow developed guidelines

Major Initiatives and Accomplishments for School Year 2011-2012

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. With respect to the latter, prior to this fiscal year, the last operating levy passed in November 2004 and the Board anticipated at that time to place a similar issue on the ballot in November 2008. The Board of Education and the District’s administration with better than expected operating results were able to extend the current levy cycle to seven years. In November 2011 the Board did place on the ballot and was successful in passing a new five mill continuing operating levy.

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. During the 2009-2010 school year, 86% of the Advanced Placement tests taken by Orange students earned a score of 3 or higher, representing college level achievement. In 2012, Orange was recognized among 367 high schools in the United States which has dramatically expanded access to AP courses while maintaining consistently high performance levels. Orange High School continues to be among the top rated high schools in the State of Ohio. In grades 3-10, student performance met or exceeded all state and national standards. The District earned an “Excellent” rating in 2012 on the Ohio Department of Education report card and recorded a performance index score in the top 10% of all Ohio school districts. Additionally, most student subgroups met or exceeded adequate yearly progress expectations in 2012.

The District is advancing several professional development initiatives aimed at ensuring student success in the twenty-first century. Most notably, the District has been actively engaged in the pioneering work of the Partnership for Next Generation Learning. This project, sponsored by the Council of Chief State School Officers, seeks to redefine learning experiences for public school students in order to guarantee all students graduate with world class knowledge and skills, prepared to be successful citizens in life after high school. The District is engaged in maximizing the use of best instructional practices and technology in order to reach these goals.

To reach out in partnership with parents and the community, the District continues to promote the development of student assets within the school and the community using the 40 Assets framework.

During fiscal year 2012, 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.

In 2009, the District completed the renovation to the Pepper Pike Learning Center to accommodate the Orange Inclusive Preschool. This provided much needed educational spaces at Moreland Hills Elementary School. The Inclusive Preschool includes 3 classrooms, a large motor room, ADA adult and child size restrooms, space for student services, adjustable interactive whiteboards in each classroom, and a new playground area.

In January 2012 the District completed the construction and opened a new gymnasium at the Brady Middle School. This 13,600 square foot facility was financed through the use of the Federal Stimulus program and the sale of Qualified School Construction Bonds. Under this program the Federal Government reimburses the District the amount of interest charged for the life of the loan which is ten years.

In 2012 the Board of Education initiated a 5-year facilities study to analyze the District’s future needs in regards to repairs, renovations, and educational supports needed to be a 21st Century school district.

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 96 percent in 2012 with more than 97 percent of graduates continuing their education at an institution of higher learning.

- 2) More than 83 percent of all Advanced Placement tests earned scores of 3 or better, placing the District's students among the top in the nation.
- 3) One hundred 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.
- 4) Five National Merit semi-finalists competing for National Merit Scholarships.
- 5) Average student scores on the ACT are consistently above national and state averages, ranking Orange High School among the top 10% of all high schools in Ohio.

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, the District's western boundary, 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-four percent of the District's valuation is comprised of residential property, which proves the District is an ideal suburban setting. The District's assessed valuation has increased approximately 24 percent since fiscal year 2001. The current economic trend in the nation of keeping and attracting businesses has had its effect on the District through some local tax abatements for businesses. In addition, legislative changes have resulted in a loss of revenue for the District. Most notably, Am. Sub. House Bill 66 passed in 2005, resulted in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year. In July 2011 Sub. House Bill 153 accelerated this phase out in fiscal years 2012 and 2013 but failed to address the balance of the phase out in future years.

Property taxes and related state entitlements made up approximately 91.5 percent of the District's total general fund revenue in fiscal year 2012. 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 2011-2012 enrollment of 2,245 compared with the 1988-1989 enrollment of 1,973 reflects an increase of 272 students, or 14 percent, over the 23 year period. In recent years, enrollment has remained fairly static and this trend is expected to continue into the foreseeable future.

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. Consequently, 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 did pass a new 5-mill, continuous general operating levy in November 2011 with a 60 percent vote of confidence. This levy will generate approximately \$5 million per year for the general fund. The District also passed a 5.0-mill general operating levy in November 2004 with a 58 percent vote of confidence. This levy generates approximately \$5 million annually for the general fund. These levies, along with other operating levies passed prior to 2004, are projected to provide the funds needed to maintain current program levels. The District voters over the past twenty seven years have not defeated an operating levy request. A \$36.5 million 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. Internal control over financial reporting involves limitations due to human diligence and is subject to lapses in judgment and breakdowns resulting from human failures. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis. These inherent limitations are part of the financial reporting process and the District has designed processes to reduce this risk.

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.

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, 2011. 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.

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials. The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2011. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2012, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The District was also presented with the Ohio Auditor of State Award with Distinction for the fiscal year 2011. This award is for excellence in financial reporting for the Comprehensive Annual Financial Report and is awarded to entities whose exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans.

Independent Audit

State statute requires 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. Julian & Grube, Inc. was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2012. The opinion appears at the beginning of the financial section of this report. In addition to the financial audit a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

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.

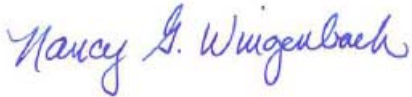
Acknowledgments

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.

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

Respectfully submitted,



Dr. Nancy Wingenbach
Superintendent



Greg Slemons
Treasurer

*Orange City School District
List of Principal Officials
As of June 30, 2012*

Board of Education

Mr. Samuel Steinhouse	President
Mr. Tom Bonda	Vice-President
Mrs. Jennifer Cohen	Member
Mrs. Dagmar Fellowes	Member
Mrs. Angela Wilkes	Member

Treasurer/Director of Budget Services

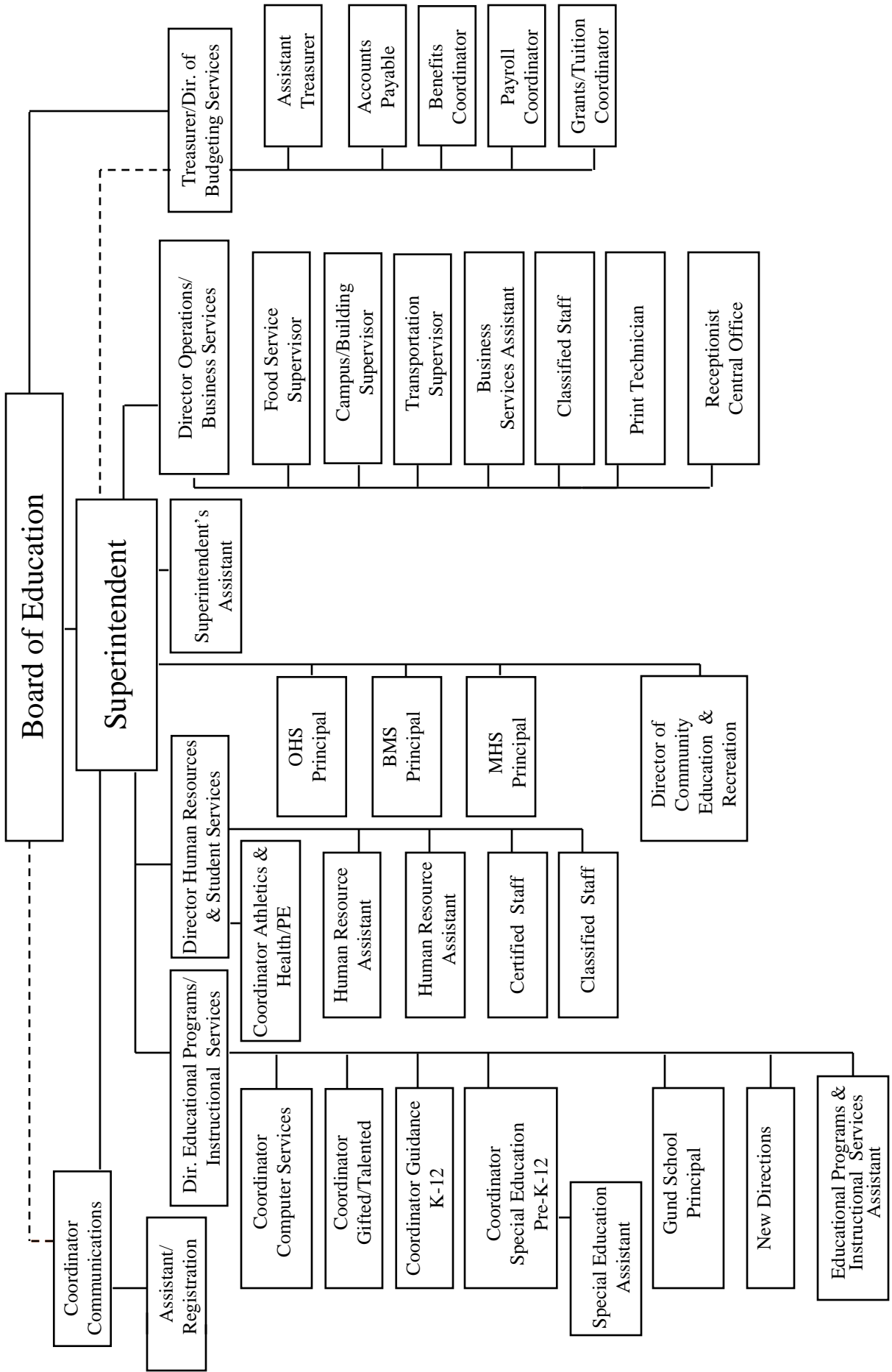
Mr. L. Greg Slemons

Administration

Dr. Nancy Wingenbach	Superintendent
Dr. Paula Snyder	Director of Human Resources/Student Services
Mrs. Jennifer Felker	Director of Educational Programs and Instructional Services
Ms. Kershini Naidu	Director of Student Support Services
Mrs. Lori Wotowiec	Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Mrs. Laura Guentner	Director of Recreation
Mr. Kurt Bernardo	Coordinator of Computer Services
Mrs. Ashley Brudno	Assistant Treasurer
Mr. Philip Dickinson	Director of Operations and Business Services
Mrs. Cindy Finohr	Supervisor of Food Services
Mr. Larry Lerch	Supervisor of Transportation Services
Ms. Gina Marie Battaglia	Campus Supervisor

Orange Schools Administrative Position Chart

2011-2012



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, 2011

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.



Linda C. Davison

President

Jeffrey R. Emery

Executive Director

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Orange City School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Financial Section

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Accountants' Report

Orange City School District
Cuyahoga County
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Orange City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Orange City School 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 the 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.

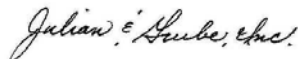
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Accountants' Report
Orange City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2012 on our consideration of the Orange City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Orange City School District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Julian & Grube, Inc.
December 24, 2012

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

The management 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, 2012. 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 fiscal year 2012 are as follows:

- In total, net assets increased \$828,498. Net assets of governmental activities increased \$665,442, which represents a 1.24% increase from 2011. Net assets of business-type activities increased \$163,056 or 2.08% from 2011.
- General revenues accounted for \$48,776,761 in revenue or 89.05% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,996,315 or 10.95% of total governmental revenues of \$54,773,076.
- The District had \$54,107,634 in expenses related to governmental activities; only \$5,996,315 of these expenses were 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 \$48,776,761 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$50,017,643 in revenues and \$48,482,504 in expenditures and other financing uses. The general fund's fund balance increased \$1,535,139 from \$27,703,301 to \$29,238,440.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$2,818,263 in revenues and \$2,394,608 in expenditures. The bond retirement fund's fund balance increased \$423,655 from \$3,287,546 to \$3,711,201.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$731,392 in revenues and \$1,370,596 in expenditures. The permanent improvement fund's fund balance decreased \$639,204 from \$5,889,713 to \$5,250,509.
- Net assets for the District's enterprise fund, the recreation fund, increased \$168,659 or 2.16%. The recreation fund's net assets increased from \$7,825,881 to \$7,994,540 on expenses of \$2,418,008 versus revenues (both operating and non-operating) of \$2,586,667.

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
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

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 2012? 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
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

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 District's only proprietary funds are the recreation fund and an internal service fund which was used to account for the District's workers' compensation fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments on a cost-reimbursement basis. The basic proprietary fund financial statements can be found on pages 27-29 of this report. For reporting on the statement of net assets and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

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 three 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 33-68 of this report.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

The District as a Whole

The statement of net assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets at June 30, 2012 and June 30, 2011.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<u>Assets</u>						
Current assets	\$ 83,675,935	\$ 81,590,562	\$ 4,539,175	\$ 4,253,995	\$ 88,215,110	\$ 85,844,557
Capital assets, net	43,518,577	42,811,927	3,687,280	3,822,784	47,205,857	46,634,711
Total assets	127,194,512	124,402,489	8,226,455	8,076,779	135,420,967	132,479,268
<u>Liabilities</u>						
Current liabilities	41,320,388	38,284,259	202,854	225,064	41,523,242	38,509,323
Long-term liabilities	31,456,108	32,365,656	34,664	25,834	31,490,772	32,391,490
Total liabilities	72,776,496	70,649,915	237,518	250,898	73,014,014	70,900,813
<u>Net Assets</u>						
Invested in capital assets, net of related debt	20,521,412	19,204,562	3,687,280	3,822,784	24,208,692	23,027,346
Restricted	9,537,894	9,821,326	-	-	9,537,894	9,821,326
Unrestricted	24,358,710	24,726,686	4,301,657	4,003,097	28,660,367	28,729,783
Total net assets	\$ 54,418,016	\$ 53,752,574	\$ 7,988,937	\$ 7,825,881	\$ 62,406,953	\$ 61,578,455

Total governmental assets increased by \$2,792,023 while total governmental liabilities increased by \$2,126,581 resulting in an increase to net assets of \$665,442. Total assets of business-type activities increased \$149,676 while total liabilities of business-type activities decreased by \$13,380 resulting in an increase to net assets of \$163,056.

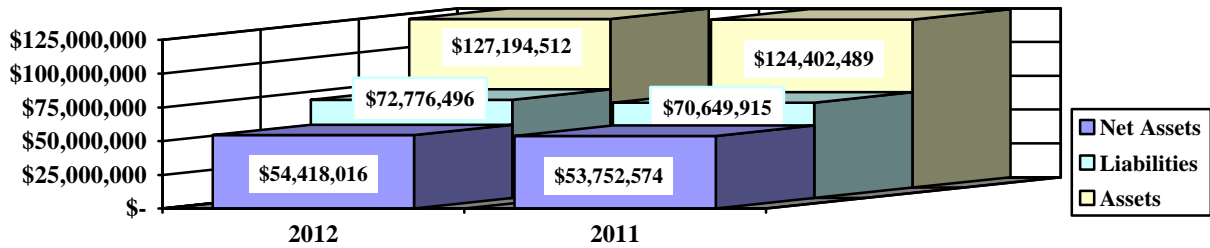
The increase in assets can primarily be attributed to an increase in property taxes receivable due to a full year of collection on a recently passed property tax levy. Liabilities for governmental activities totaled \$72,776,496; of this amount \$31,456,108 or 43.22% is long-term liabilities. Current liabilities increased primarily due to an increase in unearned revenue which correlates to the increase in property taxes receivable.

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

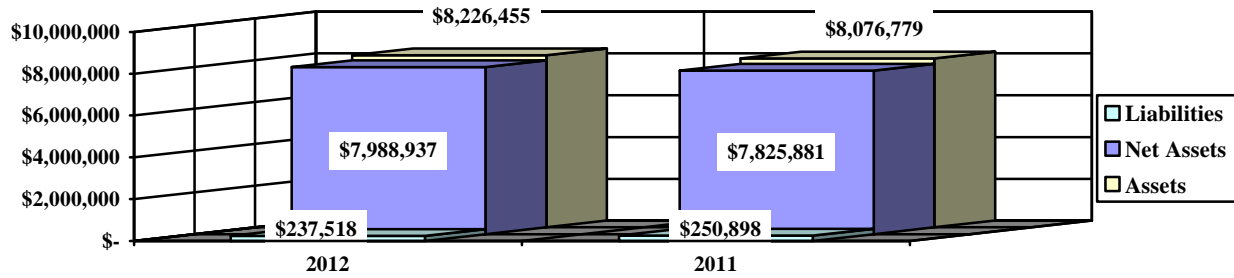
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

The graphs below present the District's governmental and business-type assets, liabilities and net assets at June 30, 2012 and June 30, 2011.

Governmental - Net Assets



Business-Type - Net Assets



**ORANGE CITY SCHOOL DISTRICT
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*MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)*

The table below shows the changes in net assets for fiscal year 2012 and 2011.

	Change in Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 4,050,111	\$ 5,010,618	\$ 1,566,267	\$ 1,549,601	\$ 5,616,378	\$ 6,560,219
Operating grants and contributions	<u>1,946,204</u>	<u>2,308,631</u>	<u>129,180</u>	<u>138,208</u>	<u>2,075,384</u>	<u>2,446,839</u>
Total program revenues	<u>5,996,315</u>	<u>7,319,249</u>	<u>1,695,447</u>	<u>1,687,809</u>	<u>7,691,762</u>	<u>9,007,058</u>
General revenues:						
Property taxes	40,295,502	37,694,786	795,490	805,392	41,090,992	38,500,178
Grants and entitlements, not restricted	8,146,313	9,217,121	-	-	8,146,313	9,217,121
Investment earnings	317,792	296,638	25,620	20,859	343,412	317,497
Miscellaneous	<u>17,154</u>	<u>69,017</u>	<u>70,110</u>	<u>63,361</u>	<u>87,264</u>	<u>132,378</u>
Total general revenues	<u>48,776,761</u>	<u>47,277,562</u>	<u>891,220</u>	<u>889,612</u>	<u>49,667,981</u>	<u>48,167,174</u>
Total revenues	<u>\$ 54,773,076</u>	<u>\$ 54,596,811</u>	<u>\$ 2,586,667</u>	<u>\$ 2,577,421</u>	<u>\$ 57,359,743</u>	<u>\$ 57,174,232</u>

(Continued)

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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Change in Net Assets – (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 19,743,967	\$ 20,300,444	\$ -	\$ -	\$ 19,743,967	\$ 20,300,444
Special	6,766,002	6,615,112	-	-	6,766,002	6,615,112
Vocational	449,711	373,396	-	-	449,711	373,396
Support services:						
Pupil	3,754,396	3,816,962	-	-	3,754,396	3,816,962
Instructional staff	4,010,079	4,202,438	-	-	4,010,079	4,202,438
Board of Education	78,336	167,112	-	-	78,336	167,112
Administration	3,483,041	3,070,697	-	-	3,483,041	3,070,697
Fiscal	1,359,152	1,217,573	-	-	1,359,152	1,217,573
Business	597,555	630,083	-	-	597,555	630,083
Operations and maintenance of plant	4,628,231	4,941,387	-	-	4,628,231	4,941,387
Pupil transportation	3,696,464	3,668,804	-	-	3,696,464	3,668,804
Central	1,073,422	1,201,191	-	-	1,073,422	1,201,191
Operation of non-instructional services:						
Food service operations	742,646	692,679	-	-	742,646	692,679
Other non-instructional services	702,122	755,071	-	-	702,122	755,071
Extracurricular activities	1,674,468	1,737,345	-	-	1,674,468	1,737,345
Interest and fiscal charges	1,348,042	1,350,545	-	-	1,348,042	1,350,545
Recreation	-	-	2,423,611	2,274,813	2,423,611	2,274,813
Total expenses	<u>54,107,634</u>	<u>54,740,839</u>	<u>2,423,611</u>	<u>2,274,813</u>	<u>56,531,245</u>	<u>57,015,652</u>
Changes in net assets	665,442	(144,028)	163,056	302,608	828,498	158,580
Net assets at beginning of year	<u>53,752,574</u>	<u>53,896,602</u>	<u>7,825,881</u>	<u>7,523,273</u>	<u>61,578,455</u>	<u>61,419,875</u>
Net assets at end of year	<u>\$ 54,418,016</u>	<u>\$ 53,752,574</u>	<u>\$ 7,988,937</u>	<u>\$ 7,825,881</u>	<u>\$ 62,406,953</u>	<u>\$ 61,578,455</u>

Governmental Activities

Net assets of the District's governmental activities increased \$665,442. Total governmental expenses of \$54,107,634 were offset by program revenues of \$5,996,315 and general revenues of \$48,776,761. Program revenues supported 11.08% of the total governmental expenses.

Operating grants and contributions decreased \$362,427 or 15.70%. This decrease is due lower amounts received from the Education Jobs grant and State Fiscal Stabilization Funds (SFSF). Charges for services decreased \$960,507 or 19.17%. This decrease is primarily the result of a decrease in tuition revenue related to the District's special education program.

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

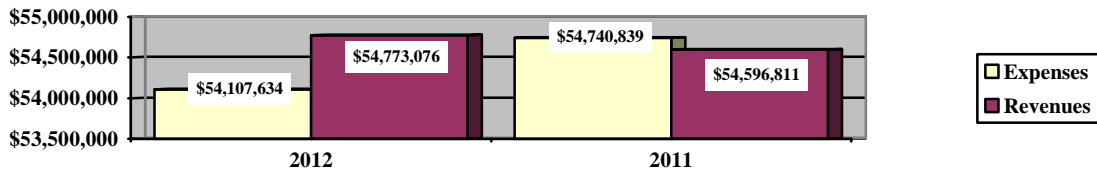
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 88.44% of total governmental revenues. Property taxes increased \$2,600,716 due to better than expected real estate property tax collections and the collection of a new 5-mill operating levy. 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 2011, the District successfully passed a 5-mill operating levy that generates approximately \$5 million in revenue per year. Collections on this levy began during the second half of fiscal year 2012 with full collection of this levy realized in fiscal year 2013. The additional income has been dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation). This levy was originally expected to cover four years of operation, but it has since been determined that it will cover five years. 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 with the exception of additional tax dollars created by new construction. As a result, 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 and investment earnings increased for the District in fiscal year 2012 versus 2011 as described in the analysis of the general fund's revenue which is provided below.

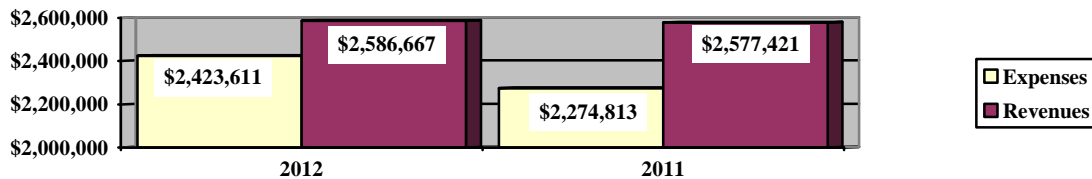
Approximately 49.83% of the District's budget is used for instructional expenses. Supporting services including those related to pupils, staff and business operations account for an additional 41.92%. The remaining amount of program expenses, roughly 8.25%, is budgeted to finance other obligations of 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 2012 versus 2011 is provided in the analysis of the general fund expenditures which is provided below.

The graphs below present the District's governmental and business-type activities revenues and expenses for fiscal year 2012 and 2011.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



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 2012 and 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
Program expenses:				
Instruction:				
Regular	\$ 19,743,967	\$ 19,030,879	\$ 20,300,444	\$ 19,374,890
Special	6,766,002	3,779,781	6,615,112	2,754,087
Vocational	449,711	282,768	373,396	218,407
Support services:				
Pupil	3,754,396	3,571,512	3,816,962	3,642,538
Instructional staff	4,010,079	3,825,372	4,202,438	3,940,917
Board of education	78,336	78,336	167,112	167,112
Administration	3,483,041	3,456,687	3,070,697	2,935,087
Fiscal	1,359,152	1,359,152	1,217,573	1,217,573
Business	597,555	597,555	630,083	630,083
Operations and maintenance of plant	4,628,231	4,622,691	4,941,387	4,933,627
Pupil transportation	3,696,464	3,552,769	3,668,804	3,548,220
Central	1,073,422	1,048,246	1,201,191	1,078,285
Operation of non-instructional services:				
Food service operations	742,646	40,310	692,679	20,987
Other non-instructional services	702,122	169,127	755,071	179,731
Extracurricular activities	1,674,468	1,474,116	1,737,345	1,524,019
Interest and fiscal charges	<u>1,348,042</u>	<u>1,222,018</u>	<u>1,350,545</u>	<u>1,256,027</u>
 Total expenses	 <u>\$ 54,107,634</u>	 <u>\$ 48,111,319</u>	 <u>\$ 54,740,839</u>	 <u>\$ 47,421,590</u>

The dependence upon tax revenues and unrestricted grants and entitlements during fiscal year 2012 for governmental activities is apparent, as 85.66% of 2012 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 88.92% in 2012. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are by far the primary support for the District's students.

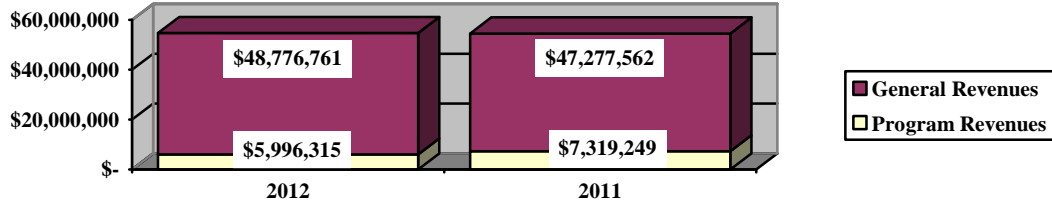
The communities of Pepper Pike, Moreland Hills, Orange, Hunting Valley, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.

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

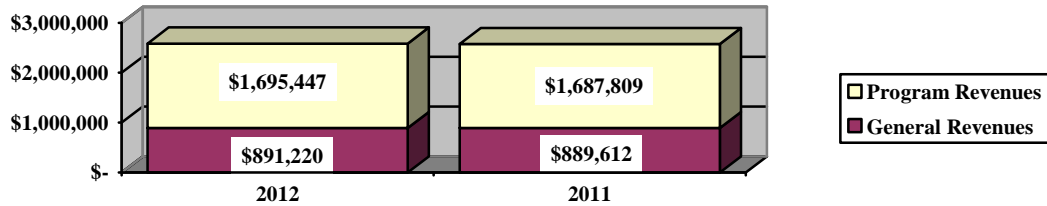
*MANAGEMENT'S DISCUSSION AND ANALYSIS
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The graphs below present the District's governmental and business-type activities revenues for fiscal years 2012 and 2011.

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 \$2,586,667 and expenses of \$2,423,611 for fiscal year 2012. During fiscal year 2012, the District's business activities received \$795,490 in support from tax revenues. The District passed a new replacement recreation levy in November of 2011. Collections for this replacement levy began in January of 2012. For fiscal year 2012, the Recreation fund had an operating loss of \$781,631 (prior to non-operating revenues, such as interest revenue, grants and taxes) and a change in net assets of \$168,659. 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, 2012 were \$7,994,540.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$38,737,320, which is above last year's restated total of \$38,694,364. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2012 and 2011.

	Fund Balance <u>June 30, 2012</u>	Fund Balance <u>June 30, 2011</u>	Increase / <u>(Decrease)</u>
General	\$ 29,238,440	\$ 27,703,301	\$ 1,535,139
Bond retirement	3,711,201	3,287,546	423,655
Permanent improvement	5,250,509	5,889,713	(639,204)
Other Governmental	<u>537,170</u>	<u>1,813,804</u>	<u>(1,276,634)</u>
Total	<u>\$ 38,737,320</u>	<u>\$ 38,694,364</u>	<u>\$ 42,956</u>

**ORANGE CITY SCHOOL DISTRICT
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*MANAGEMENT'S DISCUSSION AND ANALYSIS
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General Fund

The general fund is by far the District's most significant fund. The fund balance of the general fund increased \$1,535,139. The table that follows assists in illustrating the revenues of the general fund.

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property taxes	\$ 37,759,663	\$ 34,618,686	\$ 3,140,977	9.07 %
Tuition and fees	3,716,625	3,983,971	(267,346)	(6.71) %
Investment earnings	254,543	246,977	7,566	3.06 %
Intergovernmental	8,039,868	8,945,974	(906,106)	(10.13) %
Other revenues	<u>246,944</u>	<u>326,835</u>	<u>(79,891)</u>	(24.44) %
Total	<u>\$ 50,017,643</u>	<u>\$ 48,122,443</u>	<u>\$ 1,895,200</u>	3.94 %

Revenues of the general fund increased \$1,895,200 or 3.94%. The most significant increase was in the area of property taxes which increased \$3,140,977 or 9.07%. This increase is the result of better than expected tax collections and also, in November of 2011, the District successfully passed a 5-mill operating levy that began collections in the second half of fiscal year 2012. Tuition and fees decreased \$267,346 or 6.71% due to a decrease in tuition from the District's special education program. Investment earnings increased \$7,566 or 3.06% due to an increase in interest rates earned on investments.

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

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction	\$ 24,909,642	\$ 25,517,897	\$ (608,255)	(2.38) %
Support services	21,611,014	21,651,375	(40,361)	(0.19) %
Operation of non-instructional services	15,855	-	15,855	100.00 %
Extracurricular activities	1,335,395	1,388,969	(53,574)	(3.86) %
Debt service	<u>78,779</u>	<u>78,780</u>	<u>(1)</u>	(0.00) %
Total	<u>\$ 47,950,685</u>	<u>\$ 48,637,021</u>	<u>\$ (686,336)</u>	(1.41) %

General fund expenditures decreased \$686,336 or 1.41%. The most significant decrease was in instruction. Instruction decreased \$608,255 or 2.38% due to cuts to the budget.

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.

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*MANAGEMENT'S DISCUSSION AND ANALYSIS
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During the course of fiscal year 2012, the District amended its total general fund permanent budget several times and had numerous intrafund budget transfers were made amongst the various accounts within the general fund. None were 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 original budgeted revenues and other financing sources totaled \$42,311,792. Final budgeted revenues were increased to \$44,461,674. Actual budget basis revenues and other financing sources of \$46,167,602 were higher than final budgeted revenues by \$1,705,928 primarily due to an increase in property taxes. The original budgeted expenditures and other financing uses totaled \$45,070,574. Final budgeted expenditures and other financing uses were increased to \$45,243,649. Actual budget basis expenditures and other financing uses of \$44,396,024 were \$847,625 lower than the final budgeted expenditures due to conservative budget estimates for salaries/wages and fringe benefits and lower than expected purchased services expenditures (i.e. utilities, legal costs, repairs, tuition, travel, etc.).

The District's ending unencumbered cash balance totaled \$29,306,513, which was higher than that originally budgeted.

Bond Retirement Fund

The bond retirement fund had \$2,818,263 in revenues and \$2,394,608 in expenditures. The bond retirement fund's fund balance increased \$423,655 from \$3,287,546 to \$3,711,201. The fund balance increase is due to revenues surpassing required principal and interest payments for fiscal year 2012.

Permanent Improvement Fund

The permanent improvement fund had \$731,392 in revenues and \$1,370,596 in expenditures. The permanent improvement fund's fund balance decreased \$639,204 from \$5,889,713 to \$5,250,509.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the District had \$47,205,857 invested in land, construction in progress (CIP), land improvements, buildings, equipment and vehicles. Of this total, \$43,518,577 was reported in governmental activities and \$3,687,280 was reported in business-type activities. The following table shows June 30, 2012 balances compared to June 30, 2011:

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Construction in progress	80,263	1,724,343	-	-	80,263	1,724,343
Land improvements	4,138,845	4,052,380	30,582	33,395	4,169,427	4,085,775
Buildings	30,349,086	28,014,968	3,654,394	3,783,272	34,003,480	31,798,240
Equipment	914,936	927,018	2,304	3,610	917,240	930,628
Vehicles	1,665,297	1,723,068	-	2,507	1,665,297	1,725,575
Total	\$43,518,577	\$ 42,811,927	\$ 3,687,280	\$ 3,822,784	\$ 47,205,857	\$ 46,634,711

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

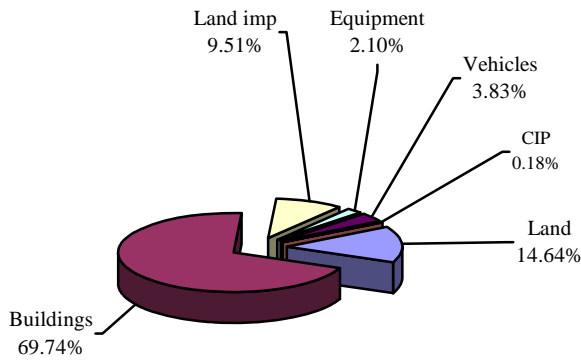
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

Governmental activities capital assets increased 706,650. This is due to additions of \$6,736,745 exceeding current year depreciation of \$2,222,156 and disposals of \$3,807,939 (net of accumulated depreciation). Major additions of governmental capital assets during the fiscal year include the completion of the renovations at the Brady Middle School Gym, the purchase of three school buses and a new all weather track.

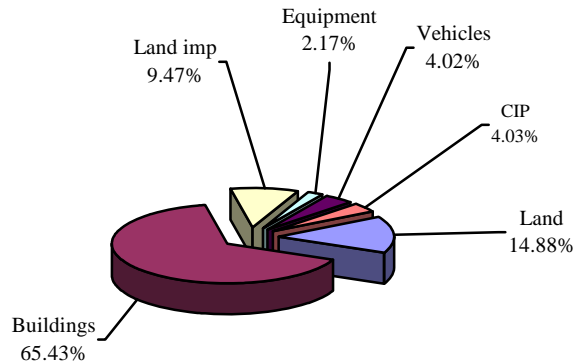
Business-type activities capital assets decreased \$135,504. This is due to current year depreciation of \$177,465 exceeding additions of \$41,961.

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2012 and 2011.

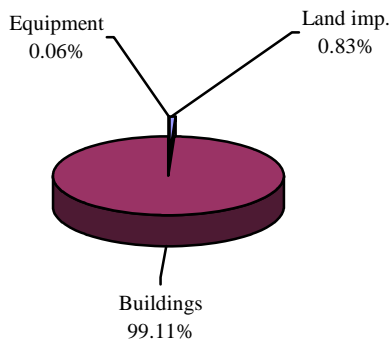
**Capital Assets - Governmental Activities
2012**



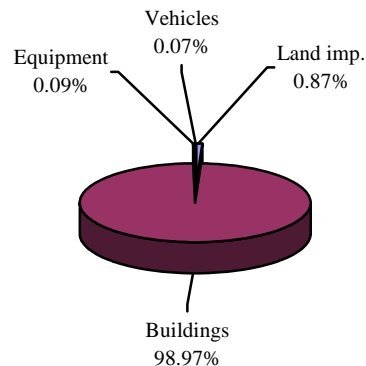
**Capital Assets - Governmental Activities
2011**



**Capital Assets - Business-Type Activities
2012**



**Capital Assets - Business-Type Activities
2011**



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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

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

Debt Administration

At June 30, 2012 the District had \$25,477,754 in capital lease obligations and general obligation bonds outstanding. The following table summarizes the capital lease and general obligation bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
General obligation bonds - Series 1999	\$ 2,239,211	\$ 2,067,109
General obligation bonds - Series 2004	3,510,465	3,643,502
General obligation bonds - Series 2007	17,001,940	18,092,395
General obligation bonds - Series 2010	2,670,000	2,670,000
Capital lease obligation	<u>56,138</u>	<u>127,646</u>
Total	<u>\$ 25,477,754</u>	<u>\$ 26,600,652</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.

The Series 2010 bonds were issued for the construction of the Brady Middle School gym.

During fiscal year 2008 and 2010, the District entered into capital lease obligations for copier equipment. See Note 8 for detail on the capital lease obligations.

See Note 14 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.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

The District has a relatively 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. 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 30 out of 30 with respect to the State's defined set of proficiency criteria.

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 2005 they passed a .95-mill replacement levy for the District's 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 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 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 or those initiatives of the current State administration 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 (ASBO) Certificate of Excellence in Financial Reporting for the 2011 CAFR. Orange City School District is committed to continuous improvement in financial reporting to our communities.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)*

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. Greg Slemons, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974 or e-mail him at gslemons@orangecsd.org.

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

*STATEMENT OF NET ASSETS
JUNE 30, 2012*

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 38,918,177	\$ 3,701,898	\$ 42,620,075
Investments with escrow agent	556,884	-	556,884
Receivables:			
Property taxes	43,166,705	830,107	43,996,812
Accounts	1,643	599	2,242
Accrued interest	39,408	3,761	43,169
Intergovernmental	638,410	-	638,410
Materials and supplies inventory	115,942	8,413	124,355
Inventory held for resale	7,601	-	7,601
Unamortized bond issuance costs	225,562	-	225,562
Internal balance	5,603	(5,603)	-
Capital assets:			
Land and construction in progress	6,450,413	-	6,450,413
Depreciable capital assets, net	37,068,164	3,687,280	40,755,444
Capital assets, net	<u>43,518,577</u>	<u>3,687,280</u>	<u>47,205,857</u>
Total assets	<u>127,194,512</u>	<u>8,226,455</u>	<u>135,420,967</u>
Liabilities:			
Accounts payable	22,738	3,382	26,120
Accrued wages and benefits	4,643,311	88,639	4,731,950
Intergovernmental payable	49,077	670	49,747
Pension obligation payable	1,041,746	110,163	1,151,909
Accrued interest payable	107,113	-	107,113
Unearned revenue	35,417,050	-	35,417,050
Claims payable	39,353	-	39,353
Long-term liabilities:			
Due within one year	2,275,286	7,651	2,282,937
Due in more than one year	29,180,822	27,013	29,207,835
Total liabilities	<u>72,776,496</u>	<u>237,518</u>	<u>73,014,014</u>
Net Assets:			
Invested in capital assets, net of related debt	20,521,412	3,687,280	24,208,692
Restricted for:			
Capital projects	5,548,242	-	5,548,242
Debt service	3,728,136	-	3,728,136
Federally funded programs	5,045	-	5,045
Student activities	89,441	-	89,441
Other purposes	167,030	-	167,030
Unrestricted	<u>24,358,710</u>	<u>4,301,657</u>	<u>28,660,367</u>
Total net assets	<u>\$ 54,418,016</u>	<u>\$ 7,988,937</u>	<u>\$ 62,406,953</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 19,743,967	\$ 608,650	\$ 104,438
Special	6,766,002	2,499,386	486,835
Vocational	449,711	166,943	-
Support services:			
Pupil	3,754,396	47,882	135,002
Instructional staff	4,010,079	4,888	179,819
Board of education	78,336	-	-
Administration	3,483,041	-	26,354
Fiscal	1,359,152	-	-
Business	597,555	-	-
Operations and maintenance	4,628,231	5,540	-
Pupil transportation	3,696,464	-	143,695
Central	1,073,422	-	25,176
Operation of non-instructional services:			
Other non-instructional services	702,122	540	532,455
Food service operations	742,646	546,196	156,140
Extracurricular activities	1,674,468	170,086	30,266
Interest and fiscal charges	1,348,042	-	126,024
<i>Total governmental activities</i>	<u>54,107,634</u>	<u>4,050,111</u>	<u>1,946,204</u>
Business-type activities:			
Recreation	2,423,611	1,566,267	129,180
<i>Total business-type activities</i>	<u>2,423,611</u>	<u>1,566,267</u>	<u>129,180</u>
<i>Totals</i>	<u>\$ 56,531,245</u>	<u>\$ 5,616,378</u>	<u>\$ 2,075,384</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

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 Activities	Total
\$ (19,030,879)	\$ -	\$ (19,030,879)
(3,779,781)	-	(3,779,781)
(282,768)	-	(282,768)
(3,571,512)	-	(3,571,512)
(3,825,372)	-	(3,825,372)
(78,336)	-	(78,336)
(3,456,687)	-	(3,456,687)
(1,359,152)	-	(1,359,152)
(597,555)	-	(597,555)
(4,622,691)	-	(4,622,691)
(3,552,769)	-	(3,552,769)
(1,048,246)	-	(1,048,246)
(169,127)	-	(169,127)
(40,310)	-	(40,310)
(1,474,116)	-	(1,474,116)
(1,222,018)	-	(1,222,018)
<u>(48,111,319)</u>	<u>-</u>	<u>(48,111,319)</u>
-	(728,164)	(728,164)
-	(728,164)	(728,164)
<u>(48,111,319)</u>	<u>(728,164)</u>	<u>(48,839,483)</u>
37,410,095	-	37,410,095
2,354,901	-	2,354,901
530,506	-	530,506
-	795,490	795,490
8,146,313	-	8,146,313
317,792	25,620	343,412
17,154	70,110	87,264
<u>48,776,761</u>	<u>891,220</u>	<u>49,667,981</u>
665,442	163,056	828,498
<u>53,752,574</u>	<u>7,825,881</u>	<u>61,578,455</u>
<u>\$ 54,418,016</u>	<u>\$ 7,988,937</u>	<u>\$ 62,406,953</u>

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

*BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012*

	<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 investments	\$ 29,944,775	\$ 3,150,359	\$ 4,865,946	\$ 652,215	\$ 38,613,295
Investments with escrow agent	-	278,442	278,442	-	556,884
Receivables:					
Property taxes	40,163,251	2,181,790	821,664	-	43,166,705
Accounts	1,643	-	-	-	1,643
Accrued interest	30,412	3,037	5,149	499	39,097
Intergovernmental	524,542	-	-	113,868	638,410
Materials and supplies inventory	115,942	-	-	-	115,942
Inventory held for resale	2,029	-	-	5,572	7,601
<i>Total assets</i>	<u>\$ 70,782,594</u>	<u>\$ 5,613,628</u>	<u>\$ 5,971,201</u>	<u>\$ 772,154</u>	<u>\$ 83,139,577</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 22,738	\$ -	\$ -	\$ -	\$ 22,738
Accrued wages and benefits	4,498,429	-	-	144,882	4,643,311
Compensated absences payable	291,990	-	-	45,837	337,827
Intergovernmental payable	47,534	-	-	1,543	49,077
Pension obligation payable	1,000,439	-	-	41,307	1,041,746
Deferred revenue	2,714,821	124,048	50,224	1,415	2,890,508
Unearned revenue	32,968,203	1,778,379	670,468	-	35,417,050
<i>Total liabilities</i>	<u>41,544,154</u>	<u>1,902,427</u>	<u>720,692</u>	<u>234,984</u>	<u>44,402,257</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	115,942	-	-	-	115,942
Inventory held for resale	2,029	-	-	5,572	7,601
Unclaimed monies	21,440	-	-	-	21,440
Restricted:					
Debt service	-	3,711,201	-	-	3,711,201
Capital improvements	-	-	5,250,509	247,324	5,497,833
Food service operations	-	-	-	199,912	199,912
Special education	-	-	-	3,155	3,155
Other purposes	-	-	-	3,610	3,610
Extracurricular	-	-	-	89,441	89,441
Committed:					
Other purposes	-	-	-	51,446	51,446
Assigned:					
Student instruction	1,716	-	-	-	1,716
Student and staff support	67,067	-	-	-	67,067
Uniform school supplies	77,836	-	-	-	77,836
Subsequent year appropriations	3,068,521	-	-	-	3,068,521
Other purposes	189,863	-	-	-	189,863
Unassigned (deficit)	25,694,026	-	-	(63,290)	25,630,736
<i>Total fund balances</i>	<u>29,238,440</u>	<u>3,711,201</u>	<u>5,250,509</u>	<u>537,170</u>	<u>38,737,320</u>
<i>Total liabilities and fund balances</i>	<u>\$ 70,782,594</u>	<u>\$ 5,613,628</u>	<u>\$ 5,971,201</u>	<u>\$ 772,154</u>	<u>\$ 83,139,577</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012*

Total governmental fund balances		\$	38,737,320
<i>Amounts reported for governmental activities on 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.			43,518,577
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	2,328,633	
Accounts receivable		524,542	
Accrued interest receivable		36,382	
Intergovernmental receivable		951	
Total		951	2,890,508
An internal service fund is used by management to charge the costs of workers compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets. The net assets of the internal service fund, including an internal balance of \$5,603, are:			271,443
Unamortized bond issuance costs are not recognized in the funds.			225,562
Unamortized premiums on bond issuances are not recognized in the funds.			(695,674)
Unamortized deferred charges on refundings are not recognized in the funds.			447,274
On the statement of net assets, interest is accrued on outstanding bonds whereas in governmental funds, interest is reported when due.			(107,113)
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		(25,421,616)	
Capital lease obligations		(56,138)	
Compensated absences		(5,392,127)	
Total		(30,869,881)	(30,869,881)
Net assets of governmental activities		\$	54,418,016

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 37,759,663	\$ 2,393,898	\$ 544,788	\$ -	\$ 40,698,349
Tuition	3,716,625	-	-	-	3,716,625
Earnings on investments	254,543	35,108	50,181	3,774	343,606
Charges for services	-	-	-	546,196	546,196
Extracurricular	122,202	-	-	99,493	221,695
Classroom materials and fees	60,919	-	-	-	60,919
Rental income	5,540	-	-	-	5,540
Contributions and donations	8,583	-	-	10,303	18,886
Contract services	40,815	-	-	-	40,815
Other local revenues	8,885	-	11,069	13,604	33,558
Intergovernmental - intermediate	-	-	-	42,230	42,230
Intergovernmental - state	8,039,868	263,233	125,354	546,705	8,975,160
Intergovernmental - federal	-	126,024	-	937,725	1,063,749
<i>Total revenues</i>	<u>50,017,643</u>	<u>2,818,263</u>	<u>731,392</u>	<u>2,200,030</u>	<u>55,767,328</u>
Expenditures:					
Current:					
Instruction:					
Regular	18,549,139	-	-	126,346	18,675,485
Special	5,940,179	-	-	359,994	6,300,173
Vocational	420,324	-	-	-	420,324
Support services:					
Pupil	3,562,540	-	-	140,252	3,702,792
Instructional staff	3,779,112	-	-	210,386	3,989,498
Board of education	78,336	-	-	-	78,336
Administration	3,332,678	-	-	26,481	3,359,159
Fiscal	1,357,424	-	-	-	1,357,424
Business	545,458	-	-	-	545,458
Operations and maintenance	4,347,981	-	-	-	4,347,981
Pupil transportation	3,637,659	-	-	-	3,637,659
Central	969,826	-	-	63,295	1,033,121
Operation of non-instructional services:					
Other non-instructional services	15,855	-	-	624,512	640,367
Food service operations	-	-	-	682,617	682,617
Extracurricular activities	1,335,395	-	-	231,596	1,566,991
Facilities acquisition and construction	-	-	1,370,596	1,121,185	2,491,781
Debt service:					
Principal retirement	71,508	1,465,000	-	-	1,536,508
Interest and fiscal charges	7,271	929,608	-	-	936,879
<i>Total expenditures</i>	<u>47,950,685</u>	<u>2,394,608</u>	<u>1,370,596</u>	<u>3,586,664</u>	<u>55,302,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,066,958</u>	<u>423,655</u>	<u>(639,204)</u>	<u>(1,386,634)</u>	<u>464,775</u>
Other financing sources (uses):					
Transfers in	-	-	-	110,000	110,000
Transfers (out)	(531,819)	-	-	-	(531,819)
<i>Total other financing sources (uses)</i>	<u>(531,819)</u>	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>(421,819)</u>
<i>Net change in fund balances</i>	1,535,139	423,655	(639,204)	(1,276,634)	42,956
<i>Fund balances at beginning of year</i>	27,703,301	3,287,546	5,889,713	1,813,804	38,694,364
<i>Fund balances at end of year</i>	<u>\$ 29,238,440</u>	<u>\$ 3,711,201</u>	<u>\$ 5,250,509</u>	<u>\$ 537,170</u>	<u>\$ 38,737,320</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*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, 2012*

Net change in fund balances - total governmental funds \$ 42,956

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital asset additions	\$ 2,928,806	
Current year depreciation	(2,222,156)	
Total		706,650

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

Property taxes	(402,847)	
Tuition	(541,679)	
Earnings on investments	(25,826)	
Intergovernmental	(26,204)	
Total		(996,556)

Repayment of bond and capital lease principal 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	1,465,000	
Capital leases	71,508	
Total		1,536,508

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 in the statement of activities:

Decrease in accrued interest payable	3,288	
Accreted interest on capital appreciation bonds	(413,610)	
Amortization of bond issuance costs	(20,988)	
Amortization of bond premiums	59,324	
Amortization of deferred charges	(39,177)	
Total		(411,163)

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.

(484,396)

An internal service fund used by management to charge the costs of workers compensation to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund, including an internal balance of \$5,603, is allocated among the governmental activities.

271,443

Change in net assets of governmental activities **\$ 665,442**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Property taxes	\$ 34,251,911	\$ 36,249,166	\$ 37,370,904	\$ 1,121,738
Tuition	373,708	360,396	407,738	47,342
Earnings on investments	266,789	210,288	291,083	80,795
Classroom materials and fees	2,463	3,410	2,687	(723)
Rental income	5,078	7,315	5,540	(1,775)
Contract services.	37,409	38,638	40,815	2,177
Other local revenues	5,577	4,797	6,085	1,288
Intergovernmental - state	7,368,857	7,584,760	8,039,868	455,108
<i>Total revenues</i>	<u>42,311,792</u>	<u>44,458,770</u>	<u>46,164,720</u>	<u>1,705,950</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,289,362	18,289,362	18,297,495	(8,133)
Special.	4,503,915	4,503,915	4,392,583	111,332
Vocational.	321,497	321,497	418,238	(96,741)
Support services:				
Pupil.	3,280,565	3,280,565	3,202,867	77,698
Instructional staff	2,810,605	2,810,605	2,996,249	(185,644)
Board of education	73,554	73,554	73,961	(407)
Administration.	2,926,858	3,099,933	3,143,147	(43,214)
Fiscal	1,494,056	1,494,056	1,372,088	121,968
Business	582,389	582,389	556,433	25,956
Operations and maintenance.	4,450,113	4,450,113	3,930,278	519,835
Pupil transportation	3,827,209	3,827,209	3,656,597	170,612
Central.	1,062,261	1,062,261	977,458	84,803
Other non-instructional services	2,000	2,000	4,736	(2,736)
Extracurricular activities.	1,316,190	1,316,190	1,263,894	52,296
<i>Total expenditures</i>	<u>44,940,574</u>	<u>45,113,649</u>	<u>44,286,024</u>	<u>827,625</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,628,782)</u>	<u>(654,879)</u>	<u>1,878,696</u>	<u>2,533,575</u>
Other financing sources (uses):				
Refund of prior year's expenditures	-	2,904	2,882	(22)
Transfers (out).	(130,000)	(130,000)	(110,000)	20,000
<i>Total other financing sources (uses)</i>	<u>(130,000)</u>	<u>(127,096)</u>	<u>(107,118)</u>	<u>19,978</u>
<i>Net change in fund balance</i>	(2,758,782)	(781,975)	1,771,578	2,553,553
<i>Fund balance at beginning of year</i>	27,494,361	27,494,361	27,494,361	-
Prior year encumbrances appropriated	40,574	40,574	40,574	-
<i>Fund balance at end of year</i>	<u>\$ 24,776,153</u>	<u>\$ 26,752,960</u>	<u>\$ 29,306,513</u>	<u>\$ 2,553,553</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012*

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Assets:		
<i>Current assets:</i>		
Equity in pooled cash and investments	\$ 3,701,898	\$ 304,882
<i>Receivables:</i>		
Accounts	599	-
Property taxes	830,107	-
Accrued interest	3,761	311
Materials and supplies inventory	8,413	-
<i>Total current assets</i>	4,544,778	305,193
<i>Noncurrent assets:</i>		
Depreciable capital assets, net	3,687,280	-
<i>Total assets</i>	8,232,058	305,193
Liabilities:		
<i>Current liabilities:</i>		
Accounts payable	3,382	-
Accrued wages and benefits	88,639	-
Compensated absences	7,651	-
Pension obligation payable	110,163	-
Intergovernmental payable	670	-
Claims payable	-	39,353
<i>Total current liabilities</i>	210,505	39,353
<i>Long-term liabilities:</i>		
Compensated absences payable	27,013	-
<i>Total long-term liabilities</i>	27,013	-
<i>Total liabilities</i>	237,518	39,353
Net assets:		
Invested in capital assets	3,687,280	-
Unrestricted	4,307,260	265,840
<i>Total net assets</i>	7,994,540	\$ 265,840
Adjustment to reflect the consolidation of the internal service fund activities related to the enterprise fund.	(5,603)	
<i>Net assets of business-type activities</i>	\$ 7,988,937	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Operating revenues:		
Tuition and fees	\$ 1,524,689	\$ -
Sales/charges for services.	41,578	289,843
Other	70,110	-
<i>Total operating revenues</i>	1,636,377	289,843
Operating expenses:		
Personal services.	1,551,429	350,402
Purchased services.	539,574	33,433
Materials and supplies	115,317	-
Other.	34,223	-
Claims	-	64,291
Depreciation	177,465	-
<i>Total operating expenses.</i>	2,418,008	448,126
<i>Operating loss.</i>	(781,631)	(158,283)
Nonoperating revenues:		
Interest revenue	25,620	2,304
Property taxes	795,490	-
Grants and subsidies.	129,180	-
<i>Total nonoperating revenues.</i>	950,290	2,304
Income (loss) before transfers	168,659	(155,979)
Transfer in	-	421,819
<i>Change in net assets.</i>	168,659	265,840
<i>Net assets at beginning of year</i>	7,825,881	-
<i>Net assets at end of year.</i>	\$ 7,994,540	\$ 265,840
Adjustment to reflect the consolidation of the internal service fund activities related to the enterprise fund.	(5,603)	
<i>Change in net assets of business-type activities</i> .	\$ 163,056	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Business-Type Activities - Recreation	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from customers.	\$ 1,524,689	\$ -
Cash received from interfund services provided	-	289,843
Cash received from sales/charges for services.	41,578	-
Cash received from other operating revenues	70,902	-
Cash payments for personal services.	(1,565,300)	(325,464)
Cash payments for contractual services	(540,171)	(58,371)
Cash payments to suppliers for goods and services	(117,866)	-
Cash payments for claims	-	(24,938)
Cash payments for other operating expenses	(34,512)	-
	<u>(620,680)</u>	<u>(118,930)</u>
<i>Net cash used in operating activities</i>		
Cash flows from noncapital financing activities:		
Property taxes	817,513	-
Grants and subsidies.	129,180	-
Cash received from transfers in	-	421,819
	<u>946,693</u>	<u>421,819</u>
<i>Net cash provided by noncapital financing activities.</i>		
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(41,961)	-
	<u>(41,961)</u>	<u>-</u>
<i>Net cash used in capital and related financing activities.</i>		
Cash flows from investing activities:		
Earnings on investments	31,480	1,993
	<u>31,480</u>	<u>1,993</u>
<i>Net cash provided by investing activities</i>		
<i>Net increase (decrease) in cash and investments.</i>	315,532	304,882
<i>Cash and investments at beginning of year</i>	3,386,366	-
<i>Cash and investments at end of year</i>	<u>\$ 3,701,898</u>	<u>\$ 304,882</u>
Reconciliation of operating loss to net cash used in operating activities:		
<i>Operating loss</i>	\$ (781,631)	\$ (158,283)
<i>Adjustments:</i>		
Depreciation.	177,465	-
Changes in assets and liabilities:		
(Increase) in materials and supplies inventory	(2,535)	-
(Increase) in accounts receivable.	(599)	-
Increase in accounts payable	491	-
Increase in accrued wages and benefits	3,643	-
(Decrease) in intergovernmental payable.	(693)	-
Increase in compensated absences payable.	8,830	-
(Decrease) in pension obligation payable.	(25,651)	-
Increase in claims payable	-	39,353
	<u>-</u>	<u>39,353</u>
<i>Net cash used in operating activities.</i>	<u>\$ (620,680)</u>	<u>\$ (118,930)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012*

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 77,056	\$ 140,651
Cash and investments in segregated accounts .	-	16,078,038
Receivables:		
Accrued interest.	65	-
	77,121	-
<i>Total assets.</i>	77,121	\$ 16,218,689
Liabilities:		
Accounts payable.	-	\$ 4,528
Undistributed monies	-	42,799
Due to students.	-	97,852
Intergovernmental payable	-	16,073,510
	-	16,073,510
<i>Total liabilities.</i>	-	\$ 16,218,689
Net assets:		
Held in trust for scholarships	77,121	
<i>Total net assets.</i>	\$ 77,121	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 518
<i>Total additions.</i>	518
Deductions:	
Scholarships awarded	2,500
<i>Change in net assets.</i>	(1,982)
<i>Net assets at beginning of year.</i>	79,103
<i>Net assets at end of year.</i>	\$ 77,121

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, 2012**

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 296 classified employees, 227 certified teaching personnel and 30 administrators/supervisors who provide services to 2,245 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 224th largest by enrollment among the 918 public school districts and community schools in the State of Ohio. The District operates one elementary school (pre-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) guidance issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided it does not conflict with or contradict GASB pronouncements. The District has the option to also apply FASB guidance 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 this FASB guidance. 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". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations are the North Coast Council, the Ohio Schools Council and the Suburban Health Consortium. These organizations are discussed in Notes 15 and 16 to the basic financial statements.

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. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. 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 is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of property tax revenues restricted for 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 that are restricted 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 that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Proprietary fund - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The following are the District's proprietary funds:

Enterprise fund - An enterprise fund 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Internal service fund – The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District’s internal service fund accounts for workers’ compensation activities.

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 trusts 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 four agency funds. The agency funds are used to account for funds held on behalf of others, employee benefits collected, but not yet remitted, student activities and the Suburban Health Consortium.

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.

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 are program fees. The principal operating revenue of the District’s internal service fund is charges for services and sales. Operating expenses for the enterprise fund include the cost of sales, personnel and administrative expenses. Operating expenses for the internal service fund included claims 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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 NonExchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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.

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, 2012, but which were levied to finance fiscal year 2013 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 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 entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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 funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the budgetary statement comparisons at the fund and function level of expenditures.

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

G. Cash and Investments

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 investments" in the basic financial statements.

During fiscal year 2012, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) securities, a repurchase agreement, nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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 shares price which is the price the investment could be sold for on June 30, 2012.

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 year 2012 amounted to \$254,543 which includes \$11,299 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 of supplies are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies inventory and inventory held for resale are equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

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.

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 2012, the District maintained a capitalization threshold of \$5,000. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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 interfund loans receivable/payable at June 30, 2012.

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 sick leave 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. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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 and compensated absences 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.

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. Net assets restricted for other purposes includes amounts restricted for the food service fund (a nonmajor governmental fund).

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

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. 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.

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

On government-wide financial statements, bond 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 14.A.

Q. 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.

R. 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 year 2012.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2012, the District has implemented GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53".

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the District.

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2012 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Auxiliary services	\$ 62,794
Title I	163
Title II-A	333

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 may 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;
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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. Investments with Escrow Agent

At fiscal year end, \$556,884 was on deposit with an escrow agent for monies held in relation to the District's sinking fund deposits that are required for the District's Series 2010 bonds (See Note 14). These funds are not included in "deposits with financial institutions" below.

B. Cash and Investments in Segregated Accounts

At fiscal year end, \$16,078,038 was on deposit in the account the District maintains as fiscal agent for the Suburban Health Consortium (See Note 15) and is included on the fiduciary statement of net assets as "cash and investments in segregated accounts". The balance is covered by federal deposit insurance, by collateral held by the District, or by collateral held by a qualified third-party trustee in the name of the District. This amount is not included in the total amount of "Deposits with Financial Institutions" reported below.

C. Deposits with Financial Institutions

At June 30, 2012, the carrying amount of all District deposits was \$29,067,526. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, \$5,225,251 of the District's bank balance of \$30,248,520 was exposed to custodial risk as discussed below, while \$25,023,269 was covered by the FDIC.

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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2012, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FFCB	\$ 3,018,420	\$ -	\$ -	\$ -	\$ -	\$ 3,018,420
FHLB	2,304,960	-	-	-	-	2,304,960
FNMA	7,031,550	-	-	-	-	7,031,550
STAR Ohio	43,179	43,179	-	-	-	-
Repurchase agreements	1,372,147	1,372,147	-	-	-	-
Total	<u>\$ 13,770,256</u>	<u>\$ 1,415,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,354,930</u>

The weighted average maturity of investments is 3.54 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 agreement were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. 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 a repurchase agreement, 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, 2012

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, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FFCB	\$ 3,018,420	21.92
FHLB	2,304,960	16.74
FNMA	7,031,550	51.06
STAR Ohio	43,179	0.32
Repurchase agreements	<u>1,372,147</u>	<u>9.96</u>
Total	<u>\$ 13,770,256</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 29,067,526
Investments	13,770,256
Investments with escrow agent	556,884
Cash and investments in segregated accounts	<u>16,078,038</u>
Total	<u>\$ 59,472,704</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 39,475,061
Business-type activities	3,701,898
Private-purpose trust funds	77,056
Agency funds	<u>16,218,689</u>
Total	<u>\$ 59,472,704</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2012, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 110,000
Internal service fund	<u>421,819</u>
Total	<u>\$ 531,819</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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. During fiscal year 2012, the District became self-insured for workers' compensation. The transfer from the general fund to the internal service fund was to move cash to start the internal service fund.

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 property and public utility property. Real property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed values as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Public utility real and personal property taxes received in calendar year 2012 became a lien on December 31, 2010, were levied after April 1, 2011, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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, 2012, are available to finance fiscal year 2012 operations. The amount available as an advance at June 30, 2012 was \$5,032,454 in the general fund, \$282,172 in the bond retirement debt service fund and \$105,756 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2011 was \$4,580,720 in the general fund, \$292,218 in the bond retirement debt service fund and \$108,912 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second Half Collections		2012 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 997,502,800	99.15	\$ 996,924,660	99.15
Public utility personal	8,224,500	0.82	8,555,210	0.85
Tangible personal property	<u>348,980</u>	<u>0.03</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,006,076,280</u>	<u>100.00</u>	<u>\$ 1,005,479,870</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$81.75		\$86.75	
Bond	2.40		2.40	
Permanent improvement	1.00		1.00	
Recreation	0.95		0.95	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2012 consisted of property 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:

Property taxes	\$ 43,166,705
Accounts	1,643
Accrued interest	39,408
Intergovernmental	638,410

Business-type activities:

Property taxes	830,107
Accounts	599
Accrued interest	<u>3,761</u>
Total receivables	<u>\$ 44,680,633</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 8 - CAPITALIZED LEASE

During a prior fiscal year, 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 \$324,945, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2012 was \$280,349, leaving a current book value of \$44,596.

Principal and interest payments in the 2012 fiscal year totaled \$71,508 and \$7,271, respectively. These amounts are reported as debt service payments of the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2012.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 45,875
2014	7,076
2015	<u>5,898</u>
Total minimum lease payments	58,849
Less: amount representing interest	<u>(2,711)</u>
Total	<u>\$ 56,138</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2012</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Construction in progress	<u>1,724,343</u>	<u>2,163,859</u>	<u>(3,807,939)</u>	<u>80,263</u>
Total capital assets, not being depreciated	<u>8,094,493</u>	<u>2,163,859</u>	<u>(3,807,939)</u>	<u>6,450,413</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,850,734	492,975	-	9,343,709
Buildings	44,625,142	3,590,909	-	48,216,051
Equipment	3,479,020	220,360	(35,245)	3,664,135
Vehicles	<u>4,081,627</u>	<u>268,642</u>	<u>(187,134)</u>	<u>4,163,135</u>
Total capital assets, being depreciated	<u>61,036,523</u>	<u>4,572,886</u>	<u>(222,379)</u>	<u>65,387,030</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(4,798,354)	(406,510)	-	(5,204,864)
Buildings	(16,610,174)	(1,256,791)	-	(17,866,965)
Equipment	(2,552,002)	(232,442)	35,245	(2,749,199)
Vehicles	<u>(2,358,559)</u>	<u>(326,413)</u>	<u>187,134</u>	<u>(2,497,838)</u>
Total accumulated depreciation	<u>(26,319,089)</u>	<u>(2,222,156)</u>	<u>222,379</u>	<u>(28,318,866)</u>
Total capital assets, being depreciated	<u>34,717,434</u>	<u>2,350,730</u>	<u>-</u>	<u>37,068,164</u>
Governmental activities capital assets, net	<u>\$ 42,811,927</u>	<u>\$ 4,514,589</u>	<u>\$(3,807,939)</u>	<u>\$ 43,518,577</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 920,735
Special	131,904
Vocational	27,320
<u>Support services:</u>	
Pupil	59,152
Instructional staff	2,730
Administration	61,847
Fiscal	3,446
Business	47,851
Operations and maintenance	383,723
Pupil transportation	324,064
Central	34,420
<u>Operation of non-instructional services:</u>	
Other non-instructional services	66,253
Food service operations	55,162
Extracurricular activities	103,549
Total depreciation expense	<u>\$ 2,222,156</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Business-type capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2012</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 168,278	\$ -	\$ -	\$ 168,278
Buildings	5,278,611	41,961	-	5,320,572
Equipment	87,794	-	-	87,794
Vehicles	50,147	-	-	50,147
Total capital assets, being depreciated	<u>5,584,830</u>	<u>41,961</u>	<u>-</u>	<u>5,626,791</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(134,883)	(2,813)	-	(137,696)
Buildings	(1,495,339)	(170,839)	-	(1,666,178)
Equipment	(84,184)	(1,306)	-	(85,490)
Vehicles	(47,640)	(2,507)	-	(50,147)
Total accumulated depreciation	<u>(1,762,046)</u>	<u>(177,465)</u>	<u>-</u>	<u>(1,939,511)</u>
Business-type activities capital assets, net	<u>\$ 3,822,784</u>	<u>\$ (135,504)</u>	<u>\$ -</u>	<u>\$ 3,687,280</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 2012, the District maintained comprehensive insurance coverage for liability, violence, 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	\$71,313,589
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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 10 - RISK MANAGEMENT - (Continued)

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.

B. Workers' Compensation

During fiscal year 2012, the District became self-insured for workers' compensation benefits. The District only pays administrative charges and in turn the District assumes the responsibility of paying all claims incurred during the policy period. The District's stop-loss coverage through the plan is limited to \$200,000 per claim stop-loss coverage with an annual aggregate. The District utilizes Sheakley Uniservice, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal year 2012, the District paid administration fees in the amount of \$20,400 for these services.

The District's Workers' Compensation program is accounted for in the internal service fund which pays for all claims, claim reserves and administrative costs of the program. The internal service fund generates revenues by charging each fund a percentage rate determined by the District for the payroll during the reporting period. The claims liability of \$39,353 reported in the basic financial statements at June 30, 2012, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

Changes in claims activity for the fiscal year were as follows. Fiscal year 2012 was the first year the District was self-insured for workers' compensation, therefore, the prior year's reconciliation of the claims liability was unavailable. In the future, the District will disclose two years of information.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2012	\$ -	\$ 64,291	\$ (24,938)	\$ 39,353

C. Employee Health Benefits

The District participates in the Suburban Health Consortium, a shared risk pool (Note 15) 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 year 2012, the District's Board of Education paid 92% and 90% of the cost of the monthly medical and prescription premiums for non-administrative, full-time employees and administrators, respectively. Non-administrative employees paid 8% of their premiums up to a \$90 cap for family and \$45 for single. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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.

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under "*Employers/Audit Resources*".

Funding Policy - 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 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$1,220,733, \$1,157,073 and \$1,223,505 respectively; 66.37 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 12 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under "Publications".

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For fiscal year 2012, 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. 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, 2012, 2011 and 2010 were \$2,940,205, \$2,982,666 and \$2,912,735, respectively; 84.29 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$102,994 made by the District and \$73,567 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2012, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 (latest information available) was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$195,266, \$289,541 and \$191,425, respectively; 66.37 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$72,091, \$74,460 and \$72,759, respectively; 66.37 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under "Publications" or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$226,170, \$229,436 and \$224,057, respectively; 84.29 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS

A. During fiscal year 2012, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2012</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement Capital Appreciation Bonds 8.16% (stated rate) 12/01/12 and 12/01/13 maturity	\$ 788,221	\$ -	\$ -	\$ 788,221	\$ 407,160
Series 1999, Improvement Capital Appreciation Bonds Accreted Interest	1,278,888	172,102	-	1,450,990	745,940
Series 2004, Improvement Current Interest Bonds 2.0 - 4.625%, 12/01/26 maturity	3,440,000	-	(185,000)	3,255,000	200,000
Series 2004, Improvement Capital Appreciation Bonds 24.185% (stated rate) 12/01/13 and 12/01/14 maturity	39,998	-	-	39,998	-
Series 2004, Improvement Capital Appreciation Bonds Accreted Interest	163,504	51,963	-	215,467	-
Series 2007, Refunding Current Interest Bonds 4.00 - 4.50%, 12/01/23 maturity	16,050,000	-	(1,280,000)	14,770,000	190,000
Series 2007, Refunding Capital Appreciation Bonds 9.281% (stated rate) 12/01/15 and 12/01/16 maturity	1,394,970	-	-	1,394,970	-
Series 2007, Refunding Capital Appreciation Bonds Accreted Interest	647,425	189,545	-	836,970	-
Series 2010 Qualified School Construction Bonds 4.72% 12/1/19 maturity	<u>2,670,000</u>	<u>-</u>	<u>-</u>	<u>2,670,000</u>	<u>-</u>
Total, general obligation bonds	<u>26,473,006</u>	<u>413,610</u>	<u>(1,465,000)</u>	<u>25,421,616</u>	<u>1,543,100</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2012</u>	Amount Due in <u>One Year</u>
Other obligations:					
Capital lease obligation	\$ 127,646	\$ -	\$ (71,508)	\$ 56,138	\$ 43,920
Compensated absences	<u>5,496,457</u>	<u>953,062</u>	<u>(719,565)</u>	<u>5,729,954</u>	<u>688,266</u>
Total, other obligations	<u>5,624,103</u>	<u>953,062</u>	<u>(791,073)</u>	<u>5,786,092</u>	<u>732,186</u>
Total, all governmental activities long-term liabilities	<u>\$ 32,097,109</u>	<u>\$ 1,366,672</u>	<u>\$ (2,256,073)</u>	31,207,708	<u>\$ 2,275,286</u>
Less: Unamortized deferred charges on refundings				(447,274)	
Add: Unamortized premium on bonds				<u>695,674</u>	
Total on statement of net assets				<u>\$ 31,456,108</u>	
Business-type activity:					
Compensated absences	<u>\$ 25,834</u>	<u>\$ 16,972</u>	<u>\$ (8,142)</u>	<u>\$ 34,664</u>	<u>\$ 7,651</u>
Total business-type activities, long-term obligations	<u>\$ 25,834</u>	<u>\$ 16,972</u>	<u>\$ (8,142)</u>	<u>\$ 34,664</u>	<u>\$ 7,651</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 will be paid from the general fund.

Series 1999 General Obligation Bonds

On May 12, 1999, the District issued \$29,498,221 in general obligation bonds. The proceeds of these bonds were used to provide long-term financing of the District's building projects. These bonds bear an annual interest rate of 3.3% to 5.1% and mature in fiscal year 2014. The Series 1999 general obligation bond issue is comprised of both current interest bonds, par value \$28,710,000 and capital appreciation bonds, par value \$788,221. There are no further obligations on the current interest bonds. The capital appreciation bonds mature on December 1, 2012 and December 1, 2013 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption rate. The accreted value at maturity of the capital appreciation bonds is \$2,425,000. A total of \$1,450,990 in accreted interest has been included on the statement of net assets at June 30, 2012. The capital appreciation bonds are not subject to redemption prior to maturity.

Interest payments on the current interest bonds were due on June 1 and December 1 of each year. There were no current interest bonds remaining at June 30, 2012. The final maturity stated in the issue is December 1, 2013.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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 \$39,998. The capital appreciation bonds mature on December 1, 2013 and December 1, 2014 (stated interest rate 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. A total of \$215,467 in accreted interest has been included in the statement of net assets at June 30, 2012. 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.

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, 2012, is \$17,285,000.

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 (stated interest rate 9.281%) and December 1, 2016 (stated 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 \$836,970 has been included in the statement of net assets at June 30, 2012.

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.

**ORANGE CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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.

School Facilities Construction and Improvement Bonds - Series 2010

On September 1, 2010, the District issued \$2,670,000 of Qualified School Construction Bonds (QSCBs) to finance building construction and improvements. This issue is comprised of current interest term bonds, par value \$2,670,000.

These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for on the statement of net assets. Payments of interest relating to this bond are recorded as expenditures in the bond retirement fund.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issues is December 1, 2019.

For QSCBs, the District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District recorded this subsidy from the federal government in the amount of \$126,024 in the bond retirement fund.

\$2,670,000 of the QSCBs is subject to mandatory sinking fund deposits. The District is required to maintain a sinking fund account and deposit monies each December 1 into the account for payment of the bonds at maturity on December 1, 2019. During fiscal year 2012, the District made \$267,000 in sinking fund deposits. The payments into the sinking fund were made through the bond retirement fund during fiscal year 2012. On the financial statements, the fair value of the investments accumulated in the sinking fund in the amount of \$556,884 is reported as "investments with escrow agent".

The following is a schedule of future sinking fund deposits required to be made into the District's sinking fund account:

<u>Fiscal Year</u>	<u>Sinking Fund Required Deposit</u>
2013	\$ 267,000
2014	267,000
2015	267,000
2016	267,000
2017	267,000
2018 - 2020	<u>801,000</u>
Total	<u>\$ 2,136,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2012 are as follows:

Fiscal Year Ending June 30	Capital Appreciation G.O. Bonds (Series 1999)		
	Principal	Interest	Total
2013	\$ 407,160	\$ 792,840	\$ 1,200,000
2014	381,061	843,939	1,225,000
Total	<u>\$ 788,221</u>	<u>\$ 1,636,779</u>	<u>\$ 2,425,000</u>

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2004)			Capital Appreciation G.O. Bonds (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 200,000	\$ 137,333	\$ 337,333	\$ -	\$ -	\$ -
2014	-	133,582	133,582	22,272	177,728	200,000
2015	-	133,582	133,582	17,726	182,274	200,000
2016	200,000	129,732	329,732	-	-	-
2017	210,000	121,683	331,683	-	-	-
2018 - 2022	1,180,000	468,474	1,648,474	-	-	-
2023 - 2027	1,465,000	175,002	1,640,002	-	-	-
Total	<u>\$ 3,255,000</u>	<u>\$ 1,299,388</u>	<u>\$ 4,554,388</u>	<u>\$ 39,998</u>	<u>\$ 360,002</u>	<u>\$ 400,000</u>

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2007)			Capital Appreciation G.O. Bonds (Series 2007)		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 190,000	\$ 629,863	\$ 819,863	\$ -	\$ -	\$ -
2014	195,000	622,162	817,162	-	-	-
2015	1,530,000	578,663	2,108,663	-	-	-
2016	-	557,062	557,062	728,410	861,590	1,590,000
2017	-	557,063	557,063	666,560	923,440	1,590,000
2018 - 2022	8,880,000	1,892,618	10,772,618	-	-	-
2023 - 2024	3,975,000	176,288	4,151,288	-	-	-
Total	<u>\$ 14,770,000</u>	<u>\$ 5,013,719</u>	<u>\$ 19,783,719</u>	<u>\$ 1,394,970</u>	<u>\$ 1,785,030</u>	<u>\$ 3,180,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2010)		
	Principal	Interest	Total
2013	\$ -	\$ 126,024	\$ 126,024
2014	-	126,024	126,024
2015	-	126,024	126,024
2016	-	126,024	126,024
2017	-	126,024	126,024
2018 - 2020	<u>2,670,000</u>	<u>315,060</u>	<u>2,985,060</u>
Total	<u>\$ 2,670,000</u>	<u>\$ 945,180</u>	<u>\$ 3,615,180</u>

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, 2012, are a voted debt margin of \$71,286,200 (including available funds of \$3,711,201) and an unvoted debt margin of \$1,005,480.

NOTE 15 - PUBLIC ENTITY RISK POOL

The Suburban Health Consortium (Consortium) is a shared health risk pool created pursuant to State statute for the purpose of administering health care benefits. The Consortium 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 Consortium. All Consortium 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. During fiscal year 2012, the District became the fiscal agent for the Consortium.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. North Coast Council

North Coast Council

The District is a member of the North Coast Council (NCC) which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2012. NCC was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34 member districts. Each of the governments of these schools supports the NCC based on a per pupil charge. The District contributed \$77,435 to NCC during fiscal year 2012. NCC is governed by a nine member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Board of Education, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred twenty-one 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 nine 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 2012, the District paid \$1,881 to the Council for membership and other services and \$78,574 to the Council's prepaid natural gas 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 District's three year contract expired in December 2008 and a new agreement was signed commencing September 8, 2009. For the period of January through August 2009, the District made payments to the local utility company directly. The participants of the Council's Energy for Education Program 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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.

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2011	\$ -
Current year set-aside requirement	377,434
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(377,434)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2013	<u>\$ -</u>
Set-aside balance June 30, 2012	<u>\$ -</u>

The District had current year offsets that reduced the capital improvements set-aside amount to zero. During fiscal years 1999, 2004 and 2011, the District issued \$29,498,221, \$4,499,998 and \$2,670,000, respectively, in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to zero. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$36,667,219 at June 30, 2012.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 18 - CONTINGENCIES

A. Grants and ADM

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

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.

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis); and,
- (f) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 1,771,578
Net adjustment for revenue accruals	321,447
Net adjustment for expenditure accruals	534,907
Net adjustment for other sources/uses	(2,882)
Funds budgeted elsewhere	(1,097,290)
Adjustment for encumbrances	7,379
GAAP basis	<u>\$ 1,535,139</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, uniform school supplies fund, special education fund, public school support fund, workers' compensation holding fund and the electric holding fund.

NOTE 20 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	\$ 4,897
Permanent improvement fund	155,957
Other nonmajor governmental funds	52,832
Total	<u>213,686</u>

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Combining Statements
and Individual Fund Schedules
Supplementary Information

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

MAJOR FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. The general funds's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Other Major Funds

Bond Retirement Fund

The bond retirement fund is used to account for the accumulation of property tax revenue restricted for the payment of general obligations 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 that are restricted for the replacement and updating of equipment and facilities essential for the instruction of students.

Recreation Fund

This fund accounts for fees and property taxes for the upkeep of the recreation center and educational opportunities offered to District residents.

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

*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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 34,251,911	\$ 36,249,166	\$ 37,370,904	\$ 1,121,738
Tuition	373,708	360,396	407,738	47,342
Earnings on investments	266,789	210,288	291,083	80,795
Classroom materials and fees	2,463	3,410	2,687	(723)
Rental income	5,078	7,315	5,540	(1,775)
Contract services	37,409	38,638	40,815	2,177
Other local revenues	5,577	4,797	6,085	1,288
Intergovernmental - state	7,368,857	7,584,760	8,039,868	455,108
<i>Total revenues</i>	<u>42,311,792</u>	<u>44,458,770</u>	<u>46,164,720</u>	<u>1,705,950</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	13,278,800	13,278,800	13,395,586	(116,786)
Fringe benefits	4,209,296	4,209,296	4,186,800	22,496
Purchased services	255,617	255,617	260,597	(4,980)
Materials and supplies	293,843	293,843	216,979	76,864
Capital outlay	251,806	251,806	237,533	14,273
<i>Total instruction-regular</i>	<u>18,289,362</u>	<u>18,289,362</u>	<u>18,297,495</u>	<u>(8,133)</u>
Instruction-special:				
Salaries and wages	2,788,800	2,788,800	2,742,851	45,949
Fringe benefits	977,004	977,004	951,324	25,680
Purchased services	646,167	646,167	614,661	31,506
Materials and supplies	49,606	49,606	43,840	5,766
Capital outlay	42,338	42,338	39,907	2,431
<i>Total instruction-special</i>	<u>4,503,915</u>	<u>4,503,915</u>	<u>4,392,583</u>	<u>111,332</u>
Instruction-vocational:				
Salaries and wages	81,500	81,500	102,330	(20,830)
Fringe benefits	36,697	36,697	40,712	(4,015)
Purchased services	200,000	200,000	272,926	(72,926)
Materials and supplies	3,300	3,300	2,270	1,030
<i>Total instruction-vocational</i>	<u>321,497</u>	<u>321,497</u>	<u>418,238</u>	<u>(96,741)</u>
Support services-pupil:				
Salaries and wages	2,074,840	2,074,840	2,026,298	48,542
Fringe benefits	741,887	741,887	750,516	(8,629)
Purchased services	436,105	436,105	413,546	22,559
Materials and supplies	24,733	24,733	12,507	12,226
Capital outlay	3,000	3,000	-	3,000
<i>Total support services-pupil</i>	<u>3,280,565</u>	<u>3,280,565</u>	<u>3,202,867</u>	<u>77,698</u>

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

*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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 1,783,660	\$ 1,783,660	\$ 1,886,055	\$ (102,395)
Fringe benefits	923,534	923,534	1,018,828	(95,294)
Purchased services	48,003	48,003	39,413	8,590
Materials and supplies.	42,863	42,863	40,280	2,583
Capital outlay	12,545	12,545	11,673	872
Total support services-instructional staff	<u>2,810,605</u>	<u>2,810,605</u>	<u>2,996,249</u>	<u>(185,644)</u>
Support services-Board of Education:				
Salaries and wages	15,000	15,000	15,000	-
Fringe benefits	2,543	2,543	3,727	(1,184)
Purchased services	4,000	4,000	3,366	634
Other	52,011	52,011	51,868	143
Total support services-Board of Education	<u>73,554</u>	<u>73,554</u>	<u>73,961</u>	<u>(407)</u>
Support services-administration:				
Salaries and wages	1,630,800	1,630,800	1,626,354	4,446
Fringe benefits	719,277	719,277	761,721	(42,444)
Purchased services	402,887	402,887	424,663	(21,776)
Materials and supplies.	28,043	28,043	24,066	3,977
Capital outlay	7,100	7,100	6,240	860
Other	138,751	311,826	300,103	11,723
Total support services-administration.	<u>2,926,858</u>	<u>3,099,933</u>	<u>3,143,147</u>	<u>(43,214)</u>
Support services-fiscal:				
Salaries and wages	375,300	375,300	375,318	(18)
Fringe benefits	408,576	408,576	207,733	200,843
Purchased services	54,318	54,318	39,471	14,847
Materials and supplies.	4,859	4,859	3,620	1,239
Capital outlay	4,703	4,703	784	3,919
Other	646,300	646,300	745,162	(98,862)
Total support services-fiscal	<u>1,494,056</u>	<u>1,494,056</u>	<u>1,372,088</u>	<u>121,968</u>
Support services-business:				
Salaries and wages	276,500	276,500	276,888	(388)
Fringe benefits	116,639	116,639	119,830	(3,191)
Purchased services	118,500	118,500	108,854	9,646
Materials and supplies.	46,900	46,900	36,801	10,099
Capital outlay	21,500	21,500	11,921	9,579
Other	2,350	2,350	2,139	211
Total support services-business	<u>582,389</u>	<u>582,389</u>	<u>556,433</u>	<u>25,956</u>

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

*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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance:				
Salaries and wages	\$ 1,940,300	\$ 1,940,300	\$ 1,772,616	\$ 167,684
Fringe benefits	910,653	910,653	907,123	3,530
Purchased services	1,282,325	1,282,325	963,348	318,977
Materials and supplies	279,136	279,136	253,078	26,058
Capital outlay	19,699	19,699	19,282	417
Other	18,000	18,000	14,831	3,169
Total support services-operations and maintenance	<u>4,450,113</u>	<u>4,450,113</u>	<u>3,930,278</u>	<u>519,835</u>
Support services-pupil transportation:				
Salaries and wages	1,983,500	1,983,500	1,877,710	105,790
Fringe benefits	994,959	994,959	1,052,193	(57,234)
Purchased services	145,450	145,450	89,200	56,250
Materials and supplies	375,300	375,300	323,755	51,545
Capital outlay	328,000	328,000	313,739	14,261
Total support services-pupil transportation	<u>3,827,209</u>	<u>3,827,209</u>	<u>3,656,597</u>	<u>170,612</u>
Support services-central:				
Salaries and wages	530,900	530,900	505,163	25,737
Fringe benefits	272,891	272,891	268,093	4,798
Purchased services	178,970	178,970	132,794	46,176
Materials and supplies	68,400	68,400	61,559	6,841
Capital outlay	11,100	11,100	9,849	1,251
Total support services-central	<u>1,062,261</u>	<u>1,062,261</u>	<u>977,458</u>	<u>84,803</u>
Operation of non-instructional services:				
Other non-instructional services:				
Fringe benefits	-	-	3,940	(3,940)
Materials and supplies	2,000	2,000	796	1,204
Total operation of non-instructional services	<u>2,000</u>	<u>2,000</u>	<u>4,736</u>	<u>(2,736)</u>
Extracurricular activities:				
Salaries and wages	1,102,850	1,102,850	1,032,744	70,106
Fringe benefits	213,138	213,138	230,948	(17,810)
Purchased services	202	202	202	-
Total extracurricular activities	<u>1,316,190</u>	<u>1,316,190</u>	<u>1,263,894</u>	<u>52,296</u>
Total expenditures	<u>44,940,574</u>	<u>45,113,649</u>	<u>44,286,024</u>	<u>827,625</u>
Excess of expenditures over revenues	<u>(2,628,782)</u>	<u>(654,879)</u>	<u>1,878,696</u>	<u>2,533,575</u>

-- Continued

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

*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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ -	\$ 2,904	\$ 2,882	\$ (22)
Transfers out	(130,000)	(130,000)	(110,000)	20,000
<i>Total other financing sources (uses)</i>	<u>(130,000)</u>	<u>(127,096)</u>	<u>(107,118)</u>	<u>19,978</u>
<i>Net change in fund balance</i>	(2,758,782)	(781,975)	1,771,578	2,553,553
<i>Fund balance at beginning of year</i>	27,494,361	27,494,361	27,494,361	-
<i>Prior year encumbrances appropriated.</i>	40,574	40,574	40,574	-
<i>Fund balance at end of year.</i>	<u>\$ 24,776,153</u>	<u>\$ 26,752,960</u>	<u>\$ 29,306,513</u>	<u>\$ 2,553,553</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 2,005,920	\$ 2,406,144	\$ 400,224
Earnings on investments	23,664	28,386	4,722
Intergovernmental - state	219,448	263,233	43,785
Intergovernmental-federal	105,062	126,024	20,962
<i>Total revenues.</i>	<u>2,354,094</u>	<u>2,823,787</u>	<u>469,693</u>
Expenditures:			
Debt service:			
Principal retirement.	1,732,000	1,732,000	-
Interest and fiscal charges	929,607	929,607	-
Total debt service	<u>2,661,607</u>	<u>2,661,607</u>	<u>-</u>
<i>Total expenditures</i>	<u>2,661,607</u>	<u>2,661,607</u>	<u>-</u>
<i>Net change in fund balance</i>	(307,513)	162,180	469,693
<i>Fund balance at beginning of year</i>	2,985,366	2,985,366	-
<i>Fund balance at end of year.</i>	<u>\$ 2,677,853</u>	<u>\$ 3,147,546</u>	<u>\$ 469,693</u>

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

*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, 2012*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Property taxes	\$ 662,598	\$ 548,365	\$ (114,233)
Earnings on investments	58,344	48,285	(10,059)
Other local revenue	13,375	11,069	(2,306)
Intergovernmental - state	<u>151,467</u>	<u>125,354</u>	<u>(26,113)</u>
<i>Total revenues.</i>	<u>885,784</u>	<u>733,073</u>	<u>(152,711)</u>
Expenditures:			
Current:			
Facilities acquisition and construction:			
Capital outlay	<u>1,704,062</u>	<u>1,685,160</u>	<u>18,902</u>
Total facilities acquisition and construction	<u>1,704,062</u>	<u>1,685,160</u>	<u>18,902</u>
<i>Total expenditures</i>	<u>1,704,062</u>	<u>1,685,160</u>	<u>18,902</u>
<i>Net change in fund balance</i>	(818,278)	(952,087)	(133,809)
<i>Fund balance at beginning of year</i>	4,887,155	4,887,155	-
<i>Prior year encumbrances appropriated.</i>	<u>770,149</u>	<u>770,149</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 4,839,026</u>	<u>\$ 4,705,217</u>	<u>\$ (133,809)</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Program fees	\$ 1,590,773	\$ 1,524,689	\$ (66,084)
Sales/charges for services.	43,380	41,578	(1,802)
Other	73,149	70,110	(3,039)
<i>Total operating revenues</i>	<i>1,707,302</i>	<i>1,636,377</i>	<i>(70,925)</i>
Operating expenses:			
Salaries.	1,269,004	1,147,119	121,885
Fringe benefits	499,926	418,300	81,626
Purchased services	904,478	541,801	362,677
Materials and supplies	133,027	89,718	43,309
Capital outlay.	128,525	70,109	58,416
Other.	30,900	34,512	(3,612)
<i>Total operating expenses</i>	<i>2,965,860</i>	<i>2,301,559</i>	<i>664,301</i>
<i>Operating loss</i>	<i>(1,258,558)</i>	<i>(665,182)</i>	<i>593,376</i>
Nonoperating revenues:			
Investment earnings	33,858	32,451	(1,407)
Property taxes	852,947	817,513	(35,434)
Grants and subsidies	134,779	129,180	(5,599)
Refund of prior year's expense.	826	792	(34)
<i>Total nonoperating revenues</i>	<i>1,022,410</i>	<i>979,936</i>	<i>(42,474)</i>
<i>Net change in fund equity.</i>	<i>(236,148)</i>	<i>314,754</i>	<i>550,902</i>
<i>Fund equity at beginning of year</i>	<i>3,296,066</i>	<i>3,296,066</i>	<i>-</i>
<i>Prior year encumbrances appropriated.</i>	<i>85,844</i>	<i>85,844</i>	<i>-</i>
<i>Fund equity at end of year.</i>	<i>\$ 3,145,762</i>	<i>\$ 3,696,664</i>	<i>\$ 550,902</i>

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

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 404,905	\$ 247,310	\$ 652,215
Receivables:			
Accrued interest	300	199	499
Intergovernmental	113,868	-	113,868
Inventory held for resale.	<u>5,572</u>	<u>-</u>	<u>5,572</u>
<i>Total assets</i>	<u>\$ 524,645</u>	<u>\$ 247,509</u>	<u>\$ 772,154</u>
Liabilities:			
Accrued wages payable	\$ 144,882	\$ -	\$ 144,882
Compensated absences payable.	45,837	-	45,837
Intergovernmental payable.	1,543	-	1,543
Pension obligation payable.	41,307	-	41,307
Deferred revenue.	<u>1,230</u>	<u>185</u>	<u>1,415</u>
<i>Total liabilities.</i>	<u>234,799</u>	<u>185</u>	<u>234,984</u>
Fund Balances:			
Nonspendable:			
Inventory held for resale	5,572	-	5,572
Restricted:			
Capital improvements	-	247,324	247,324
Food service operations	199,912	-	199,912
Special education.	3,155	-	3,155
Other purposes	3,610	-	3,610
Extracurricular	89,441	-	89,441
Committed:			
Other purposes	51,446	-	51,446
Unassigned (deficit)	<u>(63,290)</u>	<u>-</u>	<u>(63,290)</u>
<i>Total fund balances</i>	<u>289,846</u>	<u>247,324</u>	<u>537,170</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 524,645</u>	<u>\$ 247,509</u>	<u>\$ 772,154</u>

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

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 2,513	\$ 1,261	\$ 3,774
Charges for services	546,196	-	546,196
Extracurricular activities	99,493	-	99,493
Contributions and donations	10,303	-	10,303
Other local revenues	13,604	-	13,604
Intergovernmental - intermediate	42,230	-	42,230
Intergovernmental - state	546,705	-	546,705
Intergovernmental - federal	937,725	-	937,725
<i>Total revenues</i>	<u>2,198,769</u>	<u>1,261</u>	<u>2,200,030</u>
Expenditures:			
Current:			
Instruction:			
Regular	126,346	-	126,346
Special	359,994	-	359,994
Support services:			
Pupil	140,252	-	140,252
Instructional staff	210,386	-	210,386
Administration	26,481	-	26,481
Central	63,294	1	63,295
Operation of non-instructional services:			
Other non-instructional services	624,512	-	624,512
Food service operations	682,617	-	682,617
Extracurricular activities	231,596	-	231,596
Facilities acquisition and construction	-	1,121,185	1,121,185
<i>Total expenditures</i>	<u>2,465,478</u>	<u>1,121,186</u>	<u>3,586,664</u>
<i>Excess of expenditures over revenues</i>	<u>(266,709)</u>	<u>(1,119,925)</u>	<u>(1,386,634)</u>
Other financing sources:			
Transfers in	110,000	-	110,000
<i>Total other financing sources</i>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
<i>Net change in fund balances</i>	(156,709)	(1,119,925)	(1,276,634)
<i>Fund balances at beginning of year (restated)</i>	<u>446,555</u>	<u>1,367,249</u>	<u>1,813,804</u>
<i>Fund balances at end of year</i>	<u>\$ 289,846</u>	<u>\$ 247,324</u>	<u>\$ 537,170</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the District's special revenue funds follows:

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 that are restricted to 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 are restricted to provide services and materials to pupils attending non-public schools within the District.

Education Management Information System Fund

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

Entry Year Programs Fund

A fund provided to account for monies that are restricted for the implementation of entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

Ohio K-12 Network Connectivity Fund

A fund to account for money that is restricted for expenditures related to the Ohio Educational Computer Network Connections.

eTech Professional Development Fund

A fund provided to account for money that is restricted to a limited number of professional development subsidy grants.

Miscellaneous State Grants Fund

A fund to account for monies restricted from state agencies which are not classified elsewhere.

Education Jobs Fund

This fund accounts for federal monies that is restricted to create education jobs for the 2011-2012 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

Race to the Top Fund

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

Title VI-B Fund

A fund provided to account for federal monies that are restricted 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.

Education Stabilization Fund

A fund to account for restricted Federal grant monies from the American Recovery and Reinvestment Act (ARRA) in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title II-D Fund

A fund to account for restricted federal grant monies used for technology.

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 that are restricted to assist the District in meeting the special needs of children of limited English proficiency.

Title I Fund

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

Preschool Disability Fund

A fund to account for monies received that are restricted for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A Fund

A fund to account for grant monies that are restricted for the hiring of additional teachers in grades 1-3.

Food Service Fund

To account for monies received that are restricted to the food service operations of the District.

Memorial Fund

A fund to account for monies that are committed for the purchase of library books or other materials for the District.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Unclaimed Monies Fund

To account for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

Uniform School Supplies Fund

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

Special Education Fund

To account for tuition revenues and other resources received from other school districts that are used on for the District's special education programs.

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.

W.C. Holding Fund

A fund provided to account for resources and expenditures related to the District's Workers' Compensation (W.C.) payments.

Electric Holding Fund

A fund provided to account for resources and expenditures related to the electric consumption of the District.

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

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012*

	Local Grants	District Managed Activity	Auxiliary Services	Education Jobs
Assets:				
Equity in pooled cash and investments	\$ 14,987	\$ 89,667	\$ 1,761	\$ 454
Receivables:				
Accrued interest	-	-	2	-
Intergovernmental	-	-	-	4,201
Inventory held for resale.	-	-	-	-
<i>Total assets</i>	<u>\$ 14,987</u>	<u>\$ 89,667</u>	<u>\$ 1,763</u>	<u>\$ 4,655</u>
Liabilities:				
Accrued wages payable	\$ -	\$ -	\$ 16,768	\$ 2,400
Compensated absences payable.	-	-	45,837	-
Intergovernmental payable.	-	-	183	35
Pension obligation payable.	-	226	1,767	1,039
Deferred revenue.	-	-	2	951
<i>Total liabilities.</i>	<u>-</u>	<u>226</u>	<u>64,557</u>	<u>4,425</u>
Fund Balances:				
Nonspendable:				
Inventory held for resale	-	-	-	-
Restricted:				
Food service operations	-	-	-	-
Special education.	-	-	-	-
Other purposes	-	-	-	230
Extracurricular	-	89,441	-	-
Committed:				
Other purposes	14,987	-	-	-
Unassigned (deficit)	-	-	(62,794)	-
<i>Total fund balances (deficits).</i>	<u>14,987</u>	<u>89,441</u>	<u>(62,794)</u>	<u>230</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 14,987</u>	<u>\$ 89,667</u>	<u>\$ 1,763</u>	<u>\$ 4,655</u>

Title VI-B	Title III	Title I	Preschool Disability	Title II-A	Food Service
\$ 1,814	\$ 3,380	\$ 6,161	\$ 311	\$ 490	\$ 249,424
-	-	-	-	-	255
75,368	-	24,829	2,135	7,335	-
-	-	-	-	-	5,572
<u>\$ 77,182</u>	<u>\$ 3,380</u>	<u>\$ 30,990</u>	<u>\$ 2,446</u>	<u>\$ 7,825</u>	<u>\$ 255,251</u>
\$ 62,287	\$ -	\$ 27,684	\$ 1,088	\$ 7,266	\$ 27,389
-	-	-	-	-	-
741	-	325	16	84	159
11,847	-	3,144	494	808	21,982
-	-	-	-	-	237
<u>74,875</u>	<u>-</u>	<u>31,153</u>	<u>1,598</u>	<u>8,158</u>	<u>49,767</u>
-	-	-	-	-	5,572
-	-	-	-	-	199,912
2,307	-	-	848	-	-
-	3,380	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(163)	-	(333)	-
<u>2,307</u>	<u>3,380</u>	<u>(163)</u>	<u>848</u>	<u>(333)</u>	<u>205,484</u>
<u>\$ 77,182</u>	<u>\$ 3,380</u>	<u>\$ 30,990</u>	<u>\$ 2,446</u>	<u>\$ 7,825</u>	<u>\$ 255,251</u>

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

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2012*

	<u>Memorial</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:		
Equity in pooled cash and investments	\$ 36,456	\$ 404,905
Receivables:		
Accrued interest	43	300
Intergovernmental	-	113,868
Inventory held for resale.	-	5,572
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 36,499</u>	<u>\$ 524,645</u>
Liabilities:		
Accrued wages payable	\$ -	\$ 144,882
Compensated absences payable.	-	45,837
Intergovernmental payable.	-	1,543
Pension obligation payable.	-	41,307
Deferred revenue.	40	1,230
	<hr/>	<hr/>
<i>Total liabilities.</i>	<u>40</u>	<u>234,799</u>
Fund Balances:		
Nonspendable:		
Inventory held for resale	-	5,572
Restricted:		
Food service operations	-	199,912
Special education.	-	3,155
Other purposes	-	3,610
Extracurricular	-	89,441
Committed:		
Other purposes	36,459	51,446
Unassigned (deficit)	-	(63,290)
	<hr/>	<hr/>
<i>Total fund balances (deficits).</i>	<u>36,459</u>	<u>289,846</u>
<i>Total liabilities and fund balances</i>	<u>\$ 36,499</u>	<u>\$ 524,645</u>

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

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Local Grants	District Managed Activity	Auxiliary Services	Education Management Information System
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 290	\$ -
Charges for services.	-	-	-	-
Extracurricular activities.	-	99,493	-	-
Contributions and donations	-	10,303	-	-
Other local revenues	-	13,604	-	-
Intergovernmental - intermediate	42,230	-	-	-
Intergovernmental - state	-	-	535,175	-
Intergovernmental - federal	-	-	-	-
<i>Total revenues</i>	<u>42,230</u>	<u>123,400</u>	<u>535,465</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular.	49,680	-	-	-
Special	3,000	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Central	-	-	-	1,727
Operation of non-instructional services:				
Other non-instructional services	-	-	620,549	-
Food service operations	-	-	-	-
Extracurricular activities	-	231,596	-	-
<i>Total expenditures</i>	<u>52,680</u>	<u>231,596</u>	<u>620,549</u>	<u>1,727</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,450)</u>	<u>(108,196)</u>	<u>(85,084)</u>	<u>(1,727)</u>
Other financing sources:				
Transfers in.	-	110,000	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(10,450)</u>	<u>1,804</u>	<u>(85,084)</u>	<u>(1,727)</u>
<i>Fund balances (deficit) at beginning of year</i>	<u>25,437</u>	<u>87,637</u>	<u>22,290</u>	<u>1,727</u>
<i>Fund balances (deficit) at end of year</i>	<u>\$ 14,987</u>	<u>\$ 89,441</u>	<u>\$ (62,794)</u>	<u>\$ -</u>

Entry Year Programs	Ohio K-12 Network Connectivity	eTech Professional Development	Miscellaneous State Grants	Education Jobs	Race to the Top	Title VI-B
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,000	-	-	-	-	-
-	-	-	-	21,087	1,750	463,028
-	9,000	-	-	21,087	1,750	463,028
19	-	-	2,000	-	1,750	5,657
-	-	-	-	-	-	161,069
-	-	-	-	-	-	140,252
-	-	-	80	21,090	-	172,236
-	-	-	-	-	-	13,728
-	14,138	2	-	-	-	-
-	-	-	-	-	-	3,963
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19	14,138	2	2,080	21,090	1,750	496,905
(19)	(5,138)	(2)	(2,080)	(3)	-	(33,877)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(19)	(5,138)	(2)	(2,080)	(3)	-	(33,877)
19	5,138	2	2,080	233	-	36,184
\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ 2,307

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

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Education Stabilization	Stimulus Title II-D	Title III	Title I
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular activities	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - intermediate	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
	<u>16,176</u>	<u>1,196</u>	<u>7,568</u>	<u>209,650</u>
<i>Total revenues</i>	<u>16,176</u>	<u>1,196</u>	<u>7,568</u>	<u>209,650</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	1,218	17,528	-
Special	-	-	-	195,527
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	14,423
Administration	-	-	-	-
Central	47,427	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	-	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
	<u>47,427</u>	<u>1,218</u>	<u>17,528</u>	<u>209,950</u>
<i>Total expenditures</i>	<u>47,427</u>	<u>1,218</u>	<u>17,528</u>	<u>209,950</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(31,251)</u>	<u>(22)</u>	<u>(9,960)</u>	<u>(300)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
<i>Net change in fund balances</i>	<u>(31,251)</u>	<u>(22)</u>	<u>(9,960)</u>	<u>(300)</u>
<i>Fund balances (deficit) at beginning of year</i>	<u>31,251</u>	<u>22</u>	<u>13,340</u>	<u>137</u>
<i>Fund balances (deficit) at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ (163)</u>

Preschool Disability	Title II-A	Food Service	Memorial	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 1,995	\$ 228	\$ 2,513
-	-	546,196	-	546,196
-	-	-	-	99,493
-	-	-	-	10,303
-	-	-	-	13,604
-	-	-	-	42,230
-	-	2,530	-	546,705
16,704	48,828	151,738	-	937,725
<u>16,704</u>	<u>48,828</u>	<u>702,459</u>	<u>228</u>	<u>2,198,769</u>
-	48,494	-	-	126,346
398	-	-	-	359,994
-	-	-	-	140,252
2,557	-	-	-	210,386
12,753	-	-	-	26,481
-	-	-	-	63,294
-	-	-	-	624,512
-	-	682,617	-	682,617
-	-	-	-	231,596
<u>15,708</u>	<u>48,494</u>	<u>682,617</u>	<u>-</u>	<u>2,465,478</u>
<u>996</u>	<u>334</u>	<u>19,842</u>	<u>228</u>	<u>(266,709)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
<u>996</u>	<u>334</u>	<u>19,842</u>	<u>228</u>	<u>(156,709)</u>
<u>(148)</u>	<u>(667)</u>	<u>185,642</u>	<u>36,231</u>	<u>446,555</u>
<u>\$ 848</u>	<u>\$ (333)</u>	<u>\$ 205,484</u>	<u>\$ 36,459</u>	<u>\$ 289,846</u>

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

*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, 2012*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - intermediate	\$ 40,000	\$ 45,492	\$ 5,492
<i>Total revenues.</i>	<u>40,000</u>	<u>45,492</u>	<u>5,492</u>
Expenditures:			
Current:			
Instruction-regular			
Purchased services	20,703	16,809	3,894
Materials and supplies.	14,326	13,527	799
Capital outlay	<u>23,489</u>	<u>19,344</u>	<u>4,145</u>
Total instruction-regular.	<u>58,518</u>	<u>49,680</u>	<u>8,838</u>
Instruction-special:			
Purchased services	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total instruction-special	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Total expenditures</i>	<u>61,518</u>	<u>52,680</u>	<u>8,838</u>
<i>Excess of expenditures over revenues</i>	<u>(21,518)</u>	<u>(7,188)</u>	<u>14,330</u>
Other financing uses:			
Refund of prior year's receipts	<u>(3,262)</u>	<u>(3,262)</u>	<u>-</u>
<i>Total other financing uses</i>	<u>(3,262)</u>	<u>(3,262)</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(24,780)</u>	<u>(10,450)</u>	<u>14,330</u>
<i>Fund balance at beginning of year</i>	<u>25,437</u>	<u>25,437</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 657</u>	<u>\$ 14,987</u>	<u>\$ 14,330</u>

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

*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, 2012*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular activities	\$ 153,190	\$ 99,493	\$ (53,697)
Contributions and donations	15,864	10,303	(5,561)
Other local revenues.	<u>20,946</u>	<u>13,604</u>	<u>(7,342)</u>
<i>Total revenues.</i>	<u>190,000</u>	<u>123,400</u>	<u>(66,600)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	17,500	12,530	4,970
Fringe benefits	2,900	2,024	876
Purchased services	182,013	142,929	39,084
Materials and supplies.	92,413	63,557	28,856
Capital outlay	<u>24,900</u>	<u>10,848</u>	<u>14,052</u>
Total extracurricular activities.	<u>319,726</u>	<u>231,888</u>	<u>87,838</u>
<i>Total expenditures</i>	<u>319,726</u>	<u>231,888</u>	<u>87,838</u>
<i>Excess of expenditures over revenues</i>	<u>(129,726)</u>	<u>(108,488)</u>	<u>21,238</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>	(19,726)	1,512	21,238
<i>Fund balance at beginning of year</i>	<u>88,155</u>	<u>88,155</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 68,429</u>	<u>\$ 89,667</u>	<u>\$ 21,238</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 508	\$ 442	\$ (66)
Intergovernmental - state	649,492	565,215	(84,277)
<i>Total revenues.</i>	650,000	565,657	(84,343)
Expenditures:			
Current:			
Other non-instructional services:			
Salaries and wages	190,929	190,920	9
Fringe benefits	49,020	48,922	98
Purchased services	273,557	267,606	5,951
Materials and supplies	61,572	60,800	772
Capital outlay	19,557	24,759	(5,202)
Total other non-instructional services	594,635	593,007	1,628
<i>Total expenditures</i>	594,635	593,007	1,628
<i>Excess (deficiency) of revenues over (under) expenditures</i>	55,365	(27,350)	(82,715)
Other financing uses:			
Refund of prior year's receipts	(30,040)	(30,040)	-
Total other financing uses	(30,040)	(30,040)	-
<i>Net change in fund balance</i>	25,325	(57,390)	(82,715)
<i>Fund balance at beginning of year</i>	59,149	59,149	-
<i>Fund balance at end of year.</i>	\$ 84,474	\$ 1,759	\$ (82,715)

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 1,000	\$ -	\$ (1,000)
<i>Total revenues.</i>	1,000	-	(1,000)
Expenditures:			
Current:			
Support services-central:			
Purchased services	1,727	1,727	-
Total support services-central	1,727	1,727	-
<i>Total expenditures</i>	1,727	1,727	-
<i>Net change in fund balance</i>	(727)	(1,727)	(1,000)
<i>Fund balance at beginning of year</i>	1,727	1,727	-
<i>Fund balance at end of year.</i>	\$ 1,000	\$ -	\$ (1,000)

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	\$ 19	\$ 19	\$ -
Total instruction-regular.	19	19	-
Total expenditures	19	19	-
Net change in fund balance	(19)	(19)	-
Fund balance at beginning of year	19	19	-
Fund balance at end of year.	\$ -	\$ -	\$ -

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 9,000	\$ 9,000	\$ -
<i>Total revenues.</i>	9,000	9,000	-
Expenditures:			
Current:			
Support services-central:			
Purchased services	14,138	14,138	-
<i>Total support services-central</i>	14,138	14,138	-
<i>Total expenditures</i>	14,138	14,138	-
<i>Net change in fund balance</i>	(5,138)	(5,138)	-
<i>Fund balance at beginning of year</i>	5,138	5,138	-
<i>Fund balance at end of year.</i>	\$ -	\$ -	\$ -

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Support services-central:			
Purchased services	\$ 2	\$ 2	\$ -
Total support services-central	2	2	-
Total expenditures	2	2	-
Net change in fund balance	(2)	(2)	-
Fund balance at beginning of year	2	2	-
Fund balance at end of year	-	-	-

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction-regular:			
Capital outlay	\$ 2,080	\$ 2,000	\$ 80
Total instruction-regular.	2,080	2,000	80
Support services-instructional staff:			
Purchased services	-	80	(80)
Total support services-instructional staff	-	80	(80)
Total expenditures	2,080	2,080	-
Net change in fund balance	(2,080)	(2,080)	-
Fund balance at beginning of year	2,080	2,080	-
Fund balance at end of year.	\$ -	\$ -	\$ -

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION JOBS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 30,000	\$ 25,637	\$ (4,363)
<i>Total revenues.</i>	<u>30,000</u>	<u>25,637</u>	<u>(4,363)</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Salaries and wages	22,482	22,134	348
Fringe benefits	<u>3,717</u>	<u>3,611</u>	<u>106</u>
Total support services-instructional staff	<u>26,199</u>	<u>25,745</u>	<u>454</u>
<i>Total expenditures</i>	<u>26,199</u>	<u>25,745</u>	<u>454</u>
<i>Net change in fund balance</i>	3,801	(108)	(3,909)
<i>Fund balance at beginning of year</i>	<u>562</u>	<u>562</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 4,363</u>	<u>\$ 454</u>	<u>\$ (3,909)</u>

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RACE TO THE TOP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 1,750	\$ 1,750	\$ -
<i>Total revenues.</i>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Salaries and wages	1,502	1,502	-
Fringe benefits	<u>248</u>	<u>248</u>	<u>-</u>
Total support services-instructional staff	<u>1,750</u>	<u>1,750</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,750</u>	<u>1,750</u>	<u>-</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
CUYAHOGA COUNTY, OHIO**

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 650,000	\$ 516,803	\$ (133,197)
<i>Total revenues.</i>	<u>650,000</u>	<u>516,803</u>	<u>(133,197)</u>
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	8,391	5,657	2,734
Materials and supplies.	28	-	28
<i>Total instruction-regular.</i>	<u>8,419</u>	<u>5,657</u>	<u>2,762</u>
Instruction-special:			
Salaries and wages	126,760	134,353	(7,593)
Fringe benefits	39,949	45,715	(5,766)
<i>Total instruction-special</i>	<u>166,709</u>	<u>180,068</u>	<u>(13,359)</u>
Support services-pupil:			
Salaries and wages	112,123	107,392	4,731
Fringe benefits	32,385	31,865	520
<i>Total support services-pupil.</i>	<u>144,508</u>	<u>139,257</u>	<u>5,251</u>
Support services-instructional staff:			
Salaries and wages	113,934	112,406	1,528
Fringe benefits	56,961	59,843	(2,882)
<i>Total support services-instructional staff</i>	<u>170,895</u>	<u>172,249</u>	<u>(1,354)</u>
Support services-administration:			
Salaries and wages	17,730	12,626	5,104
Fringe benefits	8,038	3,585	4,453
<i>Total support services-administration.</i>	<u>25,768</u>	<u>16,211</u>	<u>9,557</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	715	715	-
Materials and supplies.	952	952	-
Capital outlay	4,662	2,296	2,366
<i>Total operation of non-instructional services</i>	<u>6,329</u>	<u>3,963</u>	<u>2,366</u>
<i>Total expenditures</i>	<u>522,628</u>	<u>517,405</u>	<u>5,223</u>
<i>Net change in fund balance</i>	127,372	(602)	(127,974)
<i>Fund balance (deficit) at beginning of year</i>	(859)	(859)	-
<i>Prior year encumbrances appropriated.</i>	3,275	3,275	-
<i>Fund balance at end of year</i>	<u>\$ 129,788</u>	<u>\$ 1,814</u>	<u>\$ (127,974)</u>

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 16,176	\$ 16,176	\$ -
<i>Total revenues.</i>	16,176	16,176	-
Expenditures:			
Current:			
Support services-central			
Purchased services	47,427	47,427	-
Total support services-pupil.	47,427	47,427	-
<i>Total expenditures</i>	47,427	47,427	-
<i>Net change in fund balance</i>	(31,251)	(31,251)	-
<i>Fund balance at beginning of year</i>	31,251	31,251	-
<i>Fund balance at end of year.</i>	\$ -	\$ -	\$ -

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-D FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 400,000	\$ 1,196	\$ (398,804)
<i>Total revenues.</i>	400,000	1,196	(398,804)
 Expenditures:			
Current:			
Instruction-regular:			
Purchased services	23	23	-
Materials and supplies.	1,195	1,195	-
Total instruction-regular.	1,218	1,218	-
<i>Total expenditures</i>	1,218	1,218	-
 <i>Net change in fund balance</i>	398,782	(22)	(398,804)
 <i>Fund balance at beginning of year</i>	22	22	-
<i>Fund balance at end of year.</i>	\$ 398,804	\$ -	\$ (398,804)

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

*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, 2012*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 7,568	\$ 7,568	\$ -
<i>Total revenues.</i>	<u>7,568</u>	<u>7,568</u>	<u>-</u>
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	1,113	1,101	12
Materials and supplies	3,672	1,125	2,547
Capital outlay	<u>16,122</u>	<u>15,302</u>	<u>820</u>
Total instruction-regular.	<u>20,907</u>	<u>17,528</u>	<u>3,379</u>
<i>Total expenditures</i>	<u>20,907</u>	<u>17,528</u>	<u>3,379</u>
<i>Net change in fund balance</i>	(13,339)	(9,960)	3,379
<i>Fund balance at beginning of year</i>	13,340	13,340	-
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 3,380</u>	<u>\$ 3,379</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 260,000	\$ 225,925	\$ (34,075)
<i>Total revenues</i>	<u>260,000</u>	<u>225,925</u>	<u>(34,075)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	146,343	144,233	2,110
Fringe benefits	56,730	54,391	2,339
Purchased services	92	-	92
Materials and supplies	2,042	2,011	31
Capital outlay	<u>2,582</u>	<u>2,512</u>	<u>70</u>
Total instruction-special	<u>207,789</u>	<u>203,147</u>	<u>4,642</u>
Support services-instructional staff:			
Purchased services	<u>16,053</u>	<u>14,423</u>	<u>1,630</u>
Total support services-instructional staff	<u>16,053</u>	<u>14,423</u>	<u>1,630</u>
<i>Total expenditures</i>	<u>223,842</u>	<u>217,570</u>	<u>6,272</u>
<i>Net change in fund balance</i>	36,158	8,355	(27,803)
<i>Fund balance (deficit) at beginning of year</i>	<u>(2,194)</u>	<u>(2,194)</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 33,964</u>	<u>\$ 6,161</u>	<u>\$ (27,803)</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental - federal	\$ 20,000	\$ 16,746	\$ (3,254)
<i>Total revenues.</i>	<u>20,000</u>	<u>16,746</u>	<u>(3,254)</u>
 Expenditures:			
Current:			
Instruction-regular			
Purchased services	<u>3</u>	<u>-</u>	<u>3</u>
<i>Total instruction-regular.</i>	<u>3</u>	<u>-</u>	<u>3</u>
Instruction-special:			
Purchased services	<u>1,999</u>	<u>1,999</u>	<u>-</u>
<i>Total instruction-special.</i>	<u>1,999</u>	<u>1,999</u>	<u>-</u>
Support services-instructional staff:			
Salaries and wages	1,676	1,492	184
Fringe benefits	<u>600</u>	<u>788</u>	<u>(188)</u>
<i>Total support services-instructional staff.</i>	<u>2,276</u>	<u>2,280</u>	<u>(4)</u>
Support services-administration			
Salaries and wages	7,566	7,565	1
Fringe benefits	<u>4,998</u>	<u>4,694</u>	<u>304</u>
<i>Total support services-administration.</i> . .	<u>12,564</u>	<u>12,259</u>	<u>305</u>
<i>Total expenditures</i>	<u>16,842</u>	<u>16,538</u>	<u>304</u>
 <i>Net change in fund balance</i>	3,158	208	(2,950)
 <i>Fund balance at beginning of year</i>	<u>103</u>	<u>103</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 3,261</u>	<u>\$ 311</u>	<u>\$ (2,950)</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 60,000	\$ 51,236	\$ (8,764)
<i>Total revenues.</i>	60,000	51,236	(8,764)
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	36,115	36,117	(2)
Fringe benefits	14,494	14,262	232
Total instruction-regular.	50,609	50,379	230
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	194	-	194
Total operation of non-instructional services	194	-	194
Total expenditures	50,803	50,379	424
<i>Net change in fund balance</i>	9,197	857	(8,340)
<i>Fund balance (deficit) at beginning of year</i>	(367)	(367)	-
<i>Fund balance at end of year</i>	\$ 8,830	\$ 490	\$ (8,340)

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
From local sources:			
Charges for services	\$ 516,299	\$ 546,196	\$ 29,897
Earnings on investments	2,210	2,338	128
Intergovernmental -state	2,392	2,530	138
Intergovernmental - federal	<u>119,099</u>	<u>125,995</u>	<u>6,896</u>
<i>Total revenues.</i>	<u>640,000</u>	<u>677,059</u>	<u>37,059</u>
 Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	259,000	243,933	15,067
Fringe benefits	136,000	154,454	(18,454)
Purchased services	5,500	521	4,979
Materials and supplies.	270,104	255,275	14,829
Capital outlay	<u>9,500</u>	<u>3,645</u>	<u>5,855</u>
<i>Total food service operations</i>	<u>680,104</u>	<u>657,828</u>	<u>22,276</u>
 <i>Total expenditures</i>	<u>680,104</u>	<u>657,828</u>	<u>22,276</u>
 <i>Net change in fund balance</i>	(40,104)	19,231	59,335
 <i>Fund balance at beginning of year</i>	229,853	229,853	-
<i>Prior year encumbrances appropriated.</i>	<u>104</u>	<u>104</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 189,853</u>	<u>\$ 249,188</u>	<u>\$ 59,335</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments.	\$ 1,000	\$ 272	\$ (728)
<i>Total revenues.</i>	1,000	272	(728)
 <i>Net change in fund balance</i>	 1,000	 272	 (728)
 <i>Fund balance at beginning of year</i>	 36,145	 36,145	 -
<i>Fund balance at end of year.</i>	\$ 37,145	\$ 36,417	\$ (728)

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund balance at beginning of year</i>	\$ 21,440	\$ 21,440	\$ -
<i>Fund balance at end of year.</i>	\$ 21,440	\$ 21,440	\$ -

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Classroom materials and fees	\$ 70,000	\$ 54,061	\$ (15,939)
<i>Total revenues.</i>	70,000	54,061	(15,939)
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	1,020	440	580
Materials and supplies	83,195	48,040	35,155
<i>Total instruction-regular.</i>	84,215	48,480	35,735
Instruction-vocational:			
Materials and supplies	2,275	2,365	(90)
<i>Total instruction-vocational.</i>	2,275	2,365	(90)
<i>Total expenditures</i>	86,490	50,845	35,645
<i>Net change in fund balance</i>	(16,490)	3,216	19,706
<i>Fund balance at beginning of year</i>	74,620	74,620	-
<i>Fund balance at end of year.</i>	\$ 58,130	\$ 77,836	\$ 19,706

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS,
SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ 3,147,090	\$ 3,334,609	\$ 187,519
Earnings on investments.	2,910	3,083	173
<i>Total revenues.</i>	<u>3,150,000</u>	<u>3,337,692</u>	<u>187,692</u>
Expenditures:			
Current:			
Instruction-regular			
Salaries and wages	350,850	351,688	(838)
Fringe benefits	106,900	111,234	(4,334)
Purchased services	70,740	70,402	338
Materials and supplies.	5,447	5,401	46
Capital outlay	12,400	12,391	9
<i>Total instruction-regular.</i>	<u>546,337</u>	<u>551,116</u>	<u>(4,779)</u>
Instruction-special			
Salaries and wages	1,168,806	1,133,600	35,206
Fringe benefits	323,224	319,355	3,869
Purchased services	163,929	162,298	1,631
Materials and supplies.	17,934	16,997	937
Capital outlay	29,870	29,758	112
<i>Total instruction-special</i>	<u>1,703,763</u>	<u>1,662,008</u>	<u>41,755</u>
Support services-pupil			
Salaries and wages	230,400	233,307	(2,907)
Fringe benefits	67,013	67,164	(151)
<i>Total support services-pupil.</i>	<u>297,413</u>	<u>300,471</u>	<u>(3,058)</u>
Support services-instructional staff:			
Salaries and wages	539,000	543,185	(4,185)
Fringe benefits	235,215	263,860	(28,645)
<i>Total support services-instructional staff</i>	<u>774,215</u>	<u>807,045</u>	<u>(32,830)</u>
Support services-administration			
Salaries and wages	154,750	158,005	(3,255)
Fringe benefits	70,635	70,339	296
<i>Total support services-administration.</i>	<u>225,385</u>	<u>228,344</u>	<u>(2,959)</u>
<i>Total expenditures</i>	<u>3,547,113</u>	<u>3,548,984</u>	<u>(1,871)</u>
<i>Excess of expenditures over revenues.</i>	<u>(397,113)</u>	<u>(211,292)</u>	<u>185,821</u>
Other financing sources:			
Reduction of prior year expenditures	-	295	295
<i>Total other financing sources.</i>	<u>-</u>	<u>295</u>	<u>295</u>
<i>Net change in fund balance</i>	<u>(397,113)</u>	<u>(210,997)</u>	<u>186,116</u>
<i>Fund balance at beginning of year</i>	<u>460,729</u>	<u>460,729</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 63,616</u>	<u>\$ 249,732</u>	<u>\$ 186,116</u>

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 128,629	\$ 122,202	\$ (6,427)
Classroom materials and fees	4,390	4,171	(219)
Contributions and donations	9,034	8,583	(451)
Other local revenues	<u>2,947</u>	<u>2,800</u>	<u>(147)</u>
<i>Total revenues.</i>	<u>145,000</u>	<u>137,756</u>	<u>(7,244)</u>
Expenditures:			
Current:			
Instruction-special:			
Purchased services	2,300	2,164	136
Materials and supplies	<u>2,300</u>	<u>187</u>	<u>2,113</u>
Total instruction-special	<u>4,600</u>	<u>2,351</u>	<u>2,249</u>
Support services-pupil:			
Purchased services	48,280	45,362	2,918
Materials and supplies	300	222	78
Other	<u>400</u>	<u>-</u>	<u>400</u>
Total support services-pupil	<u>48,980</u>	<u>45,584</u>	<u>3,396</u>
Support services-instructional staff:			
Purchased services	5,102	1,145	3,957
Materials and supplies	6,188	2,119	4,069
Capital outlay	<u>2,390</u>	<u>1,390</u>	<u>1,000</u>
Total support services-instructional staff	<u>13,680</u>	<u>4,654</u>	<u>9,026</u>
Other non-instructional services:			
Materials and supplies	<u>-</u>	<u>514</u>	<u>(514)</u>
Total support services-central	<u>-</u>	<u>514</u>	<u>(514)</u>
Extracurricular activities:			
Purchased services	60,875	50,566	10,309
Materials and supplies	17,230	12,985	4,245
Capital outlay	<u>6,500</u>	<u>3,654</u>	<u>2,846</u>
Total extracurricular activities	<u>84,605</u>	<u>67,205</u>	<u>17,400</u>
<i>Total expenditures</i>	<u>151,865</u>	<u>120,308</u>	<u>31,557</u>
<i>Net change in fund balance</i>	(6,865)	17,448	24,313
<i>Fund balance at beginning of year</i>	<u>46,579</u>	<u>46,579</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 39,714</u>	<u>\$ 64,027</u>	<u>\$ 24,313</u>

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
W.C. HOLDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments.	\$ 1,091	\$ 1,091	\$ -
<i>Total revenues.</i>	1,091	1,091	-
 <i>Excess of revenues over expenditures</i>	1,091	1,091	-
 Other financing uses:			
Transfers (out).	(421,819)	(421,819)	-
<i>Total other financing uses</i>	(421,819)	(421,819)	-
 <i>Net change in fund balance</i>	(420,728)	(420,728)	-
 <i>Fund balance at beginning of year</i>	420,728	420,728	-
<i>Fund balance at end of year.</i>	\$ -	\$ -	\$ -

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS),
ELECTRIC HOLDING BALANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ 4,154	\$ 4,154
<i>Total revenues</i>	-	4,154	4,154
Expenditures:			
Current:			
Support services-operations and maintenance:			
Purchased services	557,291	557,291	-
Total support services-operations and maintenance	557,291	557,291	-
<i>Total expenditures</i>	557,291	557,291	-
<i>Net change in fund balance</i>	(557,291)	(553,137)	4,154
<i>Fund balance at beginning of year</i>	742,807	742,807	-
<i>Fund balance at end of year</i>	\$ 185,516	\$ 189,670	\$ 4,154

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

Nonmajor Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the District's nonmajor 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.

School Net Fund

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for classroom.

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

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012*

	<u>Building Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:		
Equity in pooled cash and investments.	\$ 247,310	\$ 247,310
Accrued interest receivable.	<u>199</u>	<u>199</u>
<i>Total assets.</i>	<u>247,509</u>	<u>247,509</u>
Liabilities:		
Deferred revenue	<u>185</u>	<u>185</u>
<i>Total liabilities.</i>	<u>185</u>	<u>185</u>
Fund Balances:		
Restricted:		
Capital improvements	<u>247,324</u>	<u>247,324</u>
<i>Total fund balances</i>	<u>247,324</u>	<u>247,324</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 247,509</u>	<u>\$ 247,509</u>

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

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Building Improvement	School Net	Total Nonmajor Capital Projects Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 1,261	\$ -	\$ 1,261
<i>Total revenues</i>	<u>1,261</u>	<u>-</u>	<u>1,261</u>
Expenditures:			
Current:			
Support services:			
Central	-	1	1
Operation of non-instructional services:			
Facilities acquisition and construction	1,121,185	-	1,121,185
<i>Total expenditures</i>	<u>1,121,185</u>	<u>1</u>	<u>1,121,186</u>
<i>Net change in fund balances</i>	(1,119,924)	(1)	(1,119,925)
<i>Fund balances at beginning of year</i>	<u>1,367,248</u>	<u>1</u>	<u>1,367,249</u>
<i>Fund balances at end of year</i>	<u>\$ 247,324</u>	<u>\$ -</u>	<u>\$ 247,324</u>

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

*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, 2012*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 1,500	\$ 5,084	\$ 3,584
<i>Total revenues.</i>	<u>1,500</u>	<u>5,084</u>	<u>3,584</u>
 Operation of non-instructional services:			
Capital outlay	<u>70,419</u>	<u>-</u>	<u>70,419</u>
Total operation of non-instructional services	<u>70,419</u>	<u>-</u>	<u>70,419</u>
 Facilities acquisition and construction:			
Capital outlay	<u>1,360,881</u>	<u>1,360,881</u>	<u>-</u>
Total facilities acquisition and construction.	<u>1,360,881</u>	<u>1,360,881</u>	<u>-</u>
 <i>Total expenditures</i>	<u>1,431,300</u>	<u>1,360,881</u>	<u>70,419</u>
 <i>Excess of expenditures over revenues.</i>	<u>(1,429,800)</u>	<u>(1,355,797)</u>	<u>74,003</u>
Other financing uses:			
Transfers (out).	<u>(48,300)</u>	<u>-</u>	<u>48,300</u>
<i>Total other financing uses</i>	<u>(48,300)</u>	<u>-</u>	<u>48,300</u>
 <i>Net change in fund balance</i>	<u>(1,478,100)</u>	<u>(1,355,797)</u>	<u>122,303</u>
 <i>Fund balance at beginning of year</i>	<u>283,946</u>	<u>283,946</u>	<u>-</u>
<i>Prior year encumbrances appropriated.</i>	<u>1,266,145</u>	<u>1,266,145</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 71,991</u>	<u>\$ 194,294</u>	<u>\$ 122,303</u>

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

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support services - central:			
Purchased services	\$ 1	\$ 1	\$ -
Total support services	1	1	-
<i>Net change in fund balance</i>	(1)	(1)	-
<i>Fund balance at beginning of year</i>	\$ 1	\$ 1	\$ -
<i>Fund balance at end of year</i>	-	-	-

ORANGE CITY SCHOOL DISTRICT

PROPRIETARY FUND DESCRIPTION

INTERNAL SERVICE FUND

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Internal Service Fund

A fund used to account for a self-insurance program for workers' compensation activities.

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

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS),
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 1,100,000	\$ 289,843	\$ (810,157)
<i>Total operating revenues</i>	<u>1,100,000</u>	<u>289,843</u>	<u>(810,157)</u>
Operating expenses:			
Support services-central			
Fringe benefits	372,388	325,464	46,924
Purchased services	58,785	58,370	415
Claims	<u>24,938</u>	<u>24,938</u>	<u>-</u>
Total support services-central	<u>456,111</u>	<u>408,772</u>	<u>47,339</u>
<i>Total expenses</i>	<u>456,111</u>	<u>408,772</u>	<u>47,339</u>
<i>Operating income (loss)</i>	<u>643,889</u>	<u>(118,929)</u>	<u>(762,818)</u>
Nonoperating revenues:			
Earnings on investments	<u>6,467</u>	<u>1,704</u>	<u>(4,763)</u>
<i>Total nonoperating revenues</i>	<u>6,467</u>	<u>1,704</u>	<u>(4,763)</u>
<i>Income (loss) before transfers</i>	<u>650,356</u>	<u>(117,225)</u>	<u>(767,581)</u>
Transfers in	<u>-</u>	<u>421,819</u>	<u>421,819</u>
<i>Net change in fund equity</i>	<u>650,356</u>	<u>304,594</u>	<u>(345,762)</u>
<i>Fund equity at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 650,356</u>	<u>\$ 304,594</u>	<u>\$ (345,762)</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 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 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. This fund also accounts for the school resource officer.

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.

Suburban Health Consortium

The fund accounts for the activity of the Suburban Health Consortium.

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

*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, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating expenses:			
Scholarships awarded	\$ 6,000	\$ 2,500	\$ 3,500
<i>Total operating expenses</i>	6,000	2,500	3,500
<i>Operating loss</i>	(6,000)	(2,500)	3,500
Nonoperating revenues:			
Earnings on investments	1,000	720	(280)
<i>Total nonoperating revenues</i>	1,000	720	(280)
<i>Net change in fund equity</i>	(5,000)	(1,780)	3,220
<i>Fund equity at beginning of year</i>	78,775	78,775	-
<i>Fund equity at end of year</i>	\$ 73,775	\$ 76,995	\$ 3,220

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

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012*

	<u>Beginning Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2012</u>
District Agency				
Assets:				
Equity in pooled cash and investments	\$ 54,417	\$ 69,546	\$ 85,295	\$ 38,668
Liabilities:				
Undistributed monies.	\$ 54,417	\$ 69,546	\$ 85,295	\$ 38,668
Employee Benefits				
Assets:				
Equity in pooled cash and investments	\$ 8,496	\$ 65,854	\$ 70,219	\$ 4,131
Liabilities:				
Undistributed monies.	\$ 8,496	\$ 65,854	\$ 70,219	\$ 4,131
Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 104,587	\$ 103,005	\$ 109,740	\$ 97,852
Liabilities:				
Due to students	\$ 104,587	\$ 103,005	\$ 109,740	\$ 97,852
Suburban Health Consortium				
Assets:				
Cash and investments in segregated accounts	\$ -	\$ 39,161,983	\$ 23,083,945	\$ 16,078,038
Liabilities:				
Accounts payable.	\$ -	\$ 4,528	\$ -	\$ 4,528
Intergovernmental payable	-	39,157,455	23,083,945	16,073,510
Total liabilities.	\$ -	\$ 39,161,983	\$ 23,083,945	\$ 16,078,038
Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 167,500	\$ 238,405	\$ 265,254	\$ 140,651
Cash and investments in segregated accounts	-	39,161,983	23,083,945	16,078,038
Total assets	\$ 167,500	\$ 39,400,388	\$ 23,349,199	\$ 16,218,689
Liabilities:				
Accounts payable.	\$ -	\$ 4,528	\$ -	\$ 4,528
Undistributed monies.	62,913	135,400	155,514	42,799
Due to students	104,587	103,005	109,740	97,852
Intergovernmental payable	-	39,157,455	23,083,945	16,073,510
Total liabilities.	\$ 167,500	\$ 39,400,388	\$ 23,349,199	\$ 16,218,689

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2012

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Statistical Section

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**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.	126-139
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	140-145
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.	146-149
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.	150-151
Operating Information These schedules contain service and capital asset 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.	152-160

Sources: Sources are noted on the individual schedules.

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 20,521,412	\$ 19,204,562	\$ 19,302,630	\$ 17,564,014
Restricted	9,537,894	9,821,326	9,431,851	8,180,016
Unrestricted	24,358,710	24,726,686	25,162,121	29,114,358
Total governmental activities net assets	<u>\$ 54,418,016</u>	<u>\$ 53,752,574</u>	<u>\$ 53,896,602</u>	<u>\$ 54,858,388</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 3,687,280	\$ 3,822,784	\$ 2,629,480	\$ 2,107,003
Unrestricted	4,301,657	4,003,097	4,893,793	5,124,892
Total business-type activities net assets	<u>\$ 7,988,937</u>	<u>\$ 7,825,881</u>	<u>\$ 7,523,273</u>	<u>\$ 7,231,895</u>
Primary government				
Invested in capital assets, net of related debt	\$ 24,208,692	\$ 23,027,346	\$ 21,932,110	\$ 19,671,017
Restricted	9,537,894	9,821,326	9,431,851	8,180,016
Unrestricted	28,660,367	28,729,783	30,055,914	34,239,250
Total primary government net assets	<u>\$ 62,406,953</u>	<u>\$ 61,578,455</u>	<u>\$ 61,419,875</u>	<u>\$ 62,090,283</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.

<u>2008</u>	<u>2007</u>	<u>2006 (1)</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>
\$ 15,940,380	\$ 15,338,264	\$ 13,729,107	\$ 13,879,066	\$ 8,994,910	\$ 12,602,070
6,410,493	5,782,995	4,129,749	4,258,217	8,517,577	3,331,506
30,863,616	25,515,875	23,274,232	20,781,033	17,943,454	14,916,846
<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>	<u>\$ 38,918,316</u>	<u>\$ 35,455,941</u>	<u>\$ 30,850,422</u>
\$ 2,217,609	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295	\$ 2,598,355	\$ 2,615,782
4,690,495	4,150,252	3,581,815	2,624,723	2,923,313	2,771,335
<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>	<u>\$ 5,127,018</u>	<u>\$ 5,521,668</u>	<u>\$ 5,387,117</u>
\$ 18,157,989	\$ 17,606,124	\$ 16,106,322	\$ 16,381,361	\$ 11,593,265	\$ 15,217,852
6,410,493	5,782,995	4,129,749	4,258,217	8,517,577	3,331,506
35,554,111	29,666,127	26,856,047	23,405,756	20,866,767	17,688,181
<u>\$ 60,122,593</u>	<u>\$ 53,055,246</u>	<u>\$ 47,092,118</u>	<u>\$ 44,045,334</u>	<u>\$ 40,977,609</u>	<u>\$ 36,237,539</u>

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 19,743,967	\$ 20,300,444	\$ 19,466,209	\$ 19,320,888
Special	6,766,002	6,615,112	6,583,687	6,374,462
Vocational	449,711	373,396	286,099	338,162
Other instructional	-	-	-	-
Support services:				
Pupil	3,754,396	3,816,962	3,769,072	3,336,127
Instructional staff	4,010,079	4,202,438	4,210,809	4,081,959
Board of Education	78,336	167,112	82,545	160,757
Administration	3,483,041	3,070,697	3,163,324	2,968,787
Fiscal	1,359,152	1,217,573	1,266,752	1,169,115
Business	597,555	630,083	579,625	598,414
Operations and maintenance	4,628,231	4,941,387	5,384,475	5,284,630
Pupil transportation	3,696,464	3,668,804	3,885,576	3,485,290
Central	1,073,422	1,201,191	1,358,741	1,189,474
Operation of non-instructional services:				
Other non-instructional services	702,122	755,071	590,397	714,550
Food service operations	742,646	692,679	654,881	672,018
Extracurricular activities	1,674,468	1,737,345	1,838,362	1,608,333
Interest and fiscal charges	1,348,042	1,350,545	1,263,512	1,286,551
Total governmental activities expenses	<u>54,107,634</u>	<u>54,740,839</u>	<u>54,384,066</u>	<u>52,589,517</u>
Business-type activities:				
Recreation	2,423,611	2,274,813	2,314,252	2,300,268
Total business-type activities expenses	<u>2,423,611</u>	<u>2,274,813</u>	<u>2,314,252</u>	<u>2,300,268</u>
 Total primary government expenses	 <u>\$ 56,531,245</u>	 <u>\$ 57,015,652</u>	 <u>\$ 56,698,318</u>	 <u>\$ 54,889,785</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>
\$ 18,238,270	\$ 17,962,128	\$ 17,066,373	\$ 16,379,861	\$ 16,320,163	\$ 14,545,778
5,832,538	5,475,417	6,310,151	6,202,166	5,028,484	6,017,671
293,462	324,513	296,866	253,802	280,092	241,796
-	2,828	-	-	23,649	11,775
3,471,580	3,337,866	2,799,441	2,648,841	2,734,653	2,210,058
3,670,822	3,499,573	2,864,820	2,681,775	3,081,414	1,480,216
110,200	143,355	181,753	163,202	141,777	89,482
2,926,908	2,849,409	2,827,023	2,603,395	2,606,354	2,291,678
1,176,289	1,126,029	1,129,981	1,115,331	1,053,898	1,032,334
549,721	509,048	545,223	443,553	432,204	396,839
5,118,866	5,096,407	5,318,201	4,441,976	3,386,491	4,213,242
3,367,878	3,366,186	3,228,108	3,029,567	3,162,885	3,028,156
1,202,049	1,114,698	1,223,883	924,539	938,416	1,073,794
635,808	535,361	411,843	403,198	376,439	463,799
589,901	603,470	569,200	633,098	592,915	589,708
1,617,987	1,584,091	1,683,450	1,469,294	1,385,763	1,464,133
1,296,998	1,165,809	1,401,244	1,452,048	1,335,954	1,640,230
<u>50,099,277</u>	<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>
2,257,947	2,155,699	2,236,723	2,311,856	2,254,392	2,017,600
<u>2,257,947</u>	<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>
<u>\$ 52,357,224</u>	<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>

- - Continued

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

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

Program Revenues	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 608,650	\$ 730,204	\$ 635,837	\$ 178,963
Special	2,499,386	3,340,595	2,575,470	3,574,000
Vocational	166,943	154,053	177,370	180,131
Support services:				
Pupil	47,882	47,202	45,594	29,565
Instructional staff	4,888	1,536	1,260	1,685
Operations and maintenance	5,540	7,760	7,210	6,685
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	540			
Food service operations	546,196	534,975	524,298	509,306
Extracurricular activities	170,086	194,293	284,534	172,384
Operating grants and contributions:				
Instruction:				
Regular	104,438	195,350	104,413	113,669
Special	486,835	520,430	519,558	304,796
Vocational	-	936	-	171
Support services:				
Pupil	135,002	127,222	150,968	158,142
Instructional staff	179,819	259,985	265,488	227,773
Administration	-	135,610	182,261	-
Operations and maintenance of plant	26,354	-	-	-
Pupil transportation	143,695	120,584	133,796	154,525
Central	25,176	122,906	102,294	33,376
Operation of non-instructional services:				
Other non-instructional services	532,455	575,340	633,821	625,771
Food service operations	156,140	136,717	108,903	114,223
Extracurricular activities	30,266	19,033	31,064	9,400
Interest and fiscal charges	126,024	94,518	-	-
Capital grants and contributions:				
Support services:				
Operations and maintenance of plant	-	-	-	7,500
Pupil transportation	-	-	-	39,909
Central	-	-	-	-
Total governmental program revenues	<u>5,996,315</u>	<u>7,319,249</u>	<u>6,484,139</u>	<u>6,441,974</u>
Business-type activities:				
Charges for services:				
Recreation	1,566,267	1,549,601	1,474,411	1,474,791
Operating grants and contributions	129,180	138,208	147,076	143,608
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>1,695,447</u>	<u>1,687,809</u>	<u>1,621,487</u>	<u>1,618,399</u>
Total primary government program revenue	<u>\$ 7,691,762</u>	<u>\$ 9,007,058</u>	<u>\$ 8,105,626</u>	<u>\$ 8,060,373</u>
Net (Expense)/Revenue				
Governmental activities	(48,111,319)	(47,421,590)	(47,899,927)	(46,147,543)
Business-type activities	(728,164)	(587,004)	(692,765)	(681,869)
Total primary government net expense	<u>\$ (48,839,483)</u>	<u>\$ (48,008,594)</u>	<u>\$ (48,592,692)</u>	<u>\$ (46,829,412)</u>

2008	2007	2006	2005	2004	2003 (1)
\$ 397,212	\$ 701,197	\$ 3,477,083	\$ 1,856,569	\$ 2,321,244	\$ 4,444,894
3,118,760	2,770,390	4,823	3,773	2,041	2,199
220,075	78,262	-	-	-	-
32,923	38,767	41,945	44,702	30,646	37,704
4,493	2,180	419	2,425	5,901	874
7,230	7,140	4,750	6,692	7,441	8,243
-	14,772	10,391	19,416	3,888	-
491,963	466,038	480,615	441,373	443,993	435,523
166,586	173,603	337,025	171,189	211,134	350,672
139,151	89,485	84,881	93,586	159,018	108,626
269,230	242,760	281,127	284,739	273,719	231,316
4,035	-	227	-	-	-
294,489	333,655	308,004	310,124	199,665	127,166
112,347	105,450	114,446	70,685	44,868	28,408
2,218	3,258	11,788	6,688	13,765	5,361
10,050	2,310	-	2,315	1,575	4,211
157,809	163,705	-	-	-	-
33,187	23,346	22,713	19,613	20,813	19,074
611,585	498,362	402,668	389,743	365,477	407,679
116,631	92,126	61,784	67,179	74,061	67,633
6,335	4,761	25,967	10,223	1,162	-
-	-	-	-	-	-
-	127,713	11,211	43,794	59,445	104,583
32,744	35,008	-	-	-	-
13,366	-	-	18,270	-	-
<u>6,242,419</u>	<u>5,974,288</u>	<u>5,681,867</u>	<u>3,863,098</u>	<u>4,239,856</u>	<u>6,384,166</u>
1,536,303	1,451,743	1,459,405	1,453,400	1,463,320	1,365,066
139,754	124,138	106,552	138,219	185,204	87,731
-	-	-	11,000	-	-
<u>1,676,057</u>	<u>1,575,881</u>	<u>1,565,957</u>	<u>1,602,619</u>	<u>1,648,524</u>	<u>1,452,797</u>
<u>\$ 7,918,476</u>	<u>\$ 7,550,169</u>	<u>\$ 7,247,824</u>	<u>\$ 5,465,717</u>	<u>\$ 5,888,380</u>	<u>\$ 7,836,963</u>
(43,856,858)	(42,721,900)	(42,175,693)	(40,982,548)	(38,641,695)	(34,406,523)
(581,890)	(579,818)	(670,766)	(709,237)	(605,868)	(564,803)
<u>\$ (44,438,748)</u>	<u>\$ (43,301,718)</u>	<u>\$ (42,846,459)</u>	<u>\$ (41,691,785)</u>	<u>\$ (39,247,563)</u>	<u>\$ (34,971,326)</u>

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

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 37,410,095	\$ 34,734,232	\$ 34,226,326	\$ 34,720,303
Debt service	2,178,259	2,339,709	2,064,534	2,098,013
Capital projects	707,148	620,845	791,373	794,196
Grants and entitlements not restricted to specific programs	8,146,313	9,217,121	9,169,178	8,608,261
Investment earnings	317,792	296,638	557,239	1,511,999
Gain on sale of capital assets	-	-	-	-
Miscellaneous	17,154	69,017	129,491	58,670
Transfers	-	-	-	-
Extraordinary item	-	-	-	-
Total governmental activities	<u>48,776,761</u>	<u>47,277,562</u>	<u>46,938,141</u>	<u>47,791,442</u>
Business-type activities:				
Property taxes levied for:				
Recreation	795,490	805,392	856,473	794,607
Investment earnings	25,620	20,859	59,677	139,220
Miscellaneous	70,110	63,361	67,993	71,833
Transfers	-	-	-	-
Total business-type activities	<u>891,220</u>	<u>889,612</u>	<u>984,143</u>	<u>1,005,660</u>
Total primary government	<u>\$ 49,667,981</u>	<u>\$ 48,167,174</u>	<u>\$ 47,922,284</u>	<u>\$ 48,797,102</u>
Change in Net Assets				
Governmental activities	665,442	(144,028)	(961,786)	1,643,899
Business-type activities	163,056	302,608	291,378	323,791
Total primary government	<u>\$ 828,498</u>	<u>\$ 158,580</u>	<u>\$ (670,408)</u>	<u>\$ 1,967,690</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.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>
\$ 37,569,616	\$ 36,302,829	\$ 34,123,527	\$ 34,448,820	\$ 33,236,580	\$ 27,843,273
2,258,971	2,102,099	1,986,733	2,021,985	2,330,475	2,458,241
849,401	807,873	769,922	775,449	631,737	-
7,789,074	7,000,298	6,748,771	6,581,853	6,377,995	5,975,363
1,956,626	1,990,147	1,196,647	575,766	268,877	440,002
-	-	-	-	2,124	-
69,056	22,700	8,816	46,550	139,337	83,258
(58,531)	-	-	(5,500)	-	-
-	-	-	-	260,089	-
<u>50,434,213</u>	<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>
783,212	815,148	1,362,258	230,367	679,573	660,894
191,095	193,580	120,835	65,348	26,811	61,914
39,044	30,172	32,960	13,372	34,035	75,728
58,531	-	-	5,500	-	-
<u>1,071,882</u>	<u>1,038,900</u>	<u>1,516,053</u>	<u>314,587</u>	<u>740,419</u>	<u>798,536</u>
<u>\$ 51,506,095</u>	<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>
6,577,355	5,504,046	2,658,723	3,462,375	4,605,519	2,393,614
489,992	459,082	845,287	(394,650)	134,551	233,733
<u>\$ 7,067,347</u>	<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>

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

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

	<u>2012</u>	<u>2011</u>	<u>2010 (1)</u>	<u>2009</u>
General Fund:				
Nonspendable	\$ 139,411	\$ 226,453	\$ -	\$ -
Assigned	3,405,003	2,870,700	-	-
Unassigned	25,694,026	24,606,148	-	-
Reserved	-	-	4,509,530	6,056,237
Unreserved	-	-	23,818,349	25,289,018
	<u>29,238,440</u>	<u>27,703,301</u>	<u>28,327,879</u>	<u>31,345,255</u>
Total general fund				
	<u>29,238,440</u>	<u>27,703,301</u>	<u>28,327,879</u>	<u>31,345,255</u>
All Other Governmental Funds:				
Nonspendable	5,572	6,646	-	-
Restricted	9,505,152	10,923,564	-	-
Committed	51,446	61,668	-	-
Unassigned (deficit)	(63,290)	(815)	-	-
Reserved	-	-	5,355,107	4,436,359
Unreserved, reported in:				
Special revenue funds	-	-	386,082	488,701
Capital projects funds	-	-	3,147,047	3,246,177
	<u>9,498,880</u>	<u>10,991,063</u>	<u>8,888,236</u>	<u>8,171,237</u>
Total all other governmental funds				
	<u>9,498,880</u>	<u>10,991,063</u>	<u>8,888,236</u>	<u>8,171,237</u>
Total governmental funds	<u>\$ 38,737,320</u>	<u>\$ 38,694,364</u>	<u>\$ 37,216,115</u>	<u>\$ 39,516,492</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 54 in fiscal year 2011.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
5,148,703	4,806,799	4,419,363	6,405,735	5,807,656	3,572,549
<u>26,035,339</u>	<u>22,494,931</u>	<u>19,852,597</u>	<u>15,513,098</u>	<u>12,520,841</u>	<u>10,884,948</u>
<u>31,184,042</u>	<u>27,301,730</u>	<u>24,271,960</u>	<u>21,918,833</u>	<u>18,328,497</u>	<u>14,457,497</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,757,346	2,595,005	3,386,156	1,622,627	6,179,105	1,852,442
521,337	472,190	496,295	447,072	438,804	331,835
<u>3,282,849</u>	<u>2,834,842</u>	<u>85,739</u>	<u>2,147,760</u>	<u>2,154,219</u>	<u>1,631,938</u>
<u>6,561,532</u>	<u>5,902,037</u>	<u>3,968,190</u>	<u>4,217,459</u>	<u>8,772,128</u>	<u>3,816,215</u>
<u>\$ 37,745,574</u>	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</u>	<u>\$ 26,136,292</u>	<u>\$ 27,100,625</u>	<u>\$ 18,273,712</u>

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
From local sources:				
Property taxes	\$ 40,698,349	\$ 37,568,424	\$ 36,258,491	\$ 38,961,368
Tuition	3,716,625	3,983,971	3,706,766	3,465,610
Earnings on investments	343,606	323,414	650,832	1,745,195
Charges for services	546,196	534,975	524,298	509,306
Extracurricular	221,695	242,272	334,765	202,404
Classroom materials and fees	60,919	79,681	85,028	79,482
Rental income	5,540	7,760	7,210	6,685
Contributions and donations	18,886	7,389	14,643	14,270
Contract services	40,815	41,621	43,909	57,101
Other local revenues	33,558	85,049	153,446	63,958
Intergovernmental	10,081,139	11,607,573	11,222,623	10,366,538
Total revenues	<u>55,767,328</u>	<u>54,482,129</u>	<u>53,002,011</u>	<u>55,471,917</u>
Expenditures				
Current:				
Instruction:				
Regular	18,675,485	19,391,253	18,440,370	18,365,083
Special	6,300,173	6,510,388	6,402,902	6,205,744
Vocational	420,324	343,264	262,377	315,725
Other	-	-	-	-
Support services:				
Pupil	3,702,792	3,708,056	3,691,059	3,250,828
Instructional staff	3,989,498	4,124,229	4,194,566	4,019,019
Board of education	78,336	167,112	82,545	160,757
Administration	3,359,159	2,988,770	2,992,936	2,837,225
Fiscal	1,357,424	1,214,690	1,232,620	1,157,298
Business	545,458	581,137	547,326	555,661
Operations and maintenance	4,347,981	4,634,784	4,755,829	4,771,091
Pupil transportation	3,637,659	3,679,320	3,897,232	3,539,067
Central	1,033,121	1,166,158	1,317,455	1,153,880
Operation of non-instructional services:				
Other non-instructional services	640,367	686,326	528,768	660,266
Food service operations	682,617	660,242	638,399	660,210
Extracurricular activities	1,566,991	1,626,184	1,734,254	1,526,210
Facilities acquisitions and construction	2,491,781	1,770,222	2,321,136	2,290,812
Capital outlay	-	-	30,255	-
Debt service:				
Principal retirement	1,536,508	1,401,117	1,331,956	1,246,794
Interest and fiscal charges	936,879	968,001	931,582	986,089
Bond issuance costs	-	52,627	-	-
Total expenditures	<u>55,302,553</u>	<u>55,673,880</u>	<u>55,333,567</u>	<u>53,701,759</u>
Excess (deficiency) of revenues over (under) expenditures	464,775	(1,191,751)	(2,331,556)	1,770,158

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>
\$	39,879,562	\$ 39,797,661	\$ 36,917,405	\$ 36,671,073	\$ 35,808,052	\$ 30,096,717
	2,820,356	3,701,388	3,004,688	2,476,688	3,474,021	4,043,241
	1,782,271	1,963,335	1,031,383	575,766	259,712	440,002
	491,963	466,038	480,615	441,373	443,993	557,859
	202,607	216,845	378,972	217,569	244,742	391,449
	77,844	86,046	84,173	91,794	85,328	-
	7,230	7,140	4,750	6,692	7,441	8,243
	-	-	-	-	-	68,421
	-	-	-	-	-	-
	107,769	190,711	86,873	148,003	226,701	193,724
	9,538,474	8,588,456	8,007,852	7,849,318	7,528,082	6,961,005
	<u>54,908,076</u>	<u>55,017,620</u>	<u>49,996,711</u>	<u>48,478,276</u>	<u>48,078,072</u>	<u>42,760,661</u>
	17,385,174	17,305,337	16,173,320	15,563,319	15,953,841	14,077,659
	5,725,646	5,289,978	6,157,219	6,033,382	5,088,254	5,860,971
	272,615	303,665	276,743	231,760	254,318	218,558
	-	37,728	-	314,102	23,649	11,775
	3,471,402	3,299,577	2,721,090	2,604,010	2,608,696	2,133,191
	3,649,596	3,511,311	2,780,562	2,650,240	2,890,736	1,430,186
	110,200	143,355	181,589	163,202	141,777	90,263
	2,872,172	2,787,210	2,754,691	2,541,739	2,502,782	2,212,003
	1,171,481	1,151,052	1,107,658	1,114,715	1,045,621	1,028,462
	537,479	510,033	509,897	418,029	398,249	375,221
	4,608,092	4,278,812	4,563,040	3,938,245	3,154,984	3,993,961
	3,424,859	3,511,181	3,286,647	3,072,781	2,930,094	2,863,664
	1,200,502	1,085,252	1,154,066	854,049	876,060	986,330
	578,947	513,872	389,599	419,754	354,142	452,159
	585,191	618,018	527,599	589,150	519,613	496,404
	1,500,950	1,490,130	1,589,738	1,376,799	1,293,867	1,408,265
	1,003,471	2,326,830	1,632,519	573,202	1,056,117	1,304,673
	294,690	-	-	-	-	169,374
	1,247,432	881,536	799,104	5,568,582	6,241,002	6,816,475
	1,024,672	1,009,126	1,287,772	1,415,766	1,295,340	1,405,032
	-	183,859	-	-	95,695	-
	<u>50,664,571</u>	<u>50,237,862</u>	<u>47,892,853</u>	<u>49,442,826</u>	<u>48,724,837</u>	<u>47,334,626</u>
	4,243,505	4,779,758	2,103,858	(964,550)	(646,765)	(4,573,965)

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Other Financing Sources (Uses)				
Issuance of bonds	-	2,670,000	-	-
Issuance of notes	-	-	-	-
Transfers in	110,000	110,000	2,115,000	2,659,000
Transfers (out)	(531,819)	(110,000)	(2,115,000)	(2,659,000)
Sale of capital assets	-	-	924	760
Capital lease transaction	-	-	30,255	-
Sale of refunding bonds	-	-	-	-
Premium on refunding bonds sold	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bonds	-	-	-	-
Accrued interest on bonds	-	-	-	-
Total other financing sources (uses)	<u>(421,819)</u>	<u>2,670,000</u>	<u>31,179</u>	<u>760</u>
Extraordinary item				
Reimbursement for storm damage	-	-	-	-
Net change in fund balances	<u>\$ 42,956</u>	<u>\$ 1,478,249</u>	<u>\$ (2,300,377)</u>	<u>\$ 1,770,918</u>
Capital expenditures	\$ 2,928,806	\$ 2,172,785	\$ 2,384,310	\$ 2,420,224
Debt service as a percentage of total noncapital expenditures	4.72%	4.43%	4.27%	4.35%

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.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>
-	-	-	-	4,499,998	-
-	-	-	-	4,500,000	5,150,000
260,319	2,706,700	268,370	156,000	764,000	734,000
(260,319)	(2,706,700)	(268,370)	(156,000)	(764,000)	(734,000)
3,612	-	-	217	2,124	2,181
294,690	-	-	-	-	169,374
-	18,354,970	-	-	-	-
-	841,741	-	-	-	-
-	(19,012,852)	-	-	-	-
-	-	-	-	202,302	-
-	-	-	-	9,165	-
<u>298,302</u>	<u>183,859</u>	<u>-</u>	<u>217</u>	<u>9,213,589</u>	<u>5,321,555</u>
-	-	-	-	260,089	-
<u>\$ 4,541,807</u>	<u>\$ 4,963,617</u>	<u>\$ 2,103,858</u>	<u>\$ (964,333)</u>	<u>\$ 8,826,913</u>	<u>\$ 747,590</u>
\$ 1,422,166	\$ 2,208,765	\$ 1,531,231	\$ 639,192	\$ 1,247,635	\$ 1,562,357
4.61%	3.94%	4.50%	14.31%	15.87%	17.96%

**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
2012	\$ 996,924,660	\$ 2,848,356,171	\$ -	\$ -	\$ 8,555,210	\$ 9,721,830
2011	997,502,800	2,850,008,000	348,980	5,583,680	8,224,500	9,346,023
2010	992,089,220	2,834,540,629	760,410	12,166,560	8,029,100	9,123,977
2009	1,028,000,490	2,937,144,257	13,781,055	220,496,880	7,496,850	8,519,148
2008	1,023,957,100	2,925,591,714	26,514,560	424,232,960	7,086,100	8,052,386
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

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.
- (4) This amount represents the gross millage.

Total

Assessed Value	Estimated Actual Value	Percentage of Assessed Value to Estimated Actual Value	Total Direct Rate (4)
\$ 1,005,479,870	\$ 2,858,078,001	35.18%	\$ 91.10
1,006,076,280	2,864,937,703	35.12%	86.10
1,000,878,730	2,855,831,166	35.05%	86.00
1,049,278,395	3,166,160,285	33.14%	86.00
1,057,557,760	3,357,877,060	31.49%	86.00
1,058,800,778	3,170,278,705	33.40%	86.00
970,304,692	2,812,289,132	34.50%	86.10
966,558,874	2,796,321,164	34.57%	86.10
950,532,258	2,785,857,238	34.12%	81.10
897,241,309	2,601,822,620	34.49%	81.10

**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									
2011/2012	\$ 18.30	\$9.50	\$ 2.50	\$ 81.55	\$2.40	\$ 1.00	\$ 0.95	\$ 5.20	\$ 91.10
2010/2011	18.40	9.50	2.50	76.55	2.40	1.00	0.95	5.20	86.10
2009/2010	18.40	9.50	2.50	76.55	2.30	1.00	0.95	5.20	86.00
2008/2009	18.10	9.50	2.50	76.55	2.30	1.00	0.95	5.20	86.00
2007/2008	18.20	9.50	2.00	76.55	2.30	1.00	0.95	5.20	86.00
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

Source: Cuyahoga County Auditor's Office

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

*PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2011 AND DECEMBER 31, 2002*

December 31, 2011			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Chagrin Retail LLC	\$ 17,975,240	1	1.80%
Village Chagrin Partners	6,449,910	2	0.65%
HRP Nom L.P.	4,470,120	3	0.45%
Gotham King Lee Owner, LLC	4,293,070	4	0.43%
Lander Circle Co.	3,783,070	5	0.38%
Olympic Steel Inc.	3,571,020	6	0.36%
Lowe;s Home Center, Inc	3,114,340	7	0.31%
PWR11-Beachwood Hotel, LLC	3,086,580	8	0.31%
H V Holdings Inc	3,064,430	9	0.31%
A M Castle Co.	2,975,010	10	0.30%
Total	\$ 52,782,790		5.30%
Total Assessed Values	\$ 996,924,660		

December 31, 2002			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Miles Road L.L.C.	\$ 9,530,660	1	1.13%
Duke Realty Ltd. Partnership	8,813,700	2	1.04%
Olympic Steel	8,015,860	3	0.95%
Bnai-Jeshurum	7,946,840	4	0.94%
Cleveland Electric Illuminating Co.	7,506,580	5	0.89%
Hallwood 95, L.P.	6,705,090	6	0.79%
Lander Circle Co.	6,654,100	7	0.79%
Robert J Schnieder Trustee	6,562,200	8	0.78%
Marlota Glazer Realty Co.	6,112,560	9	0.72%
Village Chagrin Partners	5,949,410	10	0.70%
Total	\$ 73,797,000		8.73%
Total Assessed Values	\$ 846,280,460		

Source: Cuyahoga County Auditor's Office

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

*PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2011 AND DECEMBER 31, 2002*

December 31, 2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 7,165,010	1	83.75%
East Ohio Gas Co.	805,200	2	9.41%
American Transmission System	564,690	3	6.60%
Cleveland Commercial Railroad	15,310	4	0.18%
Columbia Gas of Ohio Inc.	4,520	5	0.05%
Norfolk Southern Combined	480	6	0.01%
Total	\$ 8,555,210		100.00%
Total Assessed Values	\$ 8,555,210		

December 31, 2002			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 3,473,870	1	33.87%
Ohio Bell Telephone Company	1,898,490	2	18.51%
American Transmission System	771,520	3	7.52%
Total	\$ 6,143,880		59.90%
Total Assessed Values	\$ 10,255,830		

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 (2)	Total Collection	Total Collection As a Percent of Total Levy (2)	Outstanding Delinquent Taxes (1)	Total Delinquent Taxes As a Percent of Total Levy
2011/2012	\$ 48,471,730	\$ 46,663,798	96.27%	\$ 1,549,229	\$ 48,213,027	99.47%	\$ 2,533,593	5.23%
2010/2011	43,265,150	41,477,690	95.87%	1,661,999	43,139,689	99.71%	2,374,780	5.49%
2009/2010	43,039,829	41,677,187	96.83%	1,423,661	43,100,848	100.14%	2,792,126	6.49%
2008/2009	46,312,377	41,844,144	90.35%	1,200,055	43,044,199	92.94%	1,636,581	3.53%
2007/2008	44,567,977	42,867,026	96.18%	1,575,408	44,442,434	99.72%	3,199,238	7.18%
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%

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.
- (2) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the County to get this information in the future.

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

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

<u>Governmental Activities</u>							
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>General Obligation Notes</u>	<u>Capital Leases</u>	<u>(1) Total Primary Government</u>	<u>(2) Per Capita</u>	<u>(2) Per Enrollment</u>	<u>(2) Total Debt as a Percentage of Personal Income</u>
2012	\$ 25,421,616	\$ -	\$ 56,138	\$ 25,477,754	\$ 1,793	\$ 11,349	(3)
2011	26,473,006	-	127,646	26,600,652	1,872	11,616	1.82%
2010	24,764,289	-	193,763	24,958,052	1,856	11,034	2.10%
2009	25,700,933	-	220,464	25,921,397	1,921	11,217	1.75%
2008	26,589,034	-	272,258	26,861,292	1,999	11,248	1.56%
2007	27,535,222	-	-	27,535,222	2,041	11,604	1.67%
2006	28,216,092	-	31,536	28,247,628	2,072	12,000	1.78%
2005	28,866,304	-	60,640	28,926,944	2,100	12,268	1.97%
2004	29,785,978	4,500,000	99,222	34,385,200	2,483	14,381	2.65%
2003	26,190,212	5,150,000	195,224	31,535,436	2,261	13,385	2.93%

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 Statistics, Last Ten Years" for population, personal income and enrollment information.

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

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

*RATIOS OF NET 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 (1)	Less: Restricted for Debt Service	Net General Bonded Debt Outstanding		
2012	\$ 25,421,616	\$ 3,551,494	\$ 21,870,122	0.77%	\$ 1,539
2011	26,473,006	3,342,046	23,130,960	0.81%	1,628
2010	24,764,289	3,029,772	21,734,517	0.76%	1,616
2009	25,700,933	2,763,181	22,937,752	0.72%	1,700
2008	26,589,034	2,478,446	24,110,588	0.72%	1,794
2007	27,535,222	2,099,607	25,435,615	0.80%	1,886
2006	28,216,092	1,515,818	26,700,274	0.95%	1,959
2005	28,866,304	1,288,147	27,578,157	0.99%	2,002
2004	29,785,978	5,832,273	23,953,705	0.86%	1,730
2003	26,190,212	1,478,998	24,711,214	0.95%	1,772

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, 2012*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 25,477,754	100.00%	\$ 25,477,754
Total direct debt	<u>25,477,754</u>		<u>25,477,754</u>
Overlapping debt:			
Cuyahoga County	215,533,843	3.38%	7,285,044
Village of Orange	3,265,000	92.55%	3,021,758
City of Bedford Heights	3,470,000	12.98%	450,406
Village of Moreland Hills	660,000	80.39%	530,574
City of Pepper Pike	8,054,729	99.22%	7,991,902
City of Warrensville Heights	5,692,000	2.76%	157,099
City of Solon	4,470,000	2.15%	96,105
Village of Woodmere	1,272,500	100.00%	1,272,500
Village of Hunting Valley	5,250,000	88.40%	4,641,000
Total overlapping debt	<u>247,668,072</u>		<u>25,446,388</u>
 Total direct and overlapping debt	 <u>\$ 273,145,826</u>		 <u>\$ 50,924,142</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 2011 collection year.

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

*LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS*

Fiscal Year	Assessed Value (2)	Voted Debt Limit (1)	Total Debt Applicable to Limit (3)	Debt Service Available Balance	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit	Unvoted Legal Debt Margin (1)
2012	\$ 1,005,479,870	\$ 90,493,188	\$ 22,918,189	\$ 3,711,201	\$ 71,286,200	21.22%	\$ 1,005,480
2011 (2)	1,005,727,300	90,515,457	24,383,189	3,287,546	69,419,814	23.31%	1,005,727
2010 (2)	1,000,118,320	90,010,649	23,048,189	2,871,393	69,833,853	22.42%	1,000,118
2009 (2)	1,035,497,340	93,194,761	24,323,189	2,751,041	71,622,613	23.15%	1,035,497
2008 (2)	1,031,043,200	92,793,888	25,518,189	2,377,383	69,653,082	24.94%	1,031,043
2007 (2)	1,027,418,660	92,467,679	26,743,189	2,065,087	67,789,577	26.69%	1,027,419
2006 (2)	931,952,910	83,875,762	27,593,219	1,455,700	57,738,243	31.16%	931,953
2005	966,558,874	86,990,299	28,363,219	1,249,761	59,876,841	31.17%	966,559
2004	950,532,258	85,547,903	29,393,219	5,878,620	62,033,304	27.49%	950,532
2003	897,241,309	80,751,718	-	1,511,217	82,262,935	0.00%	897,241

Source: Cuyahoga County Auditor, Ohio Department of Taxation and School District financial records

- (1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.
- (2) The District's total assessed valuation for the respective collection year is not utilized as the base for determining current direct debt limitations. Consistent with House Bill 530, adjustments are made to exclude substantially all tangible personal property values from this calculation. Adjusted values were obtained from the Ohio Department of Taxation.
- (3) 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>Average Income by Return (5)</u>	<u>Personal Income (5)</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>
2012	14,212	(2)	(2)	49.2	2,245	7.5%	7.2%	8.2%
2011	14,212	224,370	\$ 1,461,094,740	40.2	2,290	7.9%	8.8%	9.1%
2010	13,449	183,625	1,191,176,755	41.5	2,262	9.7%	10.5%	9.5%
2009	13,493	218,640	1,477,129,812	41.5	2,311	10.2%	11.1%	9.5%
2008	13,437	218,640	1,718,478,448	41.5	2,388	8.1%	6.7%	5.7%
2007	13,490	237,468	1,646,839,811	41.5	2,373	6.5%	5.8%	4.7%
2006	13,633	228,402	1,587,394,302	41.5	2,354	5.9%	5.5%	4.8%
2005	13,778	215,294	1,464,863,024	41.5	2,358	6.3%	6.1%	5.2%
2004	13,847	187,468	1,295,400,781	41.5	2,391	6.6%	6.4%	5.8%
2003	13,946	174,186	1,075,775,311	41.5	2,356	7.1%	6.8%	6.5%

(1) Information obtained from the U.S. Census Bureau website (www.census.gov).
City of Pepper Pike Geographic Area.

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

(3) Obtained from District Records.

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

(5) Obtained from the Ohio Department of Taxation.

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

*PRINCIPAL EMPLOYERS
DECEMBER 31, 2011 AND SIX YEARS AGO*

December 31, 2011

Employer	Employees	Rank
Orange City School District (1)	636	1
Ursuline College	633	2
G M R Inc	342	3
Bravo Brio Restaurant Group Inc	190	4
Whole Foods Market Group Inc	188	5
Chagrin Valley Country Club	161	6
Cambridge Home Health Care	129	7
Majestic Steel USA Inc	125	8
YOS Concept LLC	115	9
Beechmont Inc	104	10
Total	<u>2,623</u>	

December 31, 2005

Employer	Employees	Rank
Orange City School District (1)	623	1
Ursuline College	358	2
Beech Brook	179	3
Sky Financial Group	121	4
City of Pepper Pike	100	5
Stern Advertising	81	6
Merrill Lynch Pierce Fenner	63	7
Chagrin Valley Country Club	60	8
National City Corporation	48	9
Wachovia Shared Resources	42	10
Total	<u>1,675</u>	

Source: Regional Income Tax Agency

(1) Includes substitute and seasonal employees. Information prior to 2005 is unavailable.

Note: The Regional Income Tax Agency was unable to provide statistics on total employment within the District such that the above totals by employer could be expressed as a percentage of total employment. The District's boundaries cover 25 square miles and includes all or a portion of 8 different political subdivisions.

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

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

Type	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Professional Staff:										
Teaching Staff:										
Elementary	82.3	85.8	85.0	84.6	84.6	84.1	80.1	81.2	83.6	77.1
Middle	47.9	50.9	50.9	50.9	49.5	48.5	46.5	46.1	44.5	43.5
High	67.0	68.0	67.0	67.0	66.9	66.9	66.7	62.3	62.3	61.5
Others	17.9	18.9	18.7	18.7	17.7	17.7	16.7	16.7	16.7	14.7
Administration:										
District	20.0	21.0	21.0	20.0	20.0	20.0	21.0	19.0	19.0	19.0
Auxiliary Positions:										
Counselors	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.0
Nurses	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	2.5
Speech	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.6	5.3	5.1
Mental Health Specialists	3.6	3.6	3.6	3.6	3.6	3.6	3.4	3.4	2.8	2.8
Others	8.6	9.6	9.6	9.6	9.6	9.6	9.6	8.1	7.9	7.9
Support Staff:										
Supervisors	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Secretarial	33.4	33.4	32.5	32.5	33.5	33.5	32.0	32.0	32.0	32.0
Aides	58.0	60.0	60.0	60.0	57.5	53.5	54.0	49.5	50.1	48.1
Hall monitor/Security			-	-	-	1.0	-	-	-	-
Technical	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Cooks	8.1	8.1	8.1	8.1	8.1	8.6	8.5	9.0	8.8	8.6
Custodial	26.0	25.3	25.3	25.3	25.3	25.3	25.3	25.3	24.0	23.0
Maintenance	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Bus Driver	31.6	32.9	32.9	32.9	32.9	32.1	33.6	33.1	32.9	32.7
Bus Aides	2.0	2.5	2.5	2.5	2.5	2.5	2.0	2.0	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	445.7	460.8	457.9	456.5	452.5	447.7	439.7	428.3	426.8	411.3
Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	154.6	161.6	161.1	160.7	160.2	159.2	152.9	152.2	154.7	144.2
Special	49.6	51.1	49.6	49.6	47.6	47.1	45.1	43.1	42.5	43.5
Vocational	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	35.9	36.4	36.4	36.4	36.4	36.5	35.8	34.1	33.0	32.3
Instructional staff	64.0	67.0	67.0	67.0	65.0	62.0	62.5	58.0	58.6	56.6
Administration	22.0	23.0	23.0	22.0	22.5	22.5	23.5	21.0	21.0	21.0
Fiscal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	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	45.0	45.3	45.3	45.3	45.3	45.3	45.3	45.3	43.0	42.0
Pupil transportation	39.1	40.9	40.9	40.9	40.9	40.6	40.6	40.1	39.8	39.6
Central	10.9	10.9	10.0	10.0	10.0	10.0	9.0	9.0	9.0	8.0
Food Service Operations	9.1	9.1	9.1	9.1	9.1	9.0	9.5	10.0	9.8	9.6
Extracurricular activities	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.0
Total Governmental Activities	445.7	460.8	457.9	456.5	452.5	447.7	439.7	428.3	426.8	411.3

Source: School District records

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

*OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS*

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular and Special										
Enrollment (students)	2,245	2,290	2,199	2,311	2,388	2,373	2,354	2,358	2,391	2,356
Graduates	181	172	150	201	187	180	195	177	176	188
Support services:										
Board of education										
Regular meetings per year	22	22	21	24	24	24	22	21	23	24
Special meetings per year	12	12	17	11	22	21	24	14	15	12
Administration										
Student attendance rate	95.6%	95.7%	95.8%	96.0%	96.5%	95.9%	96.1%	95.9%	95.9%	95.6%
Fiscal										
Nonpayroll checks issued										
	5,389	6,018	6,636	6,588	6,619	6,424	6,800	6,368	6,743	6,624
Operations and maintenance										
Work orders completed	438	629	416	500	500	500	500	(1)	(1)	(1)
Square footage maintained										
	548,700	534,881	534,881	534,881	534,881	534,881	534,881	534,881	534,881	534,881
Pupil transportation										
Avg. students transported daily (2)										
	1,381	1,525	1,440	2,242	2,462	2,592	2,637	2,724	2,687	2,655
Food service operations										
Meals served to students	184,677	170,930	195,915	188,754	207,577	192,466	187,274	156,191	174,192	161,938
Number of students with free or reduced lunches	282	203	224	222	218	174	144	124	(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 TEN FISCAL YEARS*

Governmental Activities					
	2012	2011	2010	2009	2008
Land	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	80,263	1,724,343	1,431,742	1,424,838	55,103
Land improvements	4,138,845	4,052,380	4,338,252	4,603,316	4,925,063
Buildings	30,349,086	28,014,968	27,973,225	27,231,377	27,698,365
Equipment	914,936	927,018	1,005,328	1,101,286	1,181,011
Vehicles	1,665,297	1,723,068	1,714,578	1,685,540	1,585,559
Total Governmental Activities Capital Assets, net	\$ 43,518,577	\$ 42,811,927	\$ 42,833,275	\$ 42,416,507	\$ 41,815,251

Governmental Activities					
	2007	2006 (1)	2005	2004	2003
Land	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	7,657	832,438	-	-	-
Land improvements	5,213,189	5,467,298	5,878,294	6,205,322	6,278,642
Buildings	28,168,267	26,739,762	27,547,417	28,380,439	28,807,005
Equipment	869,790	878,323	1,245,813	1,236,608	1,319,572
Vehicles	1,541,672	1,353,127	1,261,251	1,187,591	1,060,146
Total Governmental Activities Capital Assets, net	\$ 42,170,725	\$ 41,641,098	\$ 42,302,925	\$ 43,380,110	\$ 43,835,515

Business-Type Activities					
	2012	2011	2010	2009	2008
Construction in progress	\$ -	\$ -	\$ 631,180	\$ -	\$ -
Land improvements	30,582	33,395	36,632	41,066	44,728
Buildings	3,654,394	3,783,272	1,949,230	2,040,833	2,131,584
Equipment	2,304	3,610	4,916	12,567	17,696
Vehicles	-	2,507	7,522	12,537	23,601
Total Business-Type Activities Capital Assets, net	\$ 3,687,280	\$ 3,822,784	\$ 2,629,480	\$ 2,107,003	\$ 2,217,609

Business-Type Activities					
	2007	2006	2005	2004	2003
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	49,292	54,760	60,228	60,058	39,256
Buildings	2,170,785	2,261,559	2,366,379	2,457,795	2,488,485
Equipment	18,066	25,065	33,743	42,892	45,416
Vehicles	29,717	35,831	41,945	37,610	42,625
Total Business-Type Activities Capital Assets, net	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295	\$ 2,598,355	\$ 2,615,782

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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

*SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Orange High School (1973)					
Square feet	215,886	215,886	215,886	215,886	215,886
Capacity (All)	960	960	960	960	960
Enrollment	701	765	719	688	715
Brady Middle School (1965)					
Square feet	99,760	86,138	86,138	86,138	86,138
Capacity (All)	720	720	720	720	720
Enrollment	516	484	496	521	570
Moreland Hills Elementary (2001)					
Square feet	124,875	124,875	124,875	124,875	124,875
Capacity (All)	1,440	1,440	1,440	1,440	1,440
Enrollment	947	957	881	997	1,006
Gund School (1978)					
Square feet	6,000	6,000	6,000	6,000	6,000
Capacity (All)	84	84	84	84	84
Enrollment	60	58	68	79	68
New Directions (1989)					
Square feet	26,400	26,400	26,400	26,400	1,800
Capacity (All)	38	38	38	38	30
Enrollment	21	26	35	26	29

Source: District records

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

2007	2006	2005	2004	2003
215,886	215,886	215,886	215,886	215,886
960	960	960	960	960
737	764	787	792	770
86,138	86,138	86,138	86,138	86,138
720	720	720	720	720
532	509	501	495	510
124,875	124,875	124,875	124,875	124,875
1,440	1,440	1,440	1,440	1,440
1,023	992	980	1,010	980
6,000	6,000	6,000	6,000	6,000
84	84	84	84	84
53	66	64	79	82
1,800	1,800	1,800	1,800	910
30	30	30	30	18
28	23	26	15	14

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

*OPERATING STATISTICS
LAST TEN FISCAL YEARS*

Fiscal Year	Total Governmental Funds		Governmental Activities		Enrollment (2)	Percent Change of Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2012	\$ 52,829,166	\$ 23,532	\$ 52,759,592	\$ 23,501	2,245	-1.97%
2011	53,252,135	23,254	53,390,294	23,315	2,290	1.24%
2010	53,070,029	23,462	53,120,554	23,484	2,262	-2.12%
2009	51,468,876	22,271	51,302,966	22,199	2,311	-3.22%
2008	48,392,467	20,265	48,802,279	20,436	2,388	0.63%
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%

Source: District records

(1) Debt Service totals have been excluded.

(2) Enrollment derived from District attendance records.

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

Teaching Staff (3)	Pupil/Teacher Ratio	Student Attendance Percentage
227.3	9.88	95.6%
240.5	9.52	95.7%
221.6	10.21	95.8%
221.2	10.45	96.0%
218.7	10.92	96.5%
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%

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

*TEACHER STATISTICS
JUNE 30, 2012*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Associate's Degree	(1)	n/a	(1)
Bachelor's Degree	20.20	8.89%	\$44,620 - \$81,676
Master's Degree	203.07	89.34%	\$49,260 - \$100,610
Ph.D.	<u>4.00</u>	<u>1.76%</u>	\$52,260 - \$101,610
	<u><u>227.27</u></u>	<u><u>100.00%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	17.10	7.52%
6 - 10	43.00	18.92%
11 and over	<u>167.17</u>	<u>73.56%</u>
	<u><u>227.27</u></u>	<u><u>100.00%</u></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.



Dave Yost • 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, 2013