



Dave Yost • Auditor of State



ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education</i>		
National School Lunch Program	10.555	\$113,487
National School Lunch Program - Non Cash Assistance		23,912
Total - National School Lunch Program		137,399
<b>Total U.S. Department of Agriculture</b>		<b>137,399</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	27,805
		150,508
		2,071
		10,900
Total - Title I Grants to Local Educational Agencies		191,284
<u>Special Education Cluster:</u>		
Special Education--Grants to States (IDEA, Part B)	84.027	65,542
		384,141
Total Special Education--Grants to States (IDEA, Part B)		449,683
Special Education--Preschool Grants	84.173	2,554
		13,333
Total Special Education--Preschool Grants		15,887
Total - Special Education Cluster		465,570
Improving Teacher Quality State Grants	84.367	6,545
		34,294
Total - Improving Teacher Quality State Grants		40,839
<i>Passed Through Cuyahoga County Educational Service Center</i>		
English Language Acquisition States Grants	84.365	4,455
		4,455
<b>Total U.S. Department of Education</b>		<b>702,148</b>
<b>Total Federal Financial Assistance</b>		<b>\$839,547</b>

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

**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Federal Awards Expenditures Schedule (the Schedule) includes the federal award activity of the Orange City School District, Cuyahoga County, Ohio (the District's) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE D – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2017.

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

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2017





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Orange City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Orange City School District's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Orange City School District, Cuyahoga County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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's applicable 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on the Federal Awards Expenditures Schedule Required by the Uniform Guidance***

We have also audited 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 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 22, 2017. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying federal awards expenditures schedule presents additional analysis required by the Uniform Guidance 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2017

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**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2017**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster, CFDA 84.027 and 84.173.
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

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

None

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Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# Orange City School District

Cuyahoga County, Ohio



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

Prepared by  
Treasurer's Department  
Todd Puster, Treasurer





Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# Orange City School District

Cuyahoga County, Ohio



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

Orange City School District  
32000 Chagrin Blvd.  
Pepper Pike, Ohio 44124  
Phone: 216.831.8600 – Fax: 216.831.8029  
[www.orangeschools.org](http://www.orangeschools.org)



Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# Orange City School District

Cuyahoga County, Ohio



To Learn.  
To Lead.  
To Make a Difference.

Introductory Section



**Orange City School District**  
**Cuyahoga County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2017*  
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**Orange City School District**  
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December 22, 2017

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

We are pleased to present 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, 2017. 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 and other stakeholders of the District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs.

### ***The School District***

#### *History*

More than one 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 what has become 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 12<sup>th</sup> 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 then-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. In 2017, the Board of Education embarked on a phased renovation program for the school, known as a “school of the future” when it opened.

Orange High School was remodeled and expanded many times with the last two major expansions 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.

In recent years, the District has made several major commitments to maintain, renovate and modernize its facilities. Nearly \$10 million was spent over a four-year period ending in October 2016 on these efforts. Major improvements include the renovation of auditorium space and the natatorium. Other investments include installation of an artificial surface at the stadium, renovation of the transportation center and restroom renovations at the high school. Also, technology was updated and roofs repaired. During the fiscal year, the Board of Education agreed to invest in renovations and improvements to Brady Middle School. Restroom upgrades were completed during the summer of 2017. The Board has engaged the services of an architect and construction management firm to help it review other possible improvements. These include construction of a new building entrance, renovation of former gymnasium space for music instruction and modernization of media arts space, among other projects.

### *Present*

The Orange Schools campus is located on 172 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 five separate municipalities: Pepper Pike, Moreland Hills, Orange, Hunting Valley and Woodmere; as well as small portions of Solon, Bedford Heights, and Warrensville Heights.

For funding purposes, the District had an average daily membership of 2,015 students for the fiscal year. Most of the District’s 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, a transportation depot and a number of athletic facilities. 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. Effective in Summer 2016, the District assumed operational control of the Orange Art Center, which is being administered through Orange Community Education and Recreation. The Community Education and Recreation Department utilizes all District facilities in concert with the school system. The District also serves 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, according to federal census data. The Federal Adjusted Gross Income of residents ranks first of more than 600 school districts in the State of Ohio, according to Ohio Department of Taxation data. The value of taxable property per pupil ranks in the top 1 percent of Ohio school districts, according to the Ohio Department of Education.

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 approximately 35

years, residents have passed all school operating levies placed on the ballot for their approval. 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 its May 2017 Five Year Forecast, the District has noted the possibility of placing an additional general operating levy before the electorate, possibly in Fiscal Year 2021; however, no official actions have been taken to place such an issue before voters. Other tax issues placed before the voters in the past 20 years include a \$36.5 million bond issue, which was approved in November 1998 by a 68-percent vote, and a 1-mill permanent improvement levy, which was approved in November 2003 by 66 percent of the voters. Also, a 0.95-mill renewal levy for the Orange Community Education and Recreation Department was approved by 72 percent of the voters in November 2015. 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.

In recent years, the District has made several major commitments to maintain, renovate and modernize its facilities. Nearly \$10 million was spent over a four-year period ending in October 2016 on these efforts. Major improvements include the renovation of auditorium space and the natatorium. Other project investments include installation of an artificial surface at the stadium, renovation of the transportation center and restroom renovations at the high school. Also, technology was updated and roofs were repaired.

During the fiscal year, the Board of Education agreed to invest in renovations and improvements to Brady Middle School. Restroom upgrades were completed during Summer 2017. The Board has engaged the services of an architect and construction management firm to help it review other possible improvements. These include construction of a new building entrance, renovation of former gymnasium space for music instruction and modernization of media arts space, among other projects. Also, during the fiscal year, a major energy conservation program was undertaken. This includes retrofitting lighting, upgrading heating and ventilation electronic control systems, and rehabilitating boiler and air handling systems at Orange High Schools. A portion of the project was financed with federally tax advantaged Qualified Energy Conservation Bonds.

At the recommendation of the Treasurer, the Board defeased all outstanding voted General Obligation bonds and refinanced this debt. The final payment on currently outstanding debt is scheduled for December 1, 2026. The savings achieved through the bond refunding on behalf of taxpayers totals \$1,478,986, or \$1,389,156 on a net present value basis. The net present value savings is 8.96 percent. The weighted average life of the refinanced debt is 3.956 years and the final duration is 3.725 years. The all-in true interest cost outstanding debt is 2.01 percent. Among the activities that occurred during the debt refunding process was that the District affirmed its AAA/Aaa ratings with S&P Global Ratings and Moody's Investors Service. Orange City Schools is one of the only Ohio school districts to have top ratings from these agencies and has maintained this top rating for the past 13 years.

### ***Organizational Structure***

The District's Board of Education approved the Superintendent's recommendation for a central office organization plan in January 1998. The plan re-structured central office administrative roles and support for the Superintendent. 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, Director of 21<sup>st</sup> Century Curriculum, Director of Student Support Services, Director of Special Education, Director of Communications, Director of Community Education and Recreation, Supervisory of Technology, 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 ensure 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" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". 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 Northeast Ohio Network for Education Technology (NEOnet), the Ohio Schools Council and the Suburban Health Consortium. These organizations are presented in Notes 16 and 17 to the basic financial statements.

### ***Major Initiatives***

#### *Focus on Authentically Engaging Students in 21<sup>st</sup> 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 Higher Education.

- 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 Innovation Lab Network and EdLeader21.
- 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

*Board of Education Vision, Mission, Goals and Strategies*

Annually, the Board of Education reviews its vision and mission statements, and adopts goals and strategies related thereto. For the 2016-2017 school year, the Board of Education adopted the following:

## **ORANGE VISION**

The Orange City School District will empower our students, staff and community to be passionate and innovative global citizens committed to excellence in learning, leading and making a difference.

## **ORANGE MISSION**

To 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.

## **2016/17 DISTRICT GOALS**

- Maximize individual student growth in all areas, both academic and extracurricular, to ensure our students are well prepared for college and careers.
- Ensure excellence in hiring and development of employees to provide a collaborative learning environment and a culture of continuous improvement.
- Build a culture of learning that embraces diversity and a global perspective.
- Provide and maintain safe, innovative facilities and technology to promote learning.
- Conduct all district activities in a fiscally responsible and cost effective manner with accountability to district residents.
- Engage the community as active participants and significant partners in support of our vision.

All decisions are made by considering what is best for Orange students.

## **2016/17 DISTRICT STRATEGIES**

1. **Academics.** Create a challenging academic culture that stimulates exceptional academic growth in all students, balancing state requirements with uniquely Orange programs for personalized student learning experiences.
  - a. Through teaching of a rigorous curriculum, place top 20 in Ohio and top 5 in Northeast Ohio (Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit Counties) in state testing as measured by the ODE district performance index, while maintaining Orange's tradition of providing unique and innovative programming.
  - b. Promptly report to the Board and community all state test results, along with remediation plans, if needed.
  - c. Strengthen all district academic offerings, with particular focus on improved sequencing and student placement and advancement, to permit all students to meet their potential through challenging curriculum.
  - d. Continue to offer unique experiential opportunities, such as Intersessions and maker spaces, to provide an authentic and rigorous project-based learning curriculum.
  - e. Establish external partnerships with various organizations to provide further content enrichment opportunities for students and staff.
  - f. Promote excellence in hiring, development, evaluation, and performance management of district employees, including professional development for staff that is directly related to improving student learning.
  - g. Implement a collaborative continuous improvement process by November 1, comprised of grade level and subject area teams, building level teams, and a district level team, identifying specific goals and steps to achieve them.
2. **District Dashboard.** Develop and implement a dashboard of key district information by June 30, 2017, including cost per pupil information with its key drivers.
3. **Financial.** Provide expense and other financial recommendations, including operating levy analysis, by December 2016.
4. **Policies.** Update district policies promptly after receiving policy service notifications.
5. **Facilities.** Address facility needs for Brady and the OCER arts program, develop plans for the former library building, and grounds maintenance by December 2016.
6. **Community.** Engage the community to support educational and extracurricular programs:
  - a. Continue to offer regular and timely district community forums and other feedback opportunities (including online) for community members to promote community engagement in district and Board matters.

- b. Continue to engage district municipal leaders by developing collaborative relationships and through semi-annual Mayors' Meetings.
- c. Encourage new programs that foster meaningful interaction among community members, students, teachers, administrators, and Board members.

### *Major Initiatives and Accomplishments for School Year 2016-2017*

Moody's Investors Service and Standard & Poor's Corp. affirmed their highest credit ratings (Aaa/AAA) on the School District on March 21, 2017. These ratings reflect strong fiscal management and sufficient financial reserves to withstand fiscal shocks. Orange is the only Ohio school district to maintain the highest credit rating with two national agencies.

The Board of Education and the District's administration continue to work to improve the quality of education for all children and to provide prudent financial management to adequately fund this quality education. The Board of Education and the District's administration with better than expected operating results were able to extend the 2004 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. When the November 2011 levy was approved, the Board anticipated that it would again have to approach the community in about five years. The most recent District financial forecast indicates a possible levy in calendar year 2020.

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 2016-2017 school year, nearly 80 percent of the Advanced Placement tests taken by Orange students earned a score of 3 or higher, representing college level achievement. In 2013, 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 State and national standards.

The Orange City School District performed well overall on the 2017 Ohio Department of Education school district report card.

- Earned an "A" for academic progress overall and for the achievement of gifted students, students in the lowest 20 percent in achievement and students with disabilities.
- Earned an "A" in Overall Value Added (Student Growth).
- Earned an "A" in Graduation rate.
- Scored well on the District Performance Index at 102.3.
- Made gains in narrowing the achievement gap in annual measurable objectives (AMO).

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 Innovation Lab Network (formerly known as 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.

During fiscal years 2015 and 2016, 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 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 facilities study to analyze the District's future needs in regards to repairs, renovations, and educational supports needed to be a 21<sup>st</sup> Century school district. As a result of the facilities study, the District identified \$10 million in short-term permanent improvement needs across campus, which began in school year 2013-2014. Improvements constructed through this initiative were completed in Summer 2016.



In 2012, the District also used the data from the facilities study to launch its FutureVision plan which studies the various options for long-term facility and campus needs. This plan has included public forums, public meetings, community workshops and mass communications to share information and garner input from various stakeholder groups. More community involvement will be scheduled as the project moves forward.

During the 2013-2014 school year, the district gathered community data regarding the renovation of Brady Middle School and other campus updates through an online survey, interactive page on the district website, and in-person forums. The Board also is reviewing specific renovations to the Middle School. Renovations began in the summer of 2017 with building restroom renovations. Determination of the full scope of renovations is expected to occur during the 2017-2018 school year.

Also as part of the FutureVision plan, the Orange High School Natatorium was completed renovated during the 2014-2015 school year due to the need for a new roof and for much needed improvements and repairs to the pool, locker rooms and handicap accesses. Also, work to renovate the Orange High School Auditorium began completed in Fall 2015.

Near the end of the 2015-2016 school year, the Board of Education was studying approximately \$4 million in energy conservation improvements, related end-of-useful-life equipment replacement and renovations to District facilities. Subsequent to the end of the fiscal year, the Board determined to proceed with the project. Funding sources include drawing down internal cash reserves and outside financing. Financing for the portion of the project to be funded through outside sources was closed in October 2016 and work was expected to begin in earnest in 2017.

During the 2016-2017 school year, the District received a Straight A Grant from the State of Ohio, which allowed for the installation of a FabLab on the lower level of Brady Middle School, additional 21<sup>st</sup> Century work areas such as Makers Spaces and equipment throughout the district. The District has partnered with various universities and professional organizations in this endeavor.

### ***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 four-year graduation rate of 96.9 percent and a five-year graduation rate of 98.8 percent in 2016, with more than 98 percent of graduates continuing their education at an institution of higher learning.
- 2) Nearly 80 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 twenty 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) Four National Merit 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 percent 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. Major nearby highways include Interstate 271, which abuts the District's western boundary; and, Interstate 480, which is about two miles away. All major controlled-access highways serving the Cleveland area are readily accessible to the District, including Interstates 71, 77, 80 and 90. Cleveland-Hopkins International Airport, about thirty minutes travel time to the west, makes the District a great location for all types of businesses. The District is in

an ideal suburban location within the metropolitan Cleveland area and has convenient access to major hospitals, retail centers, office parks, cultural institutions, and colleges and universities.

Eighty-five percent of the District's assessed valuation is comprised of residential property. The District has a wide variety of housing choices in a bucolic suburban setting. Communities within the district transition from the dense urban setting of Cleveland's inner-ring suburbs to the more rural environs of surrounding counties within the metropolitan area. Housing choice include apartments, condominiums and single family homes, one of which is the largest private residence in square footage terms in the State of Ohio. The District's assessed valuation has increased approximately 22 percent since 2001.

The current economic climate in the nation for recruiting and retaining businesses has had an effect on the District. The Pinecrest development, which is currently under construction, is the subject of a Tax Increment Financing agreement for a 30-year period. Legislative changes in recent years have resulted in a net loss of revenue for the District. Most notably, Amended Substitute House Bill 66, passed in 2005, resulted in the complete phase out of revenues derived from tangible personal property taxes. In July 2011, Amended Substitute House Bill 153 accelerated this phase out in fiscal years 2012 and 2013. Tangible personal property tax reimbursements remained level for fiscal years 2014 and 2015. Amended Substitute House Bill 64 passed in June 2015 resumed the phase-down of tangible personal property taxes. The final phase out payment was received during fiscal year 2017. The resulting loss of \$860,000 in phase out payments means that unrestricted grants-in-aid to the District will decrease approximately 35 percent effective with fiscal year 2018. This is among the top ten State revenue loses in percentage terms of all Ohio school districts. Property taxes and related state property tax exemption reimbursements comprised more than 85 percent of the District's total general fund revenue in fiscal year 2016. This means the District relies heavily upon the continued electoral support of its residents through the passage of tax levies.

The District's enrollment has modestly declined in the past few years, consistent with limited growth within the five municipalities that make up the majority of the District population. It is up modestly in comparison to the late 1980s. The 2016-2017 pupil enrollment of 2,015, compared with the 1988-1989 school year enrollment of 1,973, reflects an increase of 94 students, or five percent, over the period. The trend of stable to modestly declining enrollment is expected to continue into the foreseeable future.

The funding structure of public education in Ohio is such that school districts receive limited 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.

District voters approved a 5-mill, continuing general operating levy in November 2011. The levy generates approximately \$5 million per year for the general fund. The District also passed a 5-mill general operating levy in November 2004. This levy also 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. District voters over the past approximately 35 years have not defeated an operating levy request. For financial forecasting purposes, the District noted in its October 2016 Five Year Forecast the possibility of placing a 5-mill levy before the electors in calendar year 2020. Further, a \$36.5 million bond issue was passed in November 1998. In addition, a 1-mill, continuing permanent improvement levy was passed in November of 2003. 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.

### ***GASB 68 Implementation***

Starting with fiscal year 2015, the District is required to implement Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB 68 addresses accounting for defined benefit and defined contribution pension plans. The implementation of GASB 68 resulted in a material restatement of the District's Net Position at July 1, 2014. The District's net GAAP-basis financial position was reduced by nearly \$78,000,000. The District maintains a strong financial position, and readers are cautioned not to be misled by this accounting standard. In Ohio, the pension system is funded through a combination of required employee and employer contributions. Benefit payments are the responsibility of the pension systems and not the District. Any unfunded pension liability is the responsibility of the pension systems and would be mitigated by future increases to the required

contribution rate or by reducing future benefit payments to retirees. Please see notes 2 and 12 of the basic financial statements for more information regarding GASB 68 and Ohio's pension systems.

## ***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.

All funds, other than agency funds are legally required to be budgeted and appropriated. 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. 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.

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 Auditor's 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, 2016. 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, 2016. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2017, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The District also is a consistent recipient of the Ohio Auditor of State Award with Distinction. 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. The Ohio Auditor of State was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2017. 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance. 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 Rea & Associates, Inc., for assistance in preparing this financial report.

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

Respectfully submitted,



Superintendent



Treasurer

*Orange City School District  
List of Principal Officials  
As of June 30, 2017*

*Board of Education*

Mr. Jeffrey Leikin	President
Ms. Melanie Weltman	Vice-President
Mrs. Jennifer Cohen	Member
Mrs. Dagmar Fellowes	Member
Mrs. Beth Wilson-Fish	Member

*Treasurer/Chief Financial Officer*

Mr. Todd Puster

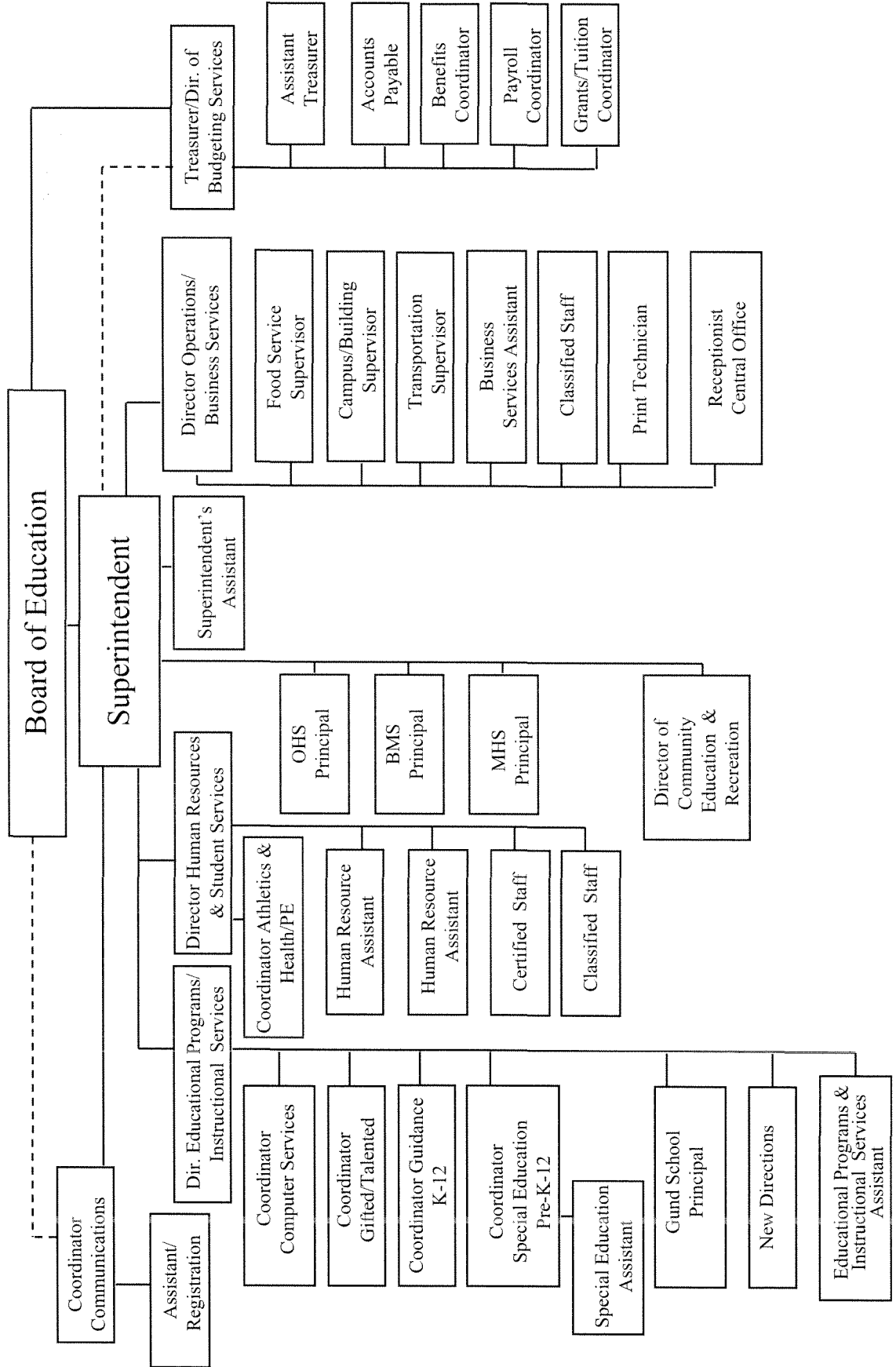
*Administration*

Dr. Edwin Holland	Superintendent
Dr. Paula Snyder <sup>(1)</sup>	Director of Human Resources
Mrs. Karen Moore	Director of 21 <sup>st</sup> Century Curriculum
Dr. Kershini Naidu	Director of Student Support Services
Mr. Stephen Marlow <sup>(2)</sup>	Director of Operations and Business Services
Mr. Erin Fach	Director of Community Education and Recreation
Mrs. Christine Goudy	Coordinator of Special Education
Mr. Lou DeVincentis	Director of Communications
Mrs. Connie Enders	Assistant Treasurer
Mrs. Cindy Alekna	Supervisor of Food Services
Mr. Larry Lerch	Supervisor of Transportation Services
Mrs. Jennette Kane	Supervisor of Technology
Ms. Gina Marie Battaglia	Campus Supervisor

(1) On August 1, 2017, Mrs. Judith Robinson became the Director of Human Resources.

(2) On August 1, 2017, Mr. Charles (Ted) Rosenberry became the Director of Operations and Business Services.

# Orange Schools Administrative Position Chart





Government Finance Officers Association

**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, 2016**

*Christopher P. Morrill*

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Orange City School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE**  
Executive Director

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Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# Orange City School District

Cuyahoga County, Ohio



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

## Financial Section





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the 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 present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2017

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The discussion and analysis of the Orange City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2017 are as follows:

- Net position decreased \$4.0 million during fiscal year 2017.
- Capital assets for the governmental activities increased \$1.5 million during fiscal year 2017 due to the start of multiple capital projects in 2017. Capital assets in the business-type activities increased \$0.2 million during fiscal year 2017 due to the start of construction on a new natatorium.
- During the fiscal year, outstanding debt increased from \$20.4 million to \$21.1 million, mainly as a result of the School District refunding their debt and the issuance of Energy Conservation bonds in fiscal year 2017.

***Using this Comprehensive Annual Financial Report***

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Orange City School District, the general fund, bond retirement fund, permanent improvement fund, and the recreation fund are the most significant funds.

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

*Statement of Net Position and the Statement of Activities*

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all (non-fiduciary) assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

Governmental Activities - Most of the School 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 School District's recreation fund is reported as a business-type activity.

The School District's statement of net position and statement of activities can be found on pages 19-21 of this report.

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

*Fund Financial Statements*

The fund financial statements begin on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund.

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***Governmental Funds*** Most of the School 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***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 School District as a whole. The School District's only proprietary funds are the recreation fund and an internal service fund which was used to account for the School 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 School 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 position and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

***Reporting the School District's Fiduciary Responsibilities***

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School 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 an agency fund. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 30 and 31. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

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**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Because of the discussion below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows of resources related to pensions and the net pension liability and by subtracting deferred outflows of resources related to pension to the reported net position. Table 1 provides a summary of the School District's net position for 2017 compared to 2016:

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and Other Assets	\$ 92,733,058	\$ 87,139,189	\$ 5,410,814	\$ 5,319,066	\$ 98,143,872	\$ 92,458,255
Capital Assets	47,614,751	46,073,640	3,259,394	3,009,827	50,874,145	49,083,467
<i>Total Assets</i>	<u>140,347,809</u>	<u>133,212,829</u>	<u>8,670,208</u>	<u>8,328,893</u>	<u>149,018,017</u>	<u>141,541,722</u>
<b>Deferred Outflows of Resources</b>						
Deferred Charges on Refunding	0	290,565	0	0	0	290,565
Pension	16,209,755	7,660,576	623,583	242,665	16,833,338	7,903,241
<i>Deferred Outflows of Resources</i>	<u>16,209,755</u>	<u>7,951,141</u>	<u>623,583</u>	<u>242,665</u>	<u>16,833,338</u>	<u>8,193,806</u>
<b>Liabilities</b>						
Other Liabilities	6,688,966	6,014,059	234,498	151,733	6,923,464	6,165,792
Long-Term Liabilities:						
Due Within One Year	2,806,608	2,438,620	12,071	15,324	2,818,679	2,453,944
Due in More Than One Year:						
Net Pension Liability	90,056,860	75,583,395	2,901,587	2,339,133	92,958,447	77,922,528
Other Amounts	25,646,514	25,074,696	169,287	145,611	25,815,801	25,220,307
<i>Total Liabilities</i>	<u>125,198,948</u>	<u>109,110,770</u>	<u>3,317,443</u>	<u>2,651,801</u>	<u>128,516,391</u>	<u>111,762,571</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	36,802,483	29,992,967	698,186	556,977	37,500,669	30,549,944
Pension	1,794,947	5,335,044	73,128	138,892	1,868,075	5,473,936
<i>Deferred Inflows of Resources</i>	<u>38,597,430</u>	<u>35,328,011</u>	<u>771,314</u>	<u>695,869</u>	<u>39,368,744</u>	<u>36,023,880</u>
<b>Net Position</b>						
Net Investment in Capital Assets	25,808,673	26,693,356	3,187,220	3,009,827	28,995,893	29,703,183
Restricted	13,113,976	11,101,270	0	0	13,113,976	11,101,270
Unrestricted	(46,161,463)	(41,069,437)	2,017,814	2,214,061	(44,143,649)	(38,855,376)
<i>Total Net Position</i>	<u>\$ (7,238,814)</u>	<u>\$ (3,274,811)</u>	<u>\$ 5,205,034</u>	<u>\$ 5,223,888</u>	<u>\$ (2,033,780)</u>	<u>\$ 1,949,077</u>

During a prior fiscal year, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows of resources.

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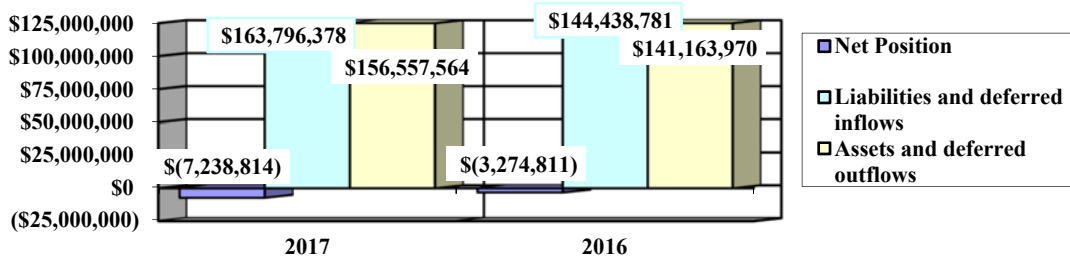
At year end, capital assets of the School District represented 34 percent of total assets. Capital assets include land, construction in progress, buildings, land improvements, equipment and vehicles. Net investment in capital assets was \$29 million at June 30, 2017. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$13.1 million, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$44.1 million, which is mainly caused by GASB 68.

In the governmental activities, deferred outflows of resources for pension and net pension liability increased \$8.5 million and \$14.5 million, respectively while deferred inflows of resources for pension decreased \$3.5 million due to changes in the pension plans from the prior year. A decrease in taxes available for advance at year end, which are recorded as revenue, contributed to the \$6.8 million increase in deferred inflows of resources for property taxes.

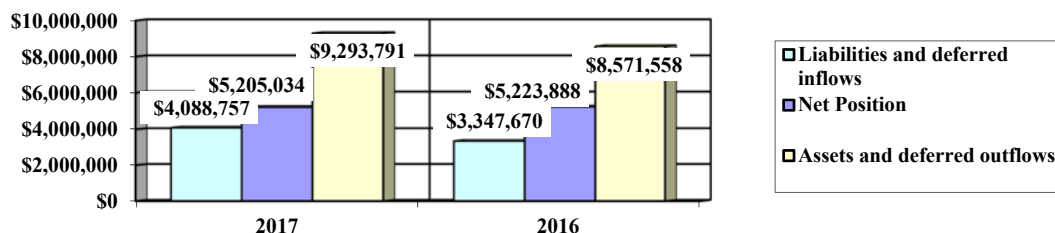
The increase in cash and investment with escrow agent reflects the payments and increase in market value of the sinking fund for the Qualified School Construction Bond. Accounts payable increased \$0.3 million over fiscal year 2016, partially due to the timing of payments made by the School District. The School District had a large number of employees retire during the year accounting for the \$0.3 million increase in matured compensated absences.

**Governmental - Net Position**



Intergovernmental receivables decreased \$0.7 from 2016, as a result of the closing of the Gund School partially offset by an increase in outstanding grants.

**Business-Type - Net Position**



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In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2017 and 2016.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 4,357,143	\$ 5,122,947	\$ 2,145,492	\$ 1,993,171	\$ 6,502,635	\$ 7,116,118
Operating Grants	2,653,646	1,983,948	101,686	111,527	2,755,332	2,095,475
Capital Grants	100,120	420,213	0	0	100,120	420,213
<b>Total Program Revenues</b>	<b>7,110,909</b>	<b>7,527,108</b>	<b>2,247,178</b>	<b>2,104,698</b>	<b>9,358,087</b>	<b>9,631,806</b>
<i>General Revenues:</i>						
Property Taxes	39,198,352	46,045,657	744,714	905,455	39,943,066	46,951,112
Grants and Entitlements Not Restricted	7,795,687	7,690,101	0	0	7,795,687	7,690,101
Other	604,331	353,377	142,888	55,888	747,219	409,265
<b>Total General Revenues</b>	<b>47,598,370</b>	<b>54,089,135</b>	<b>887,602</b>	<b>961,343</b>	<b>48,485,972</b>	<b>55,050,478</b>
<b>Total Revenues</b>	<b>54,709,279</b>	<b>61,616,243</b>	<b>3,134,780</b>	<b>3,066,041</b>	<b>57,844,059</b>	<b>64,682,284</b>
<b>Program Expenses</b>						
<i>Instruction:</i>						
Regular	21,425,874	19,720,913	0	0	21,425,874	19,720,913
Special	6,264,668	9,733,035	0	0	6,264,668	9,733,035
Vocational	534,567	502,362	0	0	534,567	502,362
Student Intervention Services	2,424,644	0	0	0	2,424,644	0
Other	1,169,197	47,040	0	0	1,169,197	47,040
<i>Support Services:</i>						
Pupils	3,635,896	3,300,850	0	0	3,635,896	3,300,850
Instructional Staff	1,841,194	1,547,022	0	0	1,841,194	1,547,022
Board of Education	87,250	90,284	0	0	87,250	90,284
Administration	3,970,852	3,698,123	0	0	3,970,852	3,698,123
Fiscal	1,647,527	1,336,285	0	0	1,647,527	1,336,285
Business	583,436	536,906	0	0	583,436	536,906
Operation and Maintenance of Plant	5,628,873	5,206,403	0	0	5,628,873	5,206,403
Pupil Transportation	3,855,852	3,603,081	0	0	3,855,852	3,603,081
Central	1,298,934	912,408	0	0	1,298,934	912,408
<i>Operation of Non-Instructional Services:</i>						
Food Service Operations	672,600	654,314	0	0	672,600	654,314
Community Services	678,637	593,244	0	0	678,637	593,244
Extracurricular Activities	1,810,145	1,852,014	0	0	1,810,145	1,852,014
<i>Debt Service:</i>						
Interest and Fiscal Charges	1,109,603	978,827	0	0	1,109,603	978,827
Recreation	0	0	3,187,167	2,866,308	3,187,167	2,866,308
<b>Total Expenses</b>	<b>58,639,749</b>	<b>54,313,111</b>	<b>3,187,167</b>	<b>2,866,308</b>	<b>61,826,916</b>	<b>57,179,419</b>
<i>Excess of Revenues Over (Under)</i>						
<i>Expenses Before Transfers</i>	(3,930,470)	7,303,132	(52,387)	199,733	(3,982,857)	7,502,865
Transfers	(33,533)	600,000	33,533	(600,000)	0	0
<b>Increase (Decrease) in Net Position</b>	<b>(3,964,003)</b>	<b>7,903,132</b>	<b>(18,854)</b>	<b>(400,267)</b>	<b>(3,982,857)</b>	<b>7,502,865</b>
<i>Net Position at Beginning of Year</i>	<b>(3,274,811)</b>	<b>(11,177,943)</b>	<b>5,223,888</b>	<b>5,624,155</b>	<b>1,949,077</b>	<b>(5,553,788)</b>
<b>Net Position at End of Year</b>	<b>\$ (7,238,814)</b>	<b>\$ (3,274,811)</b>	<b>\$ 5,205,034</b>	<b>\$ 5,223,888</b>	<b>\$ (2,033,780)</b>	<b>\$ 1,949,077</b>

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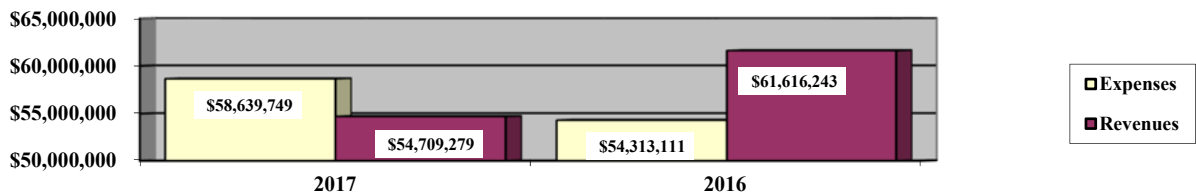
Property tax revenue decreased in 2017 by \$6.8 million within governmental activities as a result of significantly less property taxes available for advance due to timing of bills due. Expenses increased \$4.3 million in fiscal year 2017. The majority of this increase was caused by pension expense from changes in the components of the net pension liability along with increases in salaries and wages and the current year depreciation. The increase in student intervention services is caused by reclassification of expenses to more accurately reflect their purpose.

The program revenue, charges for services, decreased as a result of the Gund School closing at the end of fiscal year 2016. Operating grants increased over 2016 due to an increase in state and federal grants.

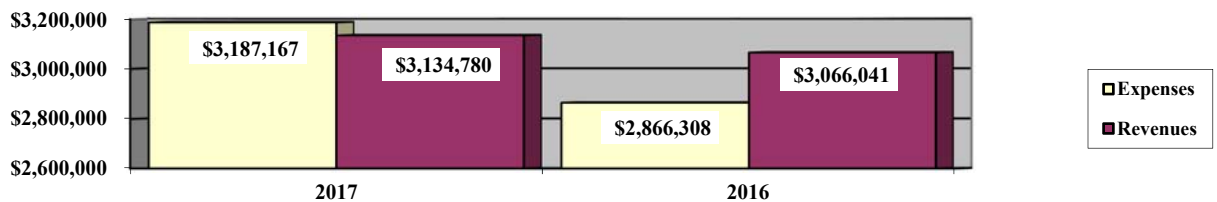
Expenses in the business-type activities increased \$0.3 million based on normal operations.

The graphs below present the School District's governmental and business-type activities revenues and expenses for fiscal year 2017 and 2016.

**Governmental Activities - Revenues and Expenses**



**Business-Type Activities - Revenues and Expenses**





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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Governmental Activities**

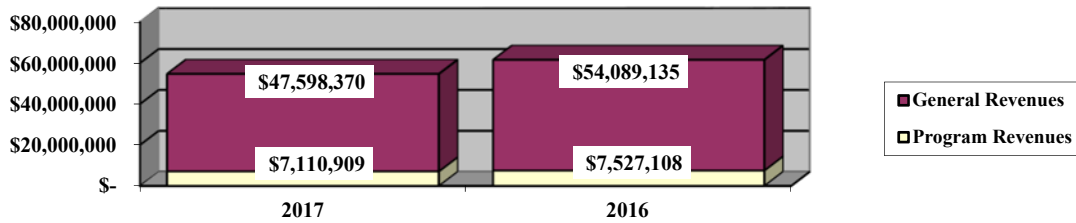
	Total Cost of Service		Net Cost of Service	
	2017	2016	2017	2016
Instruction:				
Regular	\$ 21,425,874	\$ 19,720,913	\$ 17,394,277	\$ 18,687,251
Special	6,264,668	9,733,035	5,083,150	5,810,170
Vocational	534,567	502,362	531,221	388,761
Student Intervention Services	2,424,644	0	2,424,644	0
Other	1,169,197	47,040	1,169,197	47,040
Support Services:				
Pupils	3,635,896	3,300,850	3,522,110	3,060,266
Instructional Staff	1,841,194	1,547,022	1,841,194	1,539,741
Board of Education	87,250	90,284	87,250	90,284
Administration	3,970,852	3,698,123	3,951,697	3,682,332
Fiscal	1,647,527	1,336,285	1,547,407	1,336,285
Business	583,436	536,906	583,436	536,906
Operation and Maintenance of Plant	5,628,873	5,206,403	5,628,873	4,786,075
Pupil Transportation	3,855,852	3,603,081	3,746,185	3,468,416
Central	1,298,934	912,408	1,293,534	907,008
Operation of Non-Instructional Services:				
Food Service Operations	672,600	654,314	12,241	(23,151)
Community Services	678,637	593,244	27,813	3,462
Extracurricular Activities	1,810,145	1,852,014	1,575,008	1,603,784
Debt Service:				
Interest and Fiscal Charges	1,109,603	978,827	1,109,603	861,373
<i>Total Expenses</i>	\$ 58,639,749	\$ 54,313,111	\$ 51,528,840	\$ 46,786,003

The dependence upon general revenues for governmental activities is apparent. Approximately 88 percent of governmental activities are supported through taxes and other general revenues; such revenues are 87 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

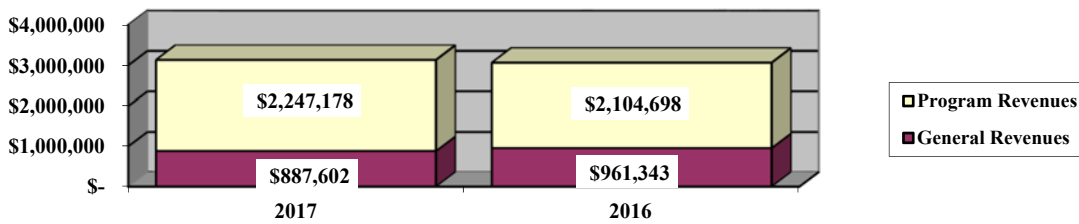
**Orange City School District**  
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The graphs below present the School District's governmental and business-type activities revenues for fiscal years 2017 and 2016.

**Governmental Activities - General and Program Revenues**



**Business-Type Activities - General and Program Revenues**



***Business-Type Activities***

Business-type activities include the recreation operation. During fiscal year 2017, the School District's business-type activities received \$0.7 million in support from tax revenues. The School District passed a new replacement recreation levy in November 2015. The recreation fund had an operating loss of \$1.0 million (prior to non-operating revenues, such as interest revenue, grants and taxes) and a decrease in net position of \$18,854. As can be seen, the recreation fund is dependent upon the tax levy to sustain operations. Total net position of the recreation fund at June 30, 2017, was \$5.2 million.

***Governmental Funds***

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balances for the fiscal year was a decrease of \$1.2 million for all governmental funds.

The general fund's net change in fund balance for fiscal year 2017 was a decrease of \$0.7 million over fiscal year 2016. This was primarily caused by a reduction in property tax revenue due to timing of bills while expenditures remained relatively constant when compared to the prior year.

The bond retirement fund showed an increase in fund balance of \$0.1 million over fiscal year 2016. This was primarily due to the payment of debt service in relation to when resources become available and the net impact of a debt refunding.

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The permanent improvement fund's fund balance decreased \$0.8 million from fiscal year 2016. This decrease is primarily due to expenditures for improvement projects as compared to the timing of the collection of property taxes.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2017, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue in fiscal year 2017 was \$3.5 million less than actual revenues of \$49.9 million with revenues being estimated lower.

Final expenditure appropriations of \$49.3 million were \$0.7 million higher than the actual expenditures due to the School District focusing on cutting costs. Final appropriations exceeded original appropriations by \$0.2 million.

***Capital Assets and Debt Administration***

**Capital Assets**

At the end of fiscal year 2017, the School District had \$50.9 million invested in capital assets, \$47.6 million in governmental activities and \$3.3 million in business-type activities. Table 4 shows fiscal year 2017 balances compared with 2016.

**Table 4**  
**Capital Assets at June 30**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 6,315,782	\$ 6,315,782	\$ 0	\$ 0	\$ 6,315,782	\$ 6,315,782
Construction in Progress	2,944,444	0	322,313	0	3,266,757	0
Land Improvements	3,462,975	3,669,484	16,517	19,330	3,479,492	3,688,814
Buildings	32,288,278	33,663,785	2,891,956	2,984,180	35,180,234	36,647,965
Equipment	1,107,522	1,068,447	28,608	6,317	1,136,130	1,074,764
Vehicles	1,495,750	1,356,142	0	0	1,495,750	1,356,142
<b>Totals</b>	<b>\$ 47,614,751</b>	<b>\$ 46,073,640</b>	<b>\$ 3,259,394</b>	<b>\$ 3,009,827</b>	<b>\$ 50,874,145</b>	<b>\$ 49,083,467</b>

The \$1.5 million increase in capital assets of governmental activities was attributable to acquisitions exceeding current depreciation. A significant portion of the construction in progress is attributable to energy conservation improvements.

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Business-type activities capital assets increased \$0.2 million. This is due to current year acquisitions exceeding depreciation.

See Note 9 for more information about the capital assets of the School District.

**Debt**

At June 30, 2017, the School District had \$21.1 million in debt outstanding. Table 5 summarizes bonds outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2017	2016
2004 Capital Improvement Bonds	\$ 0	\$ 2,855,000
Unamortized Bond Premiums	0	86,591
2007 Refunding Bonds	0	12,855,000
Unamortized Bond Premiums	0	371,787
Capital Appreciation Bonds (CAB)	0	666,560
Accretion on CAB	0	854,428
2010 Qualified School Construction Bonds	2,670,000	2,670,000
2017 Serial Tax Exempt Bonds Refunding	14,505,000	0
Unamortized Bond Premium	1,500,302	0
2017 Energy Conservation Bonds	2,442,977	0
Unamortized Bond Premium	10,003	0
<i>Total</i>	\$ 21,128,282	\$ 20,359,366

In fiscal year 2017, the School District made principal payments of \$1.0 million in general obligation and capital appreciation bonds. In addition, the School District issued \$2.4 million of energy conservation bonds along with \$14.5 million in refunding general obligation bonds. See Note 14 for additional information on the School District's outstanding debt.

***Current Financial Related Activities***

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

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The School 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, affirmed for the School District on March 21, 2017, 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 School District to secure better interest rates on all credits as evidenced by a refinancing of outstanding general obligation debt that closed in April 2017. The Board of Education and administration closely monitor the School District's revenues and expenditures in accordance with its financial forecast.

Overall, the School District continues to academically perform at a high level as determined by the State of Ohio. On the most recent State report card, the District performed in the top six percent of all Ohio school districts. The report card shows the School District's students achieving a score "B" and met 20 out of 24 state indicators. The School District also earned a score of "A" in Overall Value Added (Student Growth) and in Graduation Rate. The School District's Performance Index of 102.3 was scored very high and the Orange High School scored a 96.9 on the Performance Index.

As the preceding information shows, the School District heavily depends on its property taxpayers. Our communities' support was recently measured by six most outstanding accomplishments. In the fall of 1998 the community passed a \$36.5 million bond issue, which is the only outstanding voted general obligation debt of the school district. Tax levies approved since then include the following: in November 2000, citizens approved a 9.5-mill operating levy, in November of 2003 they passed a 1-mill permanent improvement levy, in November of 2004 they passed a 5-mill operating levy and in November of 2011, voters approved the passage of a 5-mill operating levy. In November 2015, they renewed a 0.95-mill levy for the School District's recreation operations. The support of these 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 School 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 School District's five-year financial plan. State law impedes the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth forces the School 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. The School 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, effective in Fiscal Year 2018, the School

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District will no longer receive any reimbursing revenue from the State associated with the elimination of the tangible personal property taxes on business equipment and inventory.

As a result of the foregoing, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the School 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.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Todd Puster, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974, or e-mail at [tpuster@orangecsd.org](mailto:tpuster@orangecsd.org).

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Net Position*  
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 44,833,896	\$ 4,545,038	\$ 49,378,934
Cash and Investments with Escrow Agent	1,880,546	0	1,880,546
Materials and Supplies Inventory	112,417	0	112,417
Receivables:			
Accrued Interest	60,439	4,406	64,845
Intergovernmental	698,970	0	698,970
Property Taxes	45,146,790	861,370	46,008,160
Nondepreciable Capital Assets	9,260,226	322,313	9,582,539
Depreciable Capital Assets (Net)	38,354,525	2,937,081	41,291,606
<i>Total Assets</i>	<u>140,347,809</u>	<u>8,670,208</u>	<u>149,018,017</u>
<b>Deferred Outflows of Resources</b>			
Pension	16,209,755	623,583	16,833,338
<b>Liabilities</b>			
Accounts Payable	337,504	49,459	386,963
Accrued Wages and Benefits	4,570,839	91,081	4,661,920
Contracts Payable	459,147	58,581	517,728
Intergovernmental Payable	756,712	21,784	778,496
Retainage Payable	92,394	13,593	105,987
Matured Compensated Absences Payable	273,782	0	273,782
Accrued Interest Payable	78,194	0	78,194
Claims Payable	120,394	0	120,394
Long Term Liabilities:			
Due Within One Year	2,806,608	12,071	2,818,679
Due In More Than One Year:			
Net Pension Liability (See Note 12)	90,056,860	2,901,587	92,958,447
Other Amounts Due in More Than One Year	25,646,514	169,287	25,815,801
<i>Total Liabilities</i>	<u>125,198,948</u>	<u>3,317,443</u>	<u>128,516,391</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Fiscal Year	36,802,483	698,186	37,500,669
Pension	1,794,947	73,128	1,868,075
<i>Total Deferred Inflows of Resources</i>	<u>38,597,430</u>	<u>771,314</u>	<u>39,368,744</u>
<b>Net Position</b>			
Net Investment in Capital Assets	25,808,673	3,187,220	28,995,893
Restricted For:			
Capital Outlay	7,858,778	0	7,858,778
Debt Service	4,504,651	0	4,504,651
Locally Funded Programs	49,400	0	49,400
Federally Funded Programs	129,608	0	129,608
Student Activities	80,919	0	80,919
Food Service	350,176	0	350,176
Other Purposes	140,444	0	140,444
Unrestricted	(46,161,463)	2,017,814	(44,143,649)
<i>Total Net Position</i>	<u>\$ (7,238,814)</u>	<u>\$ 5,205,034</u>	<u>\$ (2,033,780)</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, 2017

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 21,425,874	\$ 3,148,233	\$ 883,364	\$ 0
Special	6,264,668	374,851	806,667	0
Vocational	534,567	0	3,346	0
Student Intervention Services	2,424,644	0	0	0
Other	1,169,197	0	0	0
Support Services:				
Pupils	3,635,896	108,184	5,602	0
Instructional Staff	1,841,194	0	0	0
Board of Education	87,250	0	0	0
Administration	3,970,852	0	19,155	0
Fiscal	1,647,527	0	0	100,120
Business	583,436	0	0	0
Operation and Maintenance of Plant	5,628,873	0	0	0
Pupil Transportation	3,855,852	0	109,667	0
Central	1,298,934	0	5,400	0
Operation of Non-Instructional Services:				
Food Service Operations	672,600	520,731	139,628	0
Community Services	678,637	0	650,824	0
Extracurricular Activities	1,810,145	205,144	29,993	0
Debt Service:				
Interest and Fiscal Charges	1,109,603	0	0	0
<i>Total Governmental Activities</i>	<u>58,639,749</u>	<u>4,357,143</u>	<u>2,653,646</u>	<u>100,120</u>
<b>Business-Type Activities</b>				
Recreation	3,187,167	2,145,492	101,686	0
<i>Total Business-Type Activities</i>	<u>3,187,167</u>	<u>2,145,492</u>	<u>101,686</u>	<u>0</u>
<i>Totals</i>	<u>\$ 61,826,916</u>	<u>\$ 6,502,635</u>	<u>\$ 2,755,332</u>	<u>\$ 0</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Recreation

Grants and Entitlements Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

*Net Position Beginning of Year*

*Net Position End of Year*

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (17,394,277)	\$ 0	\$ (17,394,277)
(5,083,150)	0	(5,083,150)
(531,221)	0	(531,221)
(2,424,644)	0	(2,424,644)
(1,169,197)	0	(1,169,197)
(3,522,110)	0	(3,522,110)
(1,841,194)	0	(1,841,194)
(87,250)	0	(87,250)
(3,951,697)	0	(3,951,697)
(1,547,407)	0	(1,547,407)
(583,436)	0	(583,436)
(5,628,873)	0	(5,628,873)
(3,746,185)	0	(3,746,185)
(1,293,534)	0	(1,293,534)
(12,241)	0	(12,241)
(27,813)	0	(27,813)
(1,575,008)	0	(1,575,008)
(1,109,603)	0	(1,109,603)
(51,528,840)	0	(51,528,840)
0	(939,989)	(939,989)
0	(939,989)	(939,989)
(51,528,840)	(939,989)	(52,468,829)
36,367,697	0	36,367,697
2,091,374	0	2,091,374
739,281	0	739,281
0	744,714	744,714
7,795,687	0	7,795,687
247,922	25,961	273,883
356,409	116,927	473,336
47,598,370	887,602	48,485,972
(33,533)	33,533	0
47,564,837	921,135	48,485,972
(3,964,003)	(18,854)	(3,982,857)
(3,274,811)	5,223,888	1,949,077
\$ (7,238,814)	\$ 5,205,034	\$ (2,033,780)

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2017*

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 33,047,623	\$ 2,604,225	\$ 7,218,942	\$ 1,055,424	\$ 43,926,214
Cash and Investments with Escrow Agent	0	1,504,437	376,109	0	1,880,546
Materials and Supplies Inventory	112,417	0	0	0	112,417
Receivables:					
Accrued Interest	46,003	6,509	6,385	715	59,612
Interfund	208,663	0	0	0	208,663
Intergovernmental	161,628	0	0	537,342	698,970
Property Taxes	41,871,127	2,417,700	857,963	0	45,146,790
<i>Total Assets</i>	<u>\$ 75,447,461</u>	<u>\$ 6,532,871</u>	<u>\$ 8,459,399</u>	<u>\$ 1,593,481</u>	<u>\$ 92,033,212</u>
<b>Liabilities</b>					
Accounts Payable	\$ 193,779	\$ 0	\$ 82,859	\$ 60,866	\$ 337,504
Accrued Wages and Benefits	4,447,575	0	0	123,264	4,570,839
Contracts Payable	0	0	361,987	97,160	459,147
Intergovernmental Payable	739,190	0	0	17,522	756,712
Retainage Payable	0	0	3,923	88,471	92,394
Matured Compensated Absences Payable	273,782	0	0	0	273,782
Interfund Payable	0	0	0	208,663	208,663
<i>Total Liabilities</i>	<u>5,654,326</u>	<u>0</u>	<u>448,769</u>	<u>595,946</u>	<u>6,699,041</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Fiscal Year	34,149,546	1,956,046	696,891	0	36,802,483
Delinquent Property Taxes	1,684,061	97,323	34,510	0	1,815,894
Other	161,628	0	0	201,939	363,567
<i>Total Deferred Inflows of Resources</i>	<u>35,995,235</u>	<u>2,053,369</u>	<u>731,401</u>	<u>201,939</u>	<u>38,981,944</u>
<b>Fund Balances</b>					
Nonspendable	146,910	0	0	0	146,910
Restricted	0	4,479,502	7,279,229	789,725	12,548,456
Committed	1,078,635	0	0	30,760	1,109,395
Assigned	4,087,736	0	0	0	4,087,736
Unassigned	28,484,619	0	0	(24,889)	28,459,730
<i>Total Fund Balances</i>	<u>33,797,900</u>	<u>4,479,502</u>	<u>7,279,229</u>	<u>795,596</u>	<u>46,352,227</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 75,447,461</u>	<u>\$ 6,532,871</u>	<u>\$ 8,459,399</u>	<u>\$ 1,593,481</u>	<u>\$ 92,033,212</u>

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2017*

<b>Total Governmental Fund Balances</b>		\$ 46,352,227
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,614,751
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 1,815,894	
Intergovernmental	<u>363,567</u>	2,179,461
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		788,115
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(78,194)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	16,209,755	
Deferred Inflows - Pension	(1,794,947)	
Net Pension Liability	<u>(90,056,860)</u>	(75,642,052)
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	(17,175,000)	
Bond Premiums	(1,510,305)	
Energy Conservation Bonds	(2,442,977)	
Capital Leases	(291,724)	
Compensated Absences	<u>(7,033,116)</u>	<u>(28,453,122)</u>
Total		
<i>Net Position of Governmental Activities</i>		<u><u>\$ (7,238,814)</u></u>

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, 2017

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and Other Local Taxes	\$ 36,247,066	\$ 2,083,410	\$ 736,539	\$ 0	\$ 39,067,015
Intergovernmental	7,602,648	421,598	100,120	2,240,891	10,365,257
Investment Earnings	174,816	0	63,171	4,986	242,973
Tuition and Fees	4,456,253	0	0	0	4,456,253
Extracurricular Activities	104,247	0	0	205,145	309,392
Charges for Services	49,238	0	0	520,730	569,968
Contributions and Donations	10,627	0	0	29,993	40,620
Miscellaneous	340,983	0	0	10,401	351,384
<i>Total Revenues</i>	<u>48,985,878</u>	<u>2,505,008</u>	<u>899,830</u>	<u>3,012,146</u>	<u>55,402,862</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	19,209,524	0	0	465,784	19,675,308
Special	5,467,547	0	0	469,510	5,937,057
Vocational	499,333	0	0	2,980	502,313
Student Intervention Services	2,408,530	0	0	0	2,408,530
Other	752,604	0	0	0	752,604
Support Services:					
Pupils	3,206,109	0	0	152,820	3,358,929
Instructional Staff	1,618,621	0	0	116,198	1,734,819
Board of Education	85,307	0	0	0	85,307
Administration	3,627,337	0	0	15,691	3,643,028
Fiscal	1,387,939	36,309	12,857	0	1,437,105
Business	539,768	0	0	0	539,768
Operation and Maintenance of Plant	4,472,373	0	0	0	4,472,373
Pupil Transportation	3,758,536	0	0	0	3,758,536
Central	1,062,791	0	0	164,113	1,226,904
Extracurricular Activities	1,295,014	0	0	375,807	1,670,821
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	596,651	596,651
Community Services	16,200	0	0	635,478	651,678
Capital Outlay	0	0	1,711,972	2,297,152	4,009,124
Debt Service:					
Principal Retirement	122,480	876,560	0	0	999,040
Interest and Fiscal Charges	11,296	1,695,409	0	83,591	1,790,296
<i>Total Expenditures</i>	<u>49,541,309</u>	<u>2,608,278</u>	<u>1,724,829</u>	<u>5,375,775</u>	<u>59,250,191</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(555,431)</u>	<u>(103,270)</u>	<u>(824,999)</u>	<u>(2,363,629)</u>	<u>(3,847,329)</u>
<b>Other Financing Sources (Uses):</b>					
Refunding Bonds Issued	0	14,505,000	0	0	14,505,000
Energy Conservation Bonds Issued	0	0	0	2,442,977	2,442,977
Premium on Refunding Bonds Issued	0	1,500,302	0	0	1,500,302
Premium on Bonds	0	0	0	10,003	10,003
Payment to Refunded Bond Escrow Agent	0	(15,830,067)	0	0	(15,830,067)
Transfers In	0	0	31,918	110,000	141,918
Transfers Out	(141,918)	0	0	0	(141,918)
<i>Total Other Financing Sources (Uses)</i>	<u>(141,918)</u>	<u>175,235</u>	<u>31,918</u>	<u>2,562,980</u>	<u>2,628,215</u>
<i>Net Change in Fund Balance</i>	(697,349)	71,965	(793,081)	199,351	(1,219,114)
<i>Fund Balances Beginning of Year</i>	<u>34,495,249</u>	<u>4,407,537</u>	<u>8,072,310</u>	<u>596,245</u>	<u>47,571,341</u>
<i>Fund Balances End of Year</i>	<u>\$ 33,797,900</u>	<u>\$ 4,479,502</u>	<u>\$ 7,279,229</u>	<u>\$ 795,596</u>	<u>\$ 46,352,227</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, 2017*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(1,219,114)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital Asset Additions	\$ 4,271,326	
Current Year Depreciation	<u>(2,730,215)</u>	1,541,111
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	131,337	
Charges for Services	(978,470)	
Intergovernmental	<u>126,294</u>	(720,839)
Repayment of principal and accreted interest on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	210,000	
Capital Appreciation Bonds	666,560	
Accretion on Matured Capital Appreciation Bonds (net)	854,428	
Capital Lease	<u>122,480</u>	1,853,468
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term assets and liabilities.		
Payments to Refunded Bond Escrow Agent	15,830,067	
Proceeds of Refunding Bonds	(14,505,000)	
Premium on Refunding Bonds	(1,500,302)	
Accounting Gain/Loss on Refundings	<u>(221,579) *</u>	(396,814)
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Energy Conservation Bonds	(2,442,977)	
Premium on Energy Conservation Bonds	<u>(10,003)</u>	(2,452,980)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		4,267,351
Except for amount reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(6,651,540)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(11,480)	
Amortization of Premium on Bonds	<u>59,324</u>	47,844
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		60,879
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(293,369)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(3,964,003)</u>

\* The debt refunding in fiscal year 2017 resulted in a new accounting loss of \$68,986. This amount is immaterial and was therefore recognized in fiscal year 2017 rather than being amortized.

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 (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>Revenues</b>				
Property and Other Local Taxes	\$ 38,504,217	\$ 38,306,006	\$ 41,083,819	\$ 2,777,813
Intergovernmental	7,547,126	7,510,673	7,555,686	45,013
Investment Income	187,103	185,436	345,694	160,258
Tuition and Fees	368,407	365,679	565,414	199,735
Rentals	1,000	1,000	0	(1,000)
Charges for Services	8,163	7,926	49,238	41,312
Contributions and Donations	813	788	5,025	4,237
Miscellaneous	34,609	32,987	336,154	303,167
<i>Total Revenues</i>	<u>46,651,438</u>	<u>46,410,495</u>	<u>49,941,030</u>	<u>3,530,535</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	18,907,506	18,876,253	18,503,819	372,434
Special	7,390,101	7,389,262	5,800,694	1,588,568
Vocational	423,844	493,248	504,928	(11,680)
Student Intervention Services	0	0	2,408,191	(2,408,191)
Support Services:				
Pupils	3,204,803	3,205,711	3,122,597	83,114
Instructional Staff	1,566,760	1,550,071	1,554,036	(3,965)
Board of Education	91,644	92,222	85,641	6,581
Administration	3,599,253	3,759,984	3,718,957	41,027
Fiscal	1,343,942	1,343,942	1,391,856	(47,914)
Business	606,511	603,159	561,704	41,455
Operation and Maintenance of Plant	5,488,731	5,481,513	4,667,917	813,596
Pupil Transportation	4,055,173	4,055,173	3,895,841	159,332
Central	955,573	951,385	896,823	54,562
Extracurricular Activities	1,360,140	1,360,140	1,336,622	23,518
Debt Service:				
Principal Retirement	122,480	122,480	122,480	0
Interest and Fiscal Charges	11,296	11,296	11,296	0
<i>Total Expenditures</i>	<u>49,127,757</u>	<u>49,295,839</u>	<u>48,583,402</u>	<u>712,437</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,476,319)</u>	<u>(2,885,344)</u>	<u>1,357,628</u>	<u>4,242,972</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	18,000	18,000	27,076	9,076
Transfers Out	(510,000)	(541,918)	(541,918)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(492,000)</u>	<u>(523,918)</u>	<u>(514,842)</u>	<u>9,076</u>
<i>Net Change in Fund Balance</i>	(2,968,319)	(3,409,262)	842,786	4,252,048
<i>Fund Balance Beginning of Year</i>	26,473,174	26,473,174	26,473,174	0
Prior Year Encumbrances Appropriated	1,287,760	1,287,760	1,287,760	0
<i>Fund Balance End of Year</i>	<u>\$ 24,792,615</u>	<u>\$ 24,351,672</u>	<u>\$ 28,603,720</u>	<u>\$ 4,252,048</u>

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*June 30, 2017*

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
<b>Assets</b>		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 4,545,038	\$ 907,682
Accrued Interest Receivable	4,406	827
Property Taxes Receivable	861,370	0
<i>Total Current Assets</i>	<u>5,410,814</u>	<u>908,509</u>
<i>Non-Current Assets:</i>		
Nondepreciable Capital Assets	322,313	0
Depreciable Capital Assets (Net)	2,937,081	0
<i>Total Non-Current Assets</i>	<u>3,259,394</u>	<u>0</u>
<i>Total Assets</i>	<u>8,670,208</u>	<u>908,509</u>
<b>Deferred Outflows of Resources</b>		
Pension	623,583	0
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts Payable	49,459	0
Accrued Wages and Benefits	91,081	0
Contracts Payable	58,581	0
Intergovernmental Payable	21,784	0
Retainage Payable	13,593	0
Claims Payable	0	120,394
Compensated Absences Payable	12,071	0
<i>Total Current Liabilities</i>	<u>246,569</u>	<u>120,394</u>
<i>Long-Term Liabilities</i>		
Compensated Absences Payable - net of Current Portion	169,287	0
Net Pension Liability	2,901,587	0
<i>Total Liabilities</i>	<u>3,317,443</u>	<u>120,394</u>
<b>Deferred Inflows of Resources</b>		
Property Taxes Levied for the Next Fiscal Year	698,186	0
Pension	73,128	0
<i>Total Deferred Inflows of Resources</i>	<u>771,314</u>	<u>0</u>
<b>Net Position</b>		
Net Investment in Capital Assets	3,187,220	0
Unrestricted	2,017,814	788,115
<i>Total Net Position</i>	<u>\$ 5,205,034</u>	<u>\$ 788,115</u>

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenses, and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
<b>Operating Revenue</b>		
Tuition and Fees	\$ 2,142,966	\$ 0
Sales/Charges for Services	2,526	286,635
Other	116,927	0
<i>Total Operating Revenues</i>	<u>2,262,419</u>	<u>286,635</u>
<b>Operating Expenses</b>		
Salaries and Wages	1,372,718	0
Fringe Benefits	752,741	0
Purchased Services	695,645	66,731
Materials and supplies	132,891	0
Depreciation	172,692	0
Claims	0	163,974
Other	60,480	0
<i>Total Operating Expenses</i>	<u>3,187,167</u>	<u>230,705</u>
<i>Operating Income (Loss)</i>	<u>(924,748)</u>	<u>55,930</u>
<b>Non-Operating Revenues (Expenses)</b>		
Intergovernmental	101,686	0
Investment Earnings	25,961	4,949
Property Taxes	744,714	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>872,361</u>	<u>4,949</u>
<i>Income (Loss) Before Capital Contributions</i>	<u>(52,387)</u>	<u>60,879</u>
Capital Contributions	<u>33,533</u>	<u>0</u>
<i>Change in Net Position</i>	<u>(18,854)</u>	<u>60,879</u>
<i>Net Position Beginning of Year</i>	<u>5,223,888</u>	<u>727,236</u>
<i>Net Position End of Year</i>	<u>\$ 5,205,034</u>	<u>\$ 788,115</u>

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, 2017

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
<b><i>Increase (Decrease) in Cash and Investments</i></b>		
<b>Cash Flows From Operating Activities</b>		
Cash Received from Customers	\$ 2,145,492	\$ 0
Cash Received from Interfund Services Provided	0	286,635
Other Cash Receipts	116,927	0
Cash Paid for Personal Services	(2,026,627)	0
Cash Paid for Contractual Services	(647,298)	(66,731)
Cash Paid for Materials and Supplies	(133,284)	0
Cash Paid for Claims	0	(139,528)
Other Cash Payments	(60,480)	0
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(605,270)</u>	<u>80,376</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Property Taxes	844,867	0
Grants and Subsidies	101,686	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>946,553</u>	<u>0</u>
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	26,759	5,074
<b>Cash Flows From Capital and Related Activities:</b>		
Payment for Capital Acquisitions	(316,552)	0
<i>Net Increase (Decrease) in Cash and Investments</i>	51,490	85,450
<i>Cash and Investments Beginning of Year</i>	<u>4,493,548</u>	<u>822,232</u>
<i>Cash and Investments End of Year</i>	<u>\$ 4,545,038</u>	<u>\$ 907,682</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities</b>		
Operating Income (Loss)	\$ (924,748)	\$ 55,930
Adjustments:		
Depreciation	172,692	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Deferred Outflows of Resources - Pension	(380,918)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable	47,954	0
Accrued Wages and Benefits	(33,399)	0
Intergovernmental Payable	(3,964)	0
Claims Payable	0	24,446
Compensated Absences Payable	20,423	0
Deferred Inflows of Resources - Pension	(65,764)	0
Net Pension Liability	562,454	0
<i>Total Adjustments</i>	<u>319,478</u>	<u>24,446</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (605,270)</u>	<u>\$ 80,376</u>

The District had \$58,581 of payables capitalized in the Recreation Fund.  
The Recreation Fund received capital contributions from governmental activities in the amount of \$33,533.  
The District had \$13,593 of retainage payable capitalized in the Recreation Fund.

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2017*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 64,782	\$ 101,760
Cash and Investments in Segregated Accounts	<u>0</u>	<u>13,903,233</u>
<i>Total Assets</i>	<u>64,782</u>	<u>\$ 14,004,993</u>
<b>Liabilities</b>		
Intergovernmental Payable	0	\$ 13,903,233
Undistributed Monies	0	6,441
Due to Students	<u>0</u>	<u>95,319</u>
<i>Total Liabilities</i>	<u>0</u>	<u>\$ 14,004,993</u>
<b>Net Position</b>		
Held in Trust for Scholarships	<u>\$ 64,782</u>	

See accompanying notes to the basic financial statements.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Private Purpose Trust
<b>Additions</b>	
Investment Earnings	\$ 482
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	421
<i>Change in Net Position</i>	61
<i>Net Position Beginning of Year</i>	64,721
<i>Net Position End of Year</i>	\$ 64,782

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, 2017*

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**Note 1 - Description of the School District**

The Orange City School District (the “School 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 School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's three instructional support facilities.

The School District is located in Pepper Pike, Cuyahoga County, Ohio. The School 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 School 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 most significant of the School District’s accounting policies are described below.

***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* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. 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 School District. For the School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; or (3) the School 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 School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School 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 government’s financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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***Basis of Presentation***

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

The statement of net position presents the financial condition of the governmental and business-type activities of the School 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 School District's governmental activities and for the business-type activity of the School 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 School 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 School District.

***Fund Financial Statements*** During the year, the School District segregates transactions related to certain School 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 School 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.

***Fund Accounting***

The School 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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The following are the School 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 School 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 position, financial position and cash flows. The following are the School 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 School 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 School District residents.

**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 School District, or to other governments, on a cost-reimbursement basis. The School District's internal service fund accounts for workers' compensation activities.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School 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.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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***Measurement Focus***

***Government-wide Financial Statements*** -The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

***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, current deferred outflows of resources, current liabilities and current deferred inflows of resources 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, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School 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 School District's enterprise fund are program fees. The principal operating revenue of the School 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.

***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 inflows of resources, and in the presentation of expenses versus expenditures.



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***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 School District, available means expected to be received within sixty days of the fiscal year end.

Nonexchange transactions, in which the School 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School 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.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12).

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***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.

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.

***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 School 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 School 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.

***Cash and Investments***

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

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During fiscal year 2017, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, certificates of deposit, commercial paper, U.S. treasury notes, Federated Government Obligation Fund, U.S. Government money market accounts 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.

During fiscal year 2017, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2017 amounted to \$174,816 which includes \$17,308 assigned from other School District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, 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 School District are presented on the financial statements as cash equivalents.

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

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***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 position, 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 position 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 acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land	N/A	N/A
Construction in Progress	N/A	N/A
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

***Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***Compensated Absences***

The School 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 School 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

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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 employees’ 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.

***Accrued Liabilities and Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability 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.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2017, there was no net position restricted by enabling legislation.

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

***Fund Balance***

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

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***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 School District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the School 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.

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the School 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 School 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 School 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.

***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.

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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.

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

On government-wide financial statements, bond issuance costs are expensed when they occur.

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 a deferred outflow of resources.

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

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

***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.

***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 2017.

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***Implementation of New Accounting Principles***

For the fiscal year ended June 30, 2017, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this statement did not result in any change in the School District's financial statements as the School District does not have any material GASB Statement No. 77 tax abatements..

GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple-employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the School District.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

**Note 3 - Fund Balance Deficits**

The following special revenue funds had a deficit fund balance as of June 30, 2017:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Title VI-B	\$ 11,724
Title III	4,457
Title I	7,263
Title II-A	1,445
	\$ 24,889



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**Note 4 - Fund Balance**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Nonspendable for:					
Inventory	\$ 112,417	\$ 0	\$ 0	\$ 0	\$ 112,417
Unclaimed Monies	34,493	0	0	0	34,493
Total Nonspendable	146,910	0	0	0	146,910
Restricted for:					
Debt Service	0	4,479,502	0	0	4,479,502
Capital Outlay	0	0	7,279,229	158,967	7,438,196
Extracurricular	0	0	0	80,919	80,919
Non-Public Schools	0	0	0	103,145	103,145
Special Education	0	0	0	560	560
Food Service	0	0	0	395,898	395,898
Other Purposes	0	0	0	50,236	50,236
Total Restricted	0	4,479,502	7,279,229	789,725	12,548,456
Committed to:					
Termination Benefits	1,078,635	0	0	0	1,078,635
Other Purposes	0	0	0	30,760	30,760
Total Committed	1,078,635	0	0	30,760	1,109,395
Assigned for:					
Public School Support	113,315	0	0	0	113,315
Encumbrances:					
Instruction	37,890	0	0	0	37,890
Support Services	211,150	0	0	0	211,150
Subsequent Year Appropriations	3,656,975	0	0	0	3,656,975
Other Purposes	68,406	0	0	0	68,406
Total Assigned	4,087,736	0	0	0	4,087,736
Unassigned	28,484,619	0	0	(24,889)	28,459,730
Total Fund Balance	<u>\$ 33,797,900</u>	<u>\$ 4,479,502</u>	<u>\$ 7,279,229</u>	<u>\$ 795,596</u>	<u>\$ 46,352,227</u>

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**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment, commitment or restriction of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

	General Fund
GAAP Basis	\$ (697,349)
Net Adjustment for Revenue Accruals	4,988,122
Net Adjustment for Expenditure Accruals	(27,435)
Funds Budgeted Elsewhere **	(3,031,387)
Adjustment for Encumbrances	(389,165)
Budget Basis	\$ 842,786

\*\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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 and the termination benefits fund.

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**Note 6 - Deposits and Investments**

State statutes classify monies held by the School 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 School 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 two 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.

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

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

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

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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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 forty 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.

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 School 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.

Custodial credit risk for deposits is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

***Cash and Investments with Escrow Agent:*** At fiscal year-end, \$1,880,546 was on deposit with an escrow agent for monies held in relation to the School District's sinking fund deposits that are required for the School District's Series 2010 bonds (See Note 14). These funds are included in the carrying value of deposits discussed later.

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**Cash and Investments in Segregated Accounts:** At fiscal year-end, \$13,903,233 was on deposit in the account the School District maintains as fiscal agent for the Suburban Health Consortium (See Note 16) and is included on the fiduciary statement of net position as “cash and investments in segregated accounts.” The balance is covered by federal deposit insurance, by collateral held by the School District, or by collateral held by a qualified third-party trustee in the name of the School District. This amount is not included in the total amount of “deposits” reported below.

**Cash on Hand:** At year end, the School District had \$5,000 in undeposited cash on hand which is included on the balance sheet of the School District as part of “equity in pooled cash and investments.”

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$2,771,984 and the bank balance was \$3,423,760. Of the bank balance:

1. \$1,484,728 of the bank balance was covered by depository insurance; and
2. \$1,939,032 was exposed to custodial credit risk as previously discussed. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments:** As of June 30, 2017, the School District had the following investments:

Rating	Measurement Amount	Investment Maturities (in years)			% Total Investments	
		Less than 1	1 - 3	Over 3		
AAAm	STAR Ohio	\$ 17,175,706	\$17,175,706	\$ 0	\$ 0	35.30%
N/A	Certificates of Deposit	1,576,896	0	1,576,896	0	3.24%
N/A	U.S. Government Money Market	91,528	91,528	0	0	0.19%
N/A	U.S. Treasury Note	3,192,125	0	3,192,125	0	6.56%
N/A	Commercial Paper	5,953,590	5,953,590	0	0	12.24%
AA+	Federal Home Loan Bank Notes	4,700,791	4,403,257	297,534	0	9.66%
AAA	Federal Home Loan Mortgage	5,670,833	0	1,827,954	3,842,879	11.66%
AAA	Federal Farm Credit Bank	2,997,462	2,997,462	0	0	6.16%
AA+	Federal National Mortgage Association	6,945,606	0	4,246,551	2,699,055	14.28%
N/A	Federated Government Obligations Fund	344,501	344,501	0	0	0.71%
Totals		<u>\$ 48,649,038</u>	<u>\$ 30,966,044</u>	<u>\$ 11,141,060</u>	<u>\$ 6,541,934</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above table identifies the School District’s recurring fair value measurements as of June 30, 2017. As discussed further in Note 2, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

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**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2017, is 46 days.

**Credit Risk:** The School District's investments at June 30, 2017 are rated as shown above by S&P Global Ratings. Federal money markets are exempt from ratings since they are explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

**Concentration of Credit Risk:** The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

#### **Note 7 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 in the general, bond retirement, permanent improvement, and recreation funds was \$6,037,520, \$364,331, \$126,562, and \$128,538 respectively. The amount available for advance at June 30, 2016, in the general, bond retirement, permanent improvement fund, and recreation funds was \$10,874,273, \$656,526, \$227,936, and \$231,495 respectively. 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.

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Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2017 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 deferred inflows of resources.

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 reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 1,043,260,120	98.96%	\$ 1,053,553,810	98.90%
Public Utility Personal Property	11,012,300	1.04%	11,698,940	1.10%
	<u>\$ 1,054,272,420</u>	<u>100.00%</u>	<u>\$ 1,065,252,750</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	<u>\$ 91.20</u>		<u>\$ 91.20</u>	

**Note 8 - Receivables**

Receivables at June 30, 2017, consisted of taxes, accrued interest, interfund and intergovernmental. 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 fiscal year guarantee of federal funds.

All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will be not collected within one year.

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**Note 9 - Capital Assets**

Governmental activities capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/16	Additions	Reductions	Balance 6/30/17
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 6,315,782	\$ 0	\$ 0	\$ 6,315,782
Construction In Progress	0	2,944,444	0	2,944,444
Total Capital Assets, not being depreciated	6,315,782	2,944,444	0	9,260,226
<i>Capital Assets, being depreciated:</i>				
Land Improvements	10,708,574	288,101	0	10,996,675
Buildings	57,051,275	286,615	0	57,337,890
Equipment	4,287,577	300,786	0	4,588,363
Vehicles	4,349,866	451,380	0	4,801,246
Total Capital Assets, being depreciated	76,397,292	1,326,882	0	77,724,174
Less Accumulated Depreciation:				
Land Improvements	(7,039,090)	(494,610)	0	(7,533,700)
Buildings	(23,387,490)	(1,662,122)	0	(25,049,612)
Equipment	(3,219,130)	(261,711)	0	(3,480,841)
Vehicles	(2,993,724)	(311,772)	0	(3,305,496)
Total Accumulated Depreciation	(36,639,434)	(2,730,215)	0	(39,369,649)
Total Capital Assets being depreciated, net	39,757,858	(1,403,333)	0	38,354,525
Governmental Activities Capital Assets, Net	<u>\$ 46,073,640</u>	<u>\$ 1,541,111</u>	<u>\$ 0</u>	<u>\$ 47,614,751</u>



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Depreciation expense was charged to governmental functions as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 798,737
Special	209,705
Vocational	18,839
Support Services:	
Pupil	77,489
Instructional Staff	340
Administration	79,655
Fiscal	8,368
Business	2,121
Operation and Maintenance of Plant	988,094
Pupil Transportation	319,732
Central	12,034
Operation of Non-Instructional Services:	
Food Service Operations	61,992
Community Services	52,849
Extracurricular Activities	100,260
Total Depreciation	\$ 2,730,215

Business-type capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/16	Additions	Reductions	Balance 6/30/17
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Construction In Progress	\$ 0	\$ 322,313	\$ 0	\$ 322,313
<i>Capital Assets, being depreciated:</i>				
Land Improvements	168,278	0	0	168,278
Buildings	5,320,572	75,794	0	5,396,366
Equipment	96,370	24,152	0	120,522
Vehicles	50,147	0	0	50,147
Total Capital Assets, being depreciated	5,635,367	99,946	0	5,735,313
Less Accumulated Depreciation:				
Land Improvements	(148,948)	(2,813)	0	(151,761)
Buildings	(2,336,392)	(168,018)	0	(2,504,410)
Equipment	(90,053)	(1,861)	0	(91,914)
Vehicles	(50,147)	0	0	(50,147)
Total Accumulated Depreciation	(2,625,540)	(172,692)	0	(2,798,232)
Total Capital Assets being depreciated, net	3,009,827	(72,746)	0	2,937,081
Business-Type Activities Capital Assets, Net	\$ 3,009,827	\$ 249,567	\$ 0	\$ 3,259,394

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**Note 10 – Risk Management**

***Property and Liability***

The School 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 2017, the School District maintained comprehensive insurance coverage for liability, violence, property, building contents and vehicles. The School District obtains insurance coverage through Argonaut Insurance Company. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the School District’s insurance coverage:

Building and Contents - Replacement Cost	\$91,260,200
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Umbrella Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Employer's Liability	1,000,000

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

***Workers’ Compensation***

During fiscal year 2012, the School District became self-insured for workers’ compensation benefits. The School District only pays administrative charges and in turn the School District assumes the responsibility of paying all claims incurred during the policy period. The School District’s stop-loss coverage through the plan is limited to \$400,000 per claim stop-loss coverage with an annual aggregate. The School District utilizes Sheakley Uniservice, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal year 2017, the School District paid administration fees in the amount of \$9,750 for these services.

The School 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 School District for the payroll during the reporting period. The claims liability of \$120,394 reported in the basic financial statements at June 30, 2017, 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.

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Changes in claims activity for the fiscal years 2017 and 2016 were as follows:

		Balance July 1		Current Year Claims		Claim Payments		Balance June 30
2016	\$	93,978	\$	62,359	\$	60,389	\$	95,948
2017	\$	95,948	\$	163,974	\$	139,528	\$	120,394

***Employee Health Benefits***

The School 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 School 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 2017, the School District’s Board of Education paid 86 percent of the cost of the monthly medical and prescription premiums for full-time employees and administrators. Additionally, the Board paid 86 percent of the monthly premium for dental and vision coverage. The School District contracts with VSP for vision insurance.

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

**Note 11 – Other Employee Benefits**

***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.

***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.

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**Note 12 - Defined Benefit Pension Plans**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any employer contributions to the Health Care Fund for fiscal year 2017.

The School District's contractually required contribution to SERS was \$1,381,808 for fiscal year 2017. Of this amount, \$53,959 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

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Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$3,048,802 for fiscal year 2017. Of this amount, \$512,636 is reported as an intergovernmental payable.

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***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's employer allocation percentage of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 69,325,234	\$ 23,633,213	\$ 92,958,447
Proportion of the Net Pension Liability:			
Current Measurement Date	0.20710783%	0.32289880%	
Prior Measurement Date	<u>0.21366175%</u>	<u>0.33074570%</u>	
Change in Proportionate Share	<u>-0.00655392%</u>	<u>-0.00784690%</u>	
Pension Expense	\$ 4,568,884	\$ 2,361,687	\$ 6,930,571

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 2,801,072	\$ 318,757	\$ 3,119,829
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,755,855	1,949,398	7,705,253
Changes of Assumptions	0	1,577,646	1,577,646
School District Contributions Subsequent to the Measurement Date	<u>3,048,802</u>	<u>1,381,808</u>	<u>4,430,610</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 11,605,729</u>	<u>\$ 5,227,609</u>	<u>\$ 16,833,338</u>

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**Deferred Inflows of Resources**

Changes in Proportion and Differences between  
School District Contributions and Proportionate  
Share of Contributions

	\$ 1,678,722	\$ 189,353	\$ 1,868,075
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\$4,430,610 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	STRS	SERS	Total
Fiscal Year Ending June 30:			
2018	\$ 908,934	\$ 885,403	\$ 1,794,337
2019	908,933	883,996	1,792,929
2020	3,117,617	1,326,676	4,444,293
2021	1,942,721	560,373	2,503,094
	\$ 6,878,205	\$ 3,656,448	\$ 10,534,653

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:



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Wage Inflation	3.00 percent
Future Salary Increases, including Inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates among active members were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015. The assumed rate of inflation, payroll growth assumption and assumed real wage growth were reduced in the June 30, 2016 actuarial valuation. The rates of withdrawal, retirement and disability updated to reflect recent experience and mortality rates were also updated.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed

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investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's Proportionate Share of the Net Pension Liability	\$ 31,288,901	\$ 23,633,213	\$ 17,225,083

***Actuarial Assumptions - STRS***

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected Salary Increase	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on the fifth anniversary of the retirement date

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

\*10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50 percent and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's Proportionate Share of the Net Pension Liability	\$ 92,127,602	\$ 69,325,234	\$ 50,090,092

**Changes Between Measurement Date and Report Date** In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's net pension liability is expected to be significant.

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**Note 13 - Postemployment Benefits**

***School Employees Retirement System***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, SERS did not allocate any employer contributions to the Health Care fund. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$132,934.

For fiscal years 2016 and 2017, SERS did not allocate employer contributions to the Health Care fund. The School District's contributions for health care for the fiscal year ended June 30, 2015, was \$81,649. The full amount has been contributed for fiscal year 2015.

***State Teachers Retirement System***

Plan Description - The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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Funding Policy – Ohio Revised Code Chapter 3307 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2017, 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care; therefore, the School District did not contribute to health care in the last three fiscal years.

**Note 14 - Long - Term Obligations**

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding 6/30/16	Additions	Reductions	Refunding	Outstanding 6/30/17	Amounts Due in One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2004 Improvement Bonds						
Current Interest Bonds	\$ 2,855,000	\$ 0	\$ (210,000)	\$ (2,645,000)	\$ 0	\$ 0
Bond Premium	86,591	0	(9,196)	(77,395)	0	0
2007 Refunding Bonds						
Current Interest Bonds	12,855,000	0	0	(12,855,000)	0	0
Capital Appreciation Bonds	666,560	0	(666,560)	0	0	0
Accretion of Interest	854,428	69,012	(923,440)	0	0	0
Bond Premium	371,787	0	(50,128)	(321,659)	0	0
2010 Qualified School Construction Bonds						
Current Interest Bonds	2,670,000	0	0	0	2,670,000	0
2017 Serial Tax Exempt Bonds Refunding						
Current Interest Bonds	0	0	0	14,505,000	14,505,000	1,940,000
Bond Premium	0	0	0	1,500,302	1,500,302	0
2017 Energy Conservation Bonds						
Current Interest Bonds	0	2,442,977	0	0	2,442,977	227,240
Bond Premium	0	10,003	0	0	10,003	0
Total General Obligation Bonds	20,359,366	2,521,992	(1,859,324)	106,248	21,128,282	2,167,240
Net Pension Liability						
STRS	59,049,858	10,275,376	0	0	69,325,234	0
SERS	16,533,537	4,198,089	0	0	20,731,626	0
Total Net Pension Liability	75,583,395	14,473,465	0	0	90,056,860	0
Capital Lease	414,204	0	(122,480)	0	291,724	94,871
Compensated Absences	6,739,747	571,644	(278,275)	0	7,033,116	544,497
Total Governmental Activities						
Long-Term Liabilities	<u>\$ 103,096,712</u>	<u>\$ 17,567,101</u>	<u>\$ (2,260,079)</u>	<u>\$ 106,248</u>	<u>\$ 118,509,982</u>	<u>\$ 2,806,608</u>

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	Outstanding 6/30/16	Additions	Reductions	Outstanding 6/30/17	Amounts Due in One Year
<b>Business-Type Activities:</b>					
Net Pension Liability (SERS)	\$ 2,339,133	\$ 562,454	\$ 0	\$ 2,901,587	\$ 0
Compensated Absences	160,935	20,644	(221)	181,358	12,071
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 2,500,068</u>	<u>\$ 583,098</u>	<u>\$ (221)</u>	<u>\$ 3,082,945</u>	<u>\$ 12,071</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 School District is primarily the general fund. Capital lease obligations will be paid from the general fund. Obligations related to employee compensation will be paid from the fund benefitting from their service, which is typically the general and recreation funds.

*Series 2004 School Improvement General Obligation Bonds*

On April 8, 2004, the School 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 matured on 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. 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

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.

These bonds were fully refunded during fiscal year 2017.

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*Series 2007 Refunding General Obligation Bonds*

On February 14, 2007, the School 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 position.

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 matured 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.

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

The reacquisition price exceeded the net carrying amount of the old debt by \$657,852. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

These bonds were fully refunded during fiscal year 2017.

*School Facilities Construction and Improvement Bonds - Series 2010*

On September 1, 2010, the School 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 School District for which the full faith and credit of the School District is pledged for repayment. Accordingly, such unmatured obligations of the School District are accounted for on the statement of net position. 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 School District receives a direct payment subsidy from the United States Treasury equal to 100 percent 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 School District recorded this subsidy from the federal government in the amount of \$133,289 in the bond retirement fund.

\$2,670,000 of the QSCBs is subject to mandatory sinking fund deposits. The School 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. The mandatory annual sinking fund payment of \$267,000 is made from the bond retirement fund. On the financial statements, the fair value of the investments accumulated in the sinking fund in the amount of \$1,880,546 is reported as "cash and investments with escrow agent."

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*Serial Tax Exempt Refunding Bonds – Series 2017*

On April 25, 2017, the School District issued serial tax exempt bonds (Serial Tax Exempt Bonds 2017 Refunding) to currently refund the callable portion of the Series 2004 General Obligation Bonds and Series 2007 General Obligation Bonds Refunding. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded serial tax exempt bonds at June 30, 2017, is \$14,505,000.

The refunding issue has a par value of \$14,505,000 and a premium of \$1,500,302. The interest rates on the serial tax exempt bonds range from 2.00 percent - 5.00 percent. The serial tax exempt bonds mature on December 1, 2026 at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The issuance resulted in an economic gain of \$618,466.

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

*Energy Conservation Bonds – Series 2017*

On October 27, 2016, the School District issued energy conservation bonds in the amount of \$2,442,977.

Interest payments on the outstanding principal are due on June 1 and December 1 of each year at rates of 1.554 percent and 3.010 percent. The final maturity stated in the issue is December 1, 2026.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2017, are as follows:

Fiscal Year Ending June 30,	Current Interest Bonds		Serial Bonds		Energy Conservation Bond		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 0	\$ 126,024	\$ 1,940,000	\$ 610,845	\$ 227,240	\$ 50,758	\$ 2,167,240	\$ 787,627
2019	0	126,024	1,800,000	507,150	233,196	47,180	2,033,196	680,354
2020	2,670,000	63,012	1,850,000	443,150	236,820	43,528	4,756,820	549,690
2021	0	0	1,930,000	367,550	240,500	39,820	2,170,500	407,370
2022	0	0	2,030,000	288,350	244,237	36,054	2,274,237	324,404
2023 - 2027	0	0	4,955,000	348,625	1,260,984	93,244	6,215,984	441,869
<b>Total</b>	<b>\$ 2,670,000</b>	<b>\$ 315,060</b>	<b>\$ 14,505,000</b>	<b>\$ 2,565,670</b>	<b>\$ 2,442,977</b>	<b>\$ 310,584</b>	<b>\$ 19,617,977</b>	<b>\$ 3,191,314</b>

**Note 15 - Capital Lease**

In the current and in prior fiscal years, the School District entered into capitalized leases for copiers, and computers. All leases meet the criteria of a capital lease 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 \$209,700, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2017, was \$104,850, leaving a current book value of \$104,850.



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Two leases for computer equipment in the amount of \$89,803 and \$275,860 have not been capitalized since the individual assets do not meet the School District’s capitalization threshold.

Principal and interest payments in the 2017 fiscal year totaled \$122,480 and \$11,296, 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, 2017.

Year	Amount
2018	\$ 102,095
2019	102,098
2020	102,100
Total Minimum Lease Payments	306,293
Less Amount Representing Interest	14,569
Present Value of Minimum Lease Payments	\$ 291,724

**Note 16 – 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. The School District is the fiscal agent for the Consortium.

**Note 17 – Jointly Governed Organizations**

***Northeast Ohio Network for Educational Technology (NEOnet)***

NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council (Council). The Council serves several program functions for the 27 school district members, such as NEOnet ITC functions and as a collaborative purchasing agent. The Council is self-supporting and conducts its fiscal services in house with a licensed treasurer.

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The Council employs an Executive Director who works cooperatively with a nine-member Board of Directors consisting of four superintendents, the Portage Lakes Career Center superintendent, three members of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Road, Cuyahoga Falls, Ohio 44221. During the current fiscal year, the District contributed \$92,594 to NEOnet.

***Ohio Schools Council***

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of two hundred 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 2017, the School District paid \$3,047 to the Council for membership and other services. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 Developmental Disabilities boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, and Toledo Edison) the ability to purchase electricity at reduced rates. The Council's current program, Power 4 Schools, provides for a fixed per kilowatt-hour for electricity generation until May 2017, converting to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

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**Note 18 – Interfund**

***Transfers***

Transfers for the year ended June 30, 2017, consisted of the following:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 141,918
Permanent Improvement Fund	110,000	0
Nonmajor Governmental Funds	31,918	0
Total	\$ 141,918	\$ 141,918

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

General fund transferred \$110,000 to the athletics fund and \$31,918 to the permanent improvement fund to offset costs of those activities. In addition, the governmental activities transferred \$33,533 in capital assets to the recreation (business-type) fund.

***Interfund Balances***

Interfund balances at June 30, 2017, consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 208,663	\$ 0
Nonmajor Governmental Funds	0	208,663
Total	\$ 208,663	\$ 208,663

The general fund advanced monies to nonmajor governmental funds to cover negative cash balances in special revenue funds.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 19 – Set-Asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for acquisition and construction of capital improvements. Amounts not spent by year-end, or offset by similarly restricted resources received during the year, must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvement Reserve
Set Aside Restricted Balance June 30, 2016	\$ 0
Current Year Set-Aside Requirement	357,644
Current Year Offsets	(938,033)
Total	\$ (580,389)
Balance Carried Forward to Fiscal Year 2018	\$ 0
Set Aside Balance June 30, 2017	\$ 0

The School District had current year offsets that reduced the capital improvements set-aside amount to below zero. During prior fiscal years, the School District issued a total of \$39,111,196 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount is limited to an amount needed to reduce the reserve for capital improvement to zero. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods. The full amount of these proceeds is still available to offset the set aside requirement.

**Note 20 - Contingencies**

***Grants***

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2017, if applicable, cannot be determined at this time.

***Litigation***

The School District is party to legal proceedings. The School 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 School District.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

***School District Foundation***

School district foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

**Note 21 – Commitments**

***Encumbrances***

The School 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 fiscal year end, the School District's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 406,807
Permanent Improvement Fund	1,840,219
Nonmajor Governmental Funds	448,825
	\$ 2,695,851

***Contractual Commitments***

At June 30, 2017, the School District had the following outstanding contractual commitments:

	Contractual Commitment	Expended	Balance 6/30/2017
Restroom Renovations	\$ 333,728	\$ 49,040	\$ 284,688
Boiler Replacement	995,615	748,101	247,514
Design and Architect Fees	422,890	0	422,890
	\$ 1,752,233	\$ 797,141	\$ 955,092

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*Last Ten Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><i>State Teachers Retirement System (STRS)</i></b>				
Contractually Required Contribution	\$ 3,048,802	\$ 3,204,532	\$ 3,135,370	\$ 2,862,293
Contributions in Relation to the Contractually Required Contribution	<u>(3,048,802)</u>	<u>(3,204,532)</u>	<u>(3,135,370)</u>	<u>(2,862,293)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 21,777,157	\$ 22,889,514	\$ 22,395,500	\$ 22,017,638
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%
<b><i>School Employees Retirement System (SERS)</i></b>				
Contractually Required Contribution	\$ 1,381,808	\$ 1,698,906	\$ 1,394,004	\$ 1,355,251
Contributions in Relation to the Contractually Required Contribution	<u>(1,381,808)</u>	<u>(1,698,906)</u>	<u>(1,394,004)</u>	<u>(1,355,251)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 9,870,057	\$ 12,135,043	\$ 10,576,662	\$ 9,778,146
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 2,904,145	\$ 2,940,205	\$ 2,982,666	\$ 2,912,735	\$ 2,820,468	\$ 2,691,562
<u>(2,904,145)</u>	<u>(2,940,205)</u>	<u>(2,982,666)</u>	<u>(2,912,735)</u>	<u>(2,820,468)</u>	<u>(2,691,562)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 22,339,577	\$ 22,616,962	\$ 22,943,585	\$ 22,405,654	\$ 21,695,908	\$ 20,704,323
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$ 1,342,184	\$ 1,292,824	\$ 1,231,533	\$ 1,296,264	\$ 926,910	\$ 885,283
<u>(1,342,184)</u>	<u>(1,292,824)</u>	<u>(1,231,533)</u>	<u>(1,296,264)</u>	<u>(926,910)</u>	<u>(885,283)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 9,697,861	\$ 9,612,074	\$ 9,797,399	\$ 9,573,589	\$ 9,419,817	\$ 9,015,102
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Four Fiscal Years (1)*

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b><i>State Teachers Retirement System (STRS)</i></b>				
School District's Proportion of the Net Pension Liability	0.20710783%	0.21366175%	0.21549502%	0.21549502%
School District's Proportionate Share of the Net Pension Liability	\$ 69,325,234	\$ 59,049,858	\$ 52,415,847	\$ 62,437,414
School District's Covered Payroll	\$ 22,889,514	\$ 22,395,500	\$ 22,017,638	\$ 22,339,577
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	302.87%	263.67%	238.06%	279.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%
<b><i>School Employees Retirement System (SERS)</i></b>				
School District's Proportion of the Net Pension Liability	0.32289880%	0.33074570%	0.33313900%	0.33313900%
School District's Proportionate Share of the Net Pension Liability	\$ 23,633,213	\$ 18,872,670	\$ 16,859,975	\$ 19,810,707
School District's Covered Payroll	\$ 12,135,043	\$ 10,576,662	\$ 9,778,146	\$ 9,697,861
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	194.75%	178.44%	172.43%	204.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. This schedule will display ten years of information as it becomes available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

**Notes:**

***School Employees Retirement System (SERS)***

*Changes of Benefit Terms:* None.

*Changes of Assumptions:* Amounts reported in 2017 reflect an adjustment of the rates of withdrawal, retirement and disability to more closely reflect actual experience and the expectation of retired life mortality was based on RP-2014 Blue Collar Mortality Tables and RP-2000 Disabled Mortality Table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 7.75% to 7.50%
- Assumed rate of inflation from 3.25% to 3.00%
- Payroll growth assumption from 4.00% to 3.50%
- Assumed real wage growth from 0.75% to 0.50%



Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# 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**  
*Combining Statements*  
*Nonmajor Funds*

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***Nonmajor Special Revenue Funds***

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

***Local Grants Fund*** – This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted for specified purposes.

***District Managed Activities Fund*** – This fund accounts 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*** – This fund accounts for monies which are restricted to provide services and materials to pupils attending non-public schools within the District.

***Ohio K-12 Network Connectivity Fund*** – This fund accounts for monies that are restricted for expenditures related to the Ohio Educational Computer Network Connections.

***Straight A Fund*** – This fund accounts for and reports restricted State monies to provide improved teaching methods and equipment.

***Title VI-B Fund*** – This fund accounts 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.

***Title III Fund*** – This fund accounts for federal monies that are restricted to assist the District in meeting the special needs of children of limited English proficiency.

***Title I Fund*** – This fund accounts for federal monies that are restricted to assist the District in meeting the special needs of educationally deprived children.

***Preschool Disability Fund*** – This fund accounts 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*** – This fund accounts for grant monies that are restricted for the hiring of additional teachers in grades 1-3.

***Food Service Fund*** – This fund accounts for monies received that are restricted to the food service operations of the District.

***Memorial Fund*** – This fund accounts for monies that are committed for the purchase of library books or other materials for the District.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Combining Statements*  
*Nonmajor Funds*

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With the implementation of GASB No. 54, the following funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds.

***Unclaimed Monies Fund*** - This fund accounts for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

***Uniform School Supplies Fund*** – This fund accounts 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*** – This fund accounts for the tuition revenues and other sources received from other school districts that are used for the School District’s special education programs.

***Public School Support Fund*** – This fund accounts 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.

***Termination Benefits Fund*** – This fund accounts for money committed for paying termination benefits.

***Nonmajor Capital Project Fund***

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

***Building Fund*** – The permanent improvement capital projects fund accounts for all transactions related to the acquiring, constructing or improving facilities.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2017*

	Nonmajor Special Revenue Funds	Building Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$ 710,941	\$ 344,483	\$ 1,055,424
Receivables:			
Accrued Interest	600	115	715
Intergovernmental	537,342	0	537,342
<i>Total Assets</i>	<u>\$ 1,248,883</u>	<u>\$ 344,598</u>	<u>\$ 1,593,481</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 60,866	\$ 0	\$ 60,866
Accrued Wages and Benefits	123,264	0	123,264
Contracts Payable	0	97,160	97,160
Intergovernmental Payable	17,522	0	17,522
Retainage Payable	0	88,471	88,471
Interfund Payable	208,663	0	208,663
<i>Total Liabilities</i>	<u>410,315</u>	<u>185,631</u>	<u>595,946</u>
<b>Deferred Inflows of Resources:</b>			
Other	201,939	0	201,939
<b>Fund Balances:</b>			
Restricted	630,758	158,967	789,725
Committed	30,760	0	30,760
Unassigned	(24,889)	0	(24,889)
<i>Total Fund Balances (Deficit)</i>	<u>636,629</u>	<u>158,967</u>	<u>795,596</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,248,883</u>	<u>\$ 344,598</u>	<u>\$ 1,593,481</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, 2017*

	Nonmajor Special Revenue Funds	Building Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Intergovernmental	\$ 2,240,891	\$ 0	\$ 2,240,891
Investment Income	4,025	961	4,986
Extracurricular Activities	205,145	0	205,145
Charges for Services	520,730	0	520,730
Contributions and Donations	29,993	0	29,993
Miscellaneous	10,401	0	10,401
<i>Total Revenues</i>	<u>3,011,185</u>	<u>961</u>	<u>3,012,146</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	465,784	0	465,784
Special	469,510	0	469,510
Vocational	2,980	0	2,980
Support Services:			
Pupils	152,820	0	152,820
Instructional Staff	116,198	0	116,198
Administration	15,691	0	15,691
Central	164,113	0	164,113
Extracurricular Activities	375,807	0	375,807
Operation of Non-Instructional Services:			
Food Service Operations	596,651	0	596,651
Community Services	601,946	33,532	635,478
Capital Outlay	85,368	2,211,784	2,297,152
Debt Service:			
Interest and Fiscal Charges	0	83,591	83,591
<i>Total Expenditures</i>	<u>3,046,868</u>	<u>2,328,907</u>	<u>5,375,775</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(35,683)	(2,327,946)	(2,363,629)
<b>Other Financing Sources (Uses):</b>			
Energy Conservation Bonds Issued	0	2,442,977	2,442,977
Premium on Bonds	0	10,003	10,003
Transfers In	110,000	0	110,000
<i>Total Other Financing Sources and (Uses)</i>	<u>110,000</u>	<u>2,452,980</u>	<u>2,562,980</u>
<i>Net Change in Fund Balance</i>	74,317	125,034	199,351
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>562,312</u>	<u>33,933</u>	<u>596,245</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 636,629</u>	<u>\$ 158,967</u>	<u>\$ 795,596</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2017*

	Local Grants Fund	District Managed Activities Fund	Auxiliary Services Fund	Ohio K-12 Network Connectivity Fund
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 49,893	\$ 81,592	\$ 126,940	\$ 0
Receivables:				
Accrued Interest	0	0	190	0
Intergovernmental	0	0	0	0
<i>Total Assets</i>	<u>\$ 49,893</u>	<u>\$ 81,592</u>	<u>\$ 127,130</u>	<u>\$ 0</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 493	\$ 673	\$ 5,875	\$ 0
Accrued Wages and Benefits	0	0	16,212	0
Intergovernmental Payable	0	0	1,898	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>493</u>	<u>673</u>	<u>23,985</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Other	0	0	0	0
<b>Fund Balances:</b>				
Restricted	49,400	80,919	103,145	0
Committed	0	0	0	0
Unassigned	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>49,400</u>	<u>80,919</u>	<u>103,145</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 49,893</u>	<u>\$ 81,592</u>	<u>\$ 127,130</u>	<u>\$ 0</u>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2017*

	Straight A Fund	Title VI-B Fund	Title III Fund	Title I Fund
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 0	\$ 0
Receivables:				
Accrued Interest	0	0	0	0
Intergovernmental	259,718	144,377	0	95,526
<i>Total Assets</i>	<u>\$ 259,718</u>	<u>\$ 144,377</u>	<u>\$ 0</u>	<u>\$ 95,526</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 53,825	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	52,397	0	25,799
Intergovernmental Payable	0	7,300	0	3,100
Interfund Payable	152,598	31,842	4,457	14,431
<i>Total Liabilities</i>	<u>206,423</u>	<u>91,539</u>	<u>4,457</u>	<u>43,330</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Other	52,459	64,562	0	59,459
<b>Fund Balances:</b>				
Restricted	836	0	0	0
Committed	0	0	0	0
Unassigned	0	(11,724)	(4,457)	(7,263)
<i>Total Fund Balances (Deficit)</i>	<u>836</u>	<u>(11,724)</u>	<u>(4,457)</u>	<u>(7,263)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 259,718</u>	<u>\$ 144,377</u>	<u>\$ 0</u>	<u>\$ 95,526</u>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2017*

	Preschool Disability Fund	Title II-A Fund	Food Service Fund	Memorial Fund	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 421,791	\$ 30,725	\$ 710,941
Receivables:					
Accrued Interest	0	0	375	35	600
Intergovernmental	7,704	30,017	0	0	537,342
<i>Total Assets</i>	<u>\$ 7,704</u>	<u>\$ 30,017</u>	<u>\$ 422,166</u>	<u>\$ 30,760</u>	<u>\$ 1,248,883</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,866
Accrued Wages and Benefits	1,120	5,734	22,002	0	123,264
Intergovernmental Payable	285	673	4,266	0	17,522
Interfund Payable	1,309	4,026	0	0	208,663
<i>Total Liabilities</i>	<u>2,714</u>	<u>10,433</u>	<u>26,268</u>	<u>0</u>	<u>410,315</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	4,430	21,029	0	0	201,939
<b>Fund Balances:</b>					
Restricted	560	0	395,898	0	630,758
Committed	0	0	0	30,760	30,760
Unassigned	0	(1,445)	0	0	(24,889)
<i>Total Fund Balances (Deficit)</i>	<u>560</u>	<u>(1,445)</u>	<u>395,898</u>	<u>30,760</u>	<u>636,629</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 7,704</u>	<u>\$ 30,017</u>	<u>\$ 422,166</u>	<u>\$ 30,760</u>	<u>\$ 1,248,883</u>



**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, 2017*

	Local Grants Fund	District Managed Activities Fund	Auxiliary Services Fund	Ohio K-12 Network Connectivity Fund
<b>Revenues:</b>				
Intergovernmental	\$ 88,752	\$ 0	\$ 650,824	\$ 5,400
Investment Income	0	0	1,536	0
Extracurricular Activities	0	205,144	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	29,993	0	0
Miscellaneous	0	10,401	0	0
<i>Total Revenues</i>	<u>88,752</u>	<u>245,538</u>	<u>652,360</u>	<u>5,400</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	71,433	0	0	0
Special	0	0	0	0
Vocational	2,980	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	5,400
Extracurricular Activities	0	375,807	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	0	601,043	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>74,413</u>	<u>375,807</u>	<u>601,043</u>	<u>5,400</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	14,339	(130,269)	51,317	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	110,000	0	0
<i>Net Change in Fund Balance</i>	14,339	(20,269)	51,317	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>35,061</u>	<u>101,188</u>	<u>51,828</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 49,400</u>	<u>\$ 80,919</u>	<u>\$ 103,145</u>	<u>\$ 0</u>

(continued)

**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, 2017*

	Straight A Fund	Title VI-B Fund	Title III Fund	Title I Fund
<b>Revenues:</b>				
Intergovernmental	\$ 698,161	\$ 423,469	\$ 0	\$ 180,887
Investment Income	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>698,161</u>	<u>423,469</u>	<u>0</u>	<u>180,887</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	354,219	0	0	0
Special	0	291,677	4,457	173,121
Vocational	0	0	0	0
Support Services:				
Pupils	0	152,820	0	0
Instructional Staff	99,025	0	0	17,173
Administration	0	0	0	0
Central	158,713	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	0	346	0	0
Capital Outlay	85,368	0	0	0
<i>Total Expenditures</i>	<u>697,325</u>	<u>444,843</u>	<u>4,457</u>	<u>190,294</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	836	(21,374)	(4,457)	(9,407)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	836	(21,374)	(4,457)	(9,407)
<i>Fund Balances (Deficit) Beginning of Year</i>	0	9,650	0	2,144
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 836</u>	<u>\$ (11,724)</u>	<u>\$ (4,457)</u>	<u>\$ (7,263)</u>

(continued)

**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, 2017*

	Preschool Disability Fund	Title II-A Fund	Food Service Fund	Memorial Fund	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>					
Intergovernmental	\$ 15,005	\$ 38,765	\$ 139,628	\$ 0	\$ 2,240,891
Investment Income	0	0	2,327	162	4,025
Extracurricular Activities	0	0	1	0	205,145
Charges for Services	0	0	520,730	0	520,730
Contributions and Donations	0	0	0	0	29,993
Miscellaneous	0	0	0	0	10,401
<i>Total Revenues</i>	<u>15,005</u>	<u>38,765</u>	<u>662,686</u>	<u>162</u>	<u>3,011,185</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	40,132	0	0	465,784
Special	255	0	0	0	469,510
Vocational	0	0	0	0	2,980
Support Services:					
Pupils	0	0	0	0	152,820
Instructional Staff	0	0	0	0	116,198
Administration	15,691	0	0	0	15,691
Central	0	0	0	0	164,113
Extracurricular Activities	0	0	0	0	375,807
Operation of Non-Instructional Services:					
Food Service Operations	0	0	596,651	0	596,651
Community Services	0	557	0	0	601,946
Capital Outlay	0	0	0	0	85,368
<i>Total Expenditures</i>	<u>15,946</u>	<u>40,689</u>	<u>596,651</u>	<u>0</u>	<u>3,046,868</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(941)	(1,924)	66,035	162	(35,683)
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	0	110,000
<i>Net Change in Fund Balance</i>	(941)	(1,924)	66,035	162	74,317
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,501</u>	<u>479</u>	<u>329,863</u>	<u>30,598</u>	<u>562,312</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 560</u>	<u>\$ (1,445)</u>	<u>\$ 395,898</u>	<u>\$ 30,760</u>	<u>\$ 636,629</u>

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***Individual Fund Schedules of Revenues,  
Expenditures/Expenses and Changes  
in Fund Balance/Net Position -  
Budget (Non-GAAP Basis) and Actual***

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Property and Other Local Taxes	\$ 38,504,217	\$ 38,306,006	\$ 41,083,819	\$ 2,777,813
Intergovernmental	7,547,126	7,510,673	7,555,686	45,013
Investment Income	187,103	185,436	345,694	160,258
Tuition and Fees	368,407	365,679	565,414	199,735
Rentals	1,000	1,000	0	(1,000)
Charges for Services	8,163	7,926	49,238	41,312
Contributions and Donations	813	788	5,025	4,237
Miscellaneous	34,609	32,987	336,154	303,167
<i>Total Revenues</i>	<u>46,651,438</u>	<u>46,410,495</u>	<u>49,941,030</u>	<u>3,530,535</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	12,874,659	12,871,834	12,684,612	187,222
Fringe Benefits	4,393,078	4,393,078	4,241,678	151,400
Purchased Services	1,011,550	959,722	963,023	(3,301)
Materials and Supplies	372,735	380,972	348,973	31,999
Capital Outlay	255,484	270,647	265,533	5,114
Total Regular	<u>18,907,506</u>	<u>18,876,253</u>	<u>18,503,819</u>	<u>372,434</u>
Special:				
Salaries and Wages	4,161,640	4,161,640	3,048,148	1,113,492
Fringe Benefits	1,570,262	1,570,262	1,224,967	345,295
Purchased Services	1,578,732	1,580,732	1,474,879	105,853
Materials and Supplies	63,402	62,863	46,870	15,993
Capital Outlay	16,065	13,765	5,830	7,935
Total Special	<u>7,390,101</u>	<u>7,389,262</u>	<u>5,800,694</u>	<u>1,588,568</u>
Vocational:				
Salaries and Wages	85,694	85,694	86,307	(613)
Fringe Benefits	30,470	30,470	29,536	934
Purchased Services	304,680	374,680	386,702	(12,022)
Materials and Supplies	3,000	844	823	21
Capital Outlay	0	1,560	1,560	0
Total Vocational	<u>423,844</u>	<u>493,248</u>	<u>504,928</u>	<u>(11,680)</u>
Student Intervention Services:				
Salaries and Wages	0	0	1,821,996	(1,821,996)
Fringe Benefits	0	0	586,195	(586,195)
Total Student Intervention Services	<u>0</u>	<u>0</u>	<u>2,408,191</u>	<u>(2,408,191)</u>
Total Instruction	<u>26,721,451</u>	<u>26,758,763</u>	<u>27,217,632</u>	<u>(458,869)</u>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Support Services:</b>				
<b>Pupils:</b>				
Salaries and Wages	2,050,917	2,050,917	2,117,264	(66,347)
Fringe Benefits	718,994	718,994	712,329	6,665
Purchased Services	407,900	409,300	271,275	138,025
Materials and Supplies	26,992	26,500	21,729	4,771
<b>Total Pupils</b>	<b>3,204,803</b>	<b>3,205,711</b>	<b>3,122,597</b>	<b>83,114</b>
<b>Instructional Staff:</b>				
Salaries and Wages	1,022,634	1,022,634	1,033,933	(11,299)
Fringe Benefits	460,128	460,128	460,699	(571)
Purchased Services	43,550	13,959	12,197	1,762
Materials and Supplies	34,648	49,900	44,848	5,052
Capital Outlay	5,800	3,450	2,359	1,091
<b>Total Instructional Staff</b>	<b>1,566,760</b>	<b>1,550,071</b>	<b>1,554,036</b>	<b>(3,965)</b>
<b>Board of Education:</b>				
Salaries and Wages	15,600	15,600	15,000	600
Fringe Benefits	3,931	3,931	3,663	268
Purchased Services	8,000	8,000	6,627	1,373
Other	64,113	64,691	60,351	4,340
<b>Total Board of Education</b>	<b>91,644</b>	<b>92,222</b>	<b>85,641</b>	<b>6,581</b>
<b>Administration:</b>				
Salaries and Wages	1,923,973	1,923,973	1,881,950	42,023
Fringe Benefits	864,002	864,002	860,911	3,091
Purchased Services	546,507	596,308	580,781	15,527
Materials and Supplies	19,546	22,870	20,231	2,639
Capital Outlay	239,025	348,525	374,143	(25,618)
Other	6,200	4,306	941	3,365
<b>Total Administration</b>	<b>3,599,253</b>	<b>3,759,984</b>	<b>3,718,957</b>	<b>41,027</b>
<b>Fiscal:</b>				
Salaries and Wages	400,455	400,455	381,580	18,875
Fringe Benefits	200,875	200,875	253,438	(52,563)
Purchased Services	62,508	70,908	71,678	(770)
Materials and Supplies	5,584	5,584	4,277	1,307
Capital Outlay	664,520	664,520	680,342	(15,822)
Other	10,000	1,600	541	1,059
<b>Total Fiscal</b>	<b>1,343,942</b>	<b>1,343,942</b>	<b>1,391,856</b>	<b>(47,914)</b>
<b>Business:</b>				
Salaries and Wages	267,832	267,832	250,198	17,634
Fringe Benefits	118,164	118,164	119,701	(1,537)
Purchased Services	138,951	138,951	113,301	25,650
Materials and Supplies	71,764	68,412	73,220	(4,808)
Capital Outlay	2,300	2,300	1,700	600
Other	7,500	7,500	3,584	3,916
<b>Total Business</b>	<b>606,511</b>	<b>603,159</b>	<b>561,704</b>	<b>41,455</b>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	1,927,748	1,927,748	1,702,155	225,593
Fringe Benefits	963,101	963,101	830,496	132,605
Purchased Services	2,270,523	2,260,286	1,837,076	423,210
Materials and Supplies	263,359	275,765	254,666	21,099
Capital Outlay	16,000	19,500	8,411	11,089
Other	48,000	35,113	35,113	0
<b>Total Operation and Maintenance of Plant</b>	<b>5,488,731</b>	<b>5,481,513</b>	<b>4,667,917</b>	<b>813,596</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	2,093,724	2,093,724	2,088,113	5,611
Fringe Benefits	1,019,550	1,019,550	998,302	21,248
Purchased Services	76,396	109,392	91,478	17,914
Materials and Supplies	367,129	356,129	260,324	95,805
Capital Outlay	498,374	476,378	457,624	18,754
<b>Total Pupil Transportation</b>	<b>4,055,173</b>	<b>4,055,173</b>	<b>3,895,841</b>	<b>159,332</b>
<b>Central:</b>				
Salaries and Wages	422,489	422,489	400,518	21,971
Fringe Benefits	229,459	229,459	210,501	18,958
Purchased Services	245,166	240,207	232,443	7,764
Materials and Supplies	36,459	44,447	40,762	3,685
Capital Outlay	22,000	14,783	12,599	2,184
<b>Total Central</b>	<b>955,573</b>	<b>951,385</b>	<b>896,823</b>	<b>54,562</b>
<b>Total Support Services</b>	<b>20,912,390</b>	<b>21,043,160</b>	<b>19,895,372</b>	<b>1,147,788</b>
<b>Extracurricular Activities:</b>				
<b>Academic Oriented Activities:</b>				
Salaries and Wages	247,291	247,291	250,049	(2,758)
Fringe Benefits	43,582	43,582	43,319	263
<b>Total Academic Oriented Activities</b>	<b>290,873</b>	<b>290,873</b>	<b>293,368</b>	<b>(2,495)</b>
<b>Sport Oriented Activities:</b>				
Salaries and Wages	847,003	847,003	858,077	(11,074)
Fringe Benefits	189,928	189,928	145,665	44,263
<b>Total Sports Oriented Activities</b>	<b>1,036,931</b>	<b>1,036,931</b>	<b>1,003,742</b>	<b>33,189</b>
<b>School and Public Service Co-Curricular Activities:</b>				
Salaries and Wages	26,586	26,586	32,586	(6,000)
Fringe Benefits	5,750	5,750	6,926	(1,176)
<b>Total School and Public Service Co-Curricular Activities</b>	<b>32,336</b>	<b>32,336</b>	<b>39,512</b>	<b>(7,176)</b>
<b>Total Extracurricular Activities</b>	<b>1,360,140</b>	<b>1,360,140</b>	<b>1,336,622</b>	<b>23,518</b>

(continued)



**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance
	Original	Final		
Debt Service:				
Principal Retirement	122,480	122,480	122,480	0
Interest and Fiscal Charges	11,296	11,296	11,296	0
Total Debt Service	<u>133,776</u>	<u>133,776</u>	<u>133,776</u>	<u>0</u>
<i>Total Expenditures</i>	<u>49,127,757</u>	<u>49,295,839</u>	<u>48,583,402</u>	<u>712,437</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,476,319)</u>	<u>(2,885,344)</u>	<u>1,357,628</u>	<u>4,242,972</u>
<b>Other Financing Sources (Uses):</b>				
Advances In	18,000	18,000	27,076	9,076
Transfers Out	(510,000)	(541,918)	(541,918)	0
Total Other Financing Sources (Uses)	<u>(492,000)</u>	<u>(523,918)</u>	<u>(514,842)</u>	<u>9,076</u>
<i>Net Change in Fund Balance</i>	<u>(2,968,319)</u>	<u>(3,409,262)</u>	<u>842,786</u>	<u>4,252,048</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	26,473,174	26,473,174	26,473,174	0
Prior Year Encumbrances Appropriated	<u>1,287,760</u>	<u>1,287,760</u>	<u>1,287,760</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 24,792,615</u>	<u>\$ 24,351,672</u>	<u>\$ 28,603,720</u>	<u>\$ 4,252,048</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Property and Other Local Taxes	\$ 2,243,424	\$ 2,375,605	\$ 132,181
Intergovernmental	377,000	421,598	44,598
Investment Income	14,189	26,490	12,301
<i>Total Revenues</i>	<u>2,634,613</u>	<u>2,823,693</u>	<u>189,080</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Other	35,231	36,309	(1,078)
Debt Service:			
Principal Retirement	1,145,861	1,143,560	2,301
Interest and Fiscal Charges	1,904,143	1,597,693	306,450
<i>Total Debt Service</i>	<u>3,050,004</u>	<u>2,741,253</u>	<u>308,751</u>
<i>Total Expenditures</i>	<u>3,085,235</u>	<u>2,777,562</u>	<u>307,673</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(450,622)</u>	<u>46,131</u>	<u>496,753</u>
<b>Other Financing Sources (Uses):</b>			
Refunding Bonds Issued	14,505,000	14,505,000	0
Premium on Refunding bonds	1,500,302	1,500,302	0
Payment to Refunded Bond Escrow Agent	(15,830,067)	(15,830,067)	0
<i>Total Other Financing Sources (Uses)</i>	<u>175,235</u>	<u>175,235</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(275,387)	221,366	496,753
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>2,388,660</u>	<u>2,388,660</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,113,273</u>	<u>\$ 2,610,026</u>	<u>\$ 496,753</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Property and Other Local Taxes	\$ 754,462	\$ 837,913	\$ 83,451
Intergovernmental	103,300	100,120	(3,180)
Investment Income	35,000	59,134	24,134
<i>Total Revenues</i>	<u>892,762</u>	<u>997,167</u>	<u>104,405</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal:			
Other	13,284	12,857	427
Capital Outlay:			
Architecture and Engineering Services:			
Capital Outlay	512,169	513,969	(1,800)
Building Acquisitions and Construction Services:			
Capital Outlay	3,142,464	2,259,551	882,913
Building Improvement Services:			
Capital Outlay	66,385	66,385	0
Other Facilities Acquisition and Construction Services:			
Materials and Supplies	2,877	2,877	0
Capital Outlay	310,640	260,640	50,000
Total Capital Outlay	<u>4,034,535</u>	<u>3,103,422</u>	<u>931,113</u>
<i>Total Expenditures</i>	<u>4,047,819</u>	<u>3,116,279</u>	<u>931,540</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,155,057)</u>	<u>(2,119,112)</u>	<u>1,035,945</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	31,918	(31,918)
<i>Net Change in Fund Balance</i>	(3,155,057)	(2,087,194)	1,067,863
<i>Fund Balance (Deficit) at Beginning of Year</i>	7,207,164	7,207,164	0
Prior Year Encumbrances Appropriated	272,820	272,820	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 4,324,927</u>	<u>\$ 5,392,790</u>	<u>\$ 1,067,863</u>

**Orange City School District**  
*Schedule of Revenues, Expenses and Change in Net Position -  
 Budget (Non-GAAP Basis) and Actual  
 Recreation Fund  
 For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Operating Revenues:</b>			
Tuition and Fees	\$ 1,994,623	\$ 2,142,966	\$ 148,343
Charges for Services	2,482	2,526	44
Other	104,680	116,927	12,247
<i>Total Operating Revenues</i>	<u>2,101,785</u>	<u>2,262,419</u>	<u>160,634</u>
<b>Operating Expenses:</b>			
Salaries and Wages	1,616,499	1,483,611	132,888
Fringe Benefits	632,916	543,015	89,901
Purchased Services	955,848	802,149	153,699
Materials and Supplies	198,713	167,321	31,392
Capital Outlay	501,920	477,983	23,937
Other	62,272	60,525	1,747
<i>Total Operating Expenses</i>	<u>3,968,168</u>	<u>3,534,604</u>	<u>433,564</u>
<i>Operating Income (Loss)</i>	<u>(1,866,383)</u>	<u>(1,272,185)</u>	<u>594,198</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment Earnings	19,957	48,627	28,670
Property Taxes	677,443	844,867	167,424
Grants and Subsidies	97,780	101,686	3,906
<i>Total Non-Operating Revenues (Expenses)</i>	<u>795,180</u>	<u>995,180</u>	<u>200,000</u>
<i>Change in Net Position</i>	(1,071,203)	(277,005)	794,198
<i>Net Position (Deficit) at Beginning of Year</i>	4,365,076	4,365,076	0
Prior Year Encumbrances Appropriated	118,170	118,170	0
<i>Net Position (Deficit) at End of Year</i>	<u>\$ 3,412,043</u>	<u>\$ 4,206,241</u>	<u>\$ 794,198</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 80,000	\$ 88,752	\$ 8,752
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	6,604	5,940	664
Purchased Services	28,762	26,303	2,459
Materials and Supplies	26,105	20,120	5,985
Capital Outlay	18,954	18,577	377
Total Regular	<u>80,425</u>	<u>70,940</u>	<u>9,485</u>
Vocational:			
Purchased Services	<u>2,980</u>	<u>2,980</u>	<u>0</u>
Total Instruction	<u>83,405</u>	<u>73,920</u>	<u>9,485</u>
Support Services:			
Pupils:			
Purchased Services	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Instructional Staff:			
Purchased Services	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Support Services	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Operation of Non-Instructional/Shared Services:			
Community Services:			
Materials and Supplies	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Total Expenditures</i>	<u>86,405</u>	<u>73,920</u>	<u>12,485</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,405)</u>	<u>14,832</u>	<u>21,237</u>
<i>Net Change in Fund Balance</i>	(6,405)	14,832	21,237
<i>Fund Balance (Deficit) at Beginning of Year</i>	13,656	13,656	0
Prior Year Encumbrances Appropriated	<u>21,405</u>	<u>21,405</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 28,656</u>	<u>\$ 49,893</u>	<u>\$ 21,237</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*District Managed Activities Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Extracurricular Activities	\$ 263,857	\$ 205,144	\$ (58,713)
Gifts and Donations	41,975	29,993	(11,982)
Miscellaneous	9,600	10,401	801
<i>Total Revenues</i>	<u>315,432</u>	<u>245,538</u>	<u>(69,894)</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	243,973	143,639	100,334
Materials and Supplies	38,985	9,189	29,796
Capital Outlay	28,150	15,896	(12,254)
Total Academic and Subject Oriented Activities	<u>311,108</u>	<u>168,724</u>	<u>117,876</u>
Sports Oriented Activities:			
Salaries and Wages	15,750	18,424	(2,674)
Fringe Benefits	2,450	2,925	(475)
Purchased Services	137,072	134,500	2,572
Materials and Supplies	39,599	39,954	(355)
Capital Outlay	20,161	16,160	4,001
Total Sports Oriented Activities	<u>215,032</u>	<u>211,963</u>	<u>3,069</u>
School and Public Service Co-Curricular Activities:			
Purchased Services	71	59	(12)
Materials and Supplies	500	467	33
Total School and Public Service Co-Curricular Activities	<u>571</u>	<u>526</u>	<u>(45)</u>
<i>Total Expenditures</i>	<u>526,711</u>	<u>381,213</u>	<u>145,498</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(211,279)</u>	<u>(135,675)</u>	<u>75,604</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	110,000	110,000	0
<i>Net Change in Fund Balance</i>	(101,279)	(25,675)	75,604
<i>Fund Balance (Deficit) at Beginning of Year</i>	99,564	99,564	0
Prior Year Encumbrances Appropriated	1,715	1,715	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 75,604</u>	<u>\$ 75,604</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 642,327	\$ 650,824	\$ 8,497
Investment Income	2,073	2,100	27
<i>Total Revenues</i>	<u>644,400</u>	<u>652,924</u>	<u>8,524</u>
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services:			
Salaries and Wages	79,868	79,736	132
Fringe Benefits	27,864	28,140	(276)
Purchased Services	359,332	320,202	39,130
Materials and Supplies	108,841	32,583	76,258
Capital Outlay	142,139	139,932	2,207
<i>Total Expenditures</i>	<u>718,044</u>	<u>600,593</u>	<u>117,451</u>
<i>Net Change in Fund Balance</i>	(73,644)	52,331	125,975
<i>Fund Balance (Deficit) at Beginning of Year</i>	55,600	55,600	0
Prior Year Encumbrances Appropriated	18,044	18,044	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 125,975</u>	<u>\$ 125,975</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Ohio K-12 Network Connectivity Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 5,400	\$ 5,400	\$ 0
<b>Expenditures:</b>			
Current:			
Support Services:			
Central:			
Capital Outlay	5,400	5,400	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 0	\$ 0



**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Straight A Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 750,621	\$ 490,902	\$ (259,719)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	169,245	160,446	8,799
Capital Outlay	197,933	199,284	(1,351)
Total Instruction	367,178	359,730	7,448
Support Services:			
Instructional Staff:			
Purchased Services	116,665	114,525	2,140
Central:			
Purchased Services	158,713	158,713	0
Total Support Services	275,378	273,238	2,140
Capital Outlay			
Educational Specifications Development Services			
Purchased Services	62,980	63,081	(101)
Capital Outlay	45,085	51,968	(6,883)
Total Capital Outlay	108,065	115,049	(6,984)
<i>Total Expenditures</i>	750,621	748,017	2,604
<i>Net Change in Fund Balance</i>	0	(257,115)	(257,115)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ (257,115)	\$ (257,115)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 500,000	\$ 433,159	\$ (66,841)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	226,364	213,477	12,887
Fringe Benefits	87,585	73,960	13,625
Purchased Services	7,307	7,307	0
Total Instruction	321,256	294,744	26,512
Support Services:			
Pupils:			
Salaries and Wages	119,488	117,273	2,215
Fringe Benefits	37,188	37,320	(132)
Total Support Services	156,676	154,593	2,083
Operation of Non-Instructional/Shared Services:			
Community Services:			
Purchased Services	14,500	0	14,500
Materials and Supplies	7,568	346	7,222
Total Operation of Non-Instructional /Shared Services	22,068	346	21,722
<i>Total Expenditures</i>	500,000	449,683	50,317
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(16,524)	(16,524)
<b>Other Financing Sources (Uses):</b>			
Advances Out		(15,318)	(15,318)
<i>Net Change in Fund Balance</i>	0	(31,842)	(31,842)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ (31,842)	\$ (31,842)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 9,000	\$ 0	\$ (9,000)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Purchased Services	5,000	3,845	1,155
Materials and Supplies	2,000	612	1,388
<i>Total Expenditures</i>	7,000	4,457	2,543
<i>Net Change in Fund Balance</i>	2,000	(4,457)	(6,457)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 2,000	\$ (4,457)	\$ (6,457)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 235,000	\$ 184,780	\$ (50,220)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	146,242	131,281	14,961
Fringe Benefits	41,990	42,830	(840)
Purchased Services	28	0	28
Materials and Supplies	825	0	825
Total Special	<u>189,085</u>	<u>174,111</u>	<u>14,974</u>
Support Services:			
Instructional Staff:			
Purchased Services	<u>43,768</u>	<u>17,173</u>	<u>26,595</u>
<i>Total Expenditures</i>	<u>232,853</u>	<u>191,284</u>	<u>41,569</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,147</u>	<u>(6,504)</u>	<u>(8,651)</u>
<b>Other Financing Sources (Uses):</b>			
Advances Out	<u>0</u>	<u>(8,783)</u>	<u>(8,783)</u>
<i>Net Change in Fund Balance</i>	2,147	(15,287)	(17,434)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>853</u>	<u>853</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 3,000</u>	<u>\$ (14,434)</u>	<u>\$ (17,434)</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Preschool Disability Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 18,000	\$ 15,126	\$ (2,874)
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Materials and Supplies	1,914	255	1,659
Support Services:			
Administration:			
Salaries and Wages	10,736	10,192	544
Fringe Benefits	5,350	5,440	(90)
Total Support Services	16,086	15,632	454
<i>Total Expenditures</i>	18,000	15,887	2,113
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(761)	(761)
<b>Other Financing Sources (Uses):</b>			
Advances Out	0	(548)	(548)
<i>Net Change in Fund Balance</i>	0	(1,309)	(1,309)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ (1,309)	\$ (1,309)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Title II-A Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 62,000	\$ 38,940	\$ (23,060)
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	32,190	26,144	6,046
Fringe Benefits	10,217	9,548	669
Purchased Services	8,498	6,472	2,026
Total Instruction	50,905	42,164	8,741
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	11,395	557	10,838
<i>Total Expenditures</i>	62,300	42,721	19,579
<i>Excess of Revenues Over (Under) Expenditures</i>	(300)	(3,781)	(3,481)
<b>Other Financing Sources (Uses):</b>			
Advances Out	0	(2,427)	(2,427)
<i>Net Change in Fund Balance</i>	(300)	(6,208)	(5,908)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	300	300	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ (5,908)	\$ (5,908)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 127,800	\$ 115,716	\$ (12,084)
Investment Income	1,000	4,143	3,143
Charges for Services	471,200	520,731	49,531
<i>Total Revenues</i>	<u>600,000</u>	<u>640,590</u>	<u>40,590</u>
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	233,100	213,081	20,019
Fringe Benefits	121,750	108,605	13,145
Purchased Services	6,500	1,164	5,336
Materials and Supplies	279,953	247,109	32,844
Capital Outlay	3,100	0	3,100
<i>Total Expenditures</i>	<u>644,403</u>	<u>569,959</u>	<u>74,444</u>
<i>Net Change in Fund Balance</i>	(44,403)	70,631	115,034
<i>Fund Balance (Deficit) at Beginning of Year</i>	338,588	338,588	0
Prior Year Encumbrances Appropriated	10,053	10,053	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 304,238</u>	<u>\$ 419,272</u>	<u>\$ 115,034</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Memorial Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Investment Income	\$ 460	\$ 324	\$ (136)
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	200	0	200
<i>Net Change in Fund Balance</i>	260	324	64
<i>Fund Balance (Deficit) at Beginning of Year</i>	30,493	30,493	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 30,753	\$ 30,817	\$ 64



**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Unclaimed Monies Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Other	\$ 0	\$ 2,785	\$ 2,785
<i>Net Change in Fund Balance</i>	0	2,785	2,785
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>31,708</u>	<u>31,708</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 31,708</u>	<u>\$ 34,493</u>	<u>\$ 2,785</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Tuition and Fees	\$ 98,957	\$ 108,541	\$ 9,584
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	22,889	0	22,889
Purchased Services	2,700	2,765	(65)
Materials and Supplies	136,582	106,991	29,591
Capital Outlay	7,900	3,420	4,480
<i>Total Expenditures</i>	170,071	113,176	56,895
<i>Net Change in Fund Balance</i>	(71,114)	(4,635)	66,479
<i>Fund Balance (Deficit) at Beginning of Year</i>	71,042	71,042	0
Prior Year Encumbrances Appropriated	72	72	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 66,479	\$ 66,479

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Special Education Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Investment Income	\$ 750	\$ 1,640	\$ 890
Tuition and Fees	736,984	3,778,361	3,041,377
<i>Total Revenues</i>	<u>737,734</u>	<u>3,780,001</u>	<u>3,042,267</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	350,466	350,788	(322)
Fringe Benefits	120,739	117,706	3,033
Purchased Services	74,225	70,770	3,455
Materials and Supplies	10,666	10,200	466
Capital Outlay	8,700	8,683	17
Total Regular	<u>564,796</u>	<u>558,147</u>	<u>6,649</u>
Special:			
Salaries and Wages	279,901	289,839	(9,938)
Fringe Benefits	114,860	112,227	2,633
Purchased Services	8,030	1,270	6,760
Materials and Supplies	133	85	48
Total Special	<u>402,924</u>	<u>403,421</u>	<u>(497)</u>
Total Instruction	<u>967,720</u>	<u>961,568</u>	<u>6,152</u>
Support Services:			
Pupils:			
Salaries and Wages	8,884	9,802	(918)
Fringe Benefits	1,447	1,600	(153)
Total Pupils	<u>10,331</u>	<u>11,402</u>	<u>(1,071)</u>
			0
Instructional Staff:			
Salaries and Wages	40,628	32,702	7,926
Fringe Benefits	21,106	33,176	(12,070)
Total Instructional Staff	<u>61,734</u>	<u>65,878</u>	<u>(4,144)</u>
Administration:			
Salaries and Wages	13,416	17,285	(3,869)
Fringe Benefits	6,222	7,571	(1,349)
Total Administration	<u>19,638</u>	<u>24,856</u>	<u>(5,218)</u>
Business:			
Materials and Supplies	920	0	920
Total Support Services	<u>92,623</u>	<u>102,136</u>	<u>(9,513)</u>
<i>Total Expenditures</i>	<u>1,060,343</u>	<u>1,063,704</u>	<u>(3,361)</u>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Special Education Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<i>Net Change in Fund Balance</i>	(322,609)	2,716,297	3,038,906
<i>Fund Balance (Deficit) at Beginning of Year</i>	355,601	355,601	0
Prior Year Encumbrances Appropriated	9,554	9,554	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 42,546</u>	<u>\$ 3,081,452</u>	<u>\$ 3,038,906</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Tuition and Fees	\$ 8,000	\$ 3,937	\$ (4,063)
Extracurricular Activities	128,425	104,247	(24,178)
Contributions and Donations	9,900	5,602	(4,298)
Miscellaneous	3,675	2,044	(1,631)
<i>Total Revenues</i>	<u>150,000</u>	<u>115,830</u>	<u>(34,170)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Purchased Services	5,125	2,025	3,100
Materials and Supplies	3,083	1,239	1,844
Total Special	<u>8,208</u>	<u>3,264</u>	<u>4,944</u>
Student Intervention Services:			
Purchased Services	2,000	1,629	371
Materials and Supplies	1,300	0	1,300
Total Student Intervention Services	<u>3,300</u>	<u>1,629</u>	<u>1,671</u>
Total Instruction	<u>11,508</u>	<u>4,893</u>	<u>6,615</u>
Support Services:			
Pupils:			
Purchased Services	64,906	49,047	15,859
Materials and Supplies	2,200	236	1,964
Capital Outlay	5,000	5,000	0
Other	700	530	170
Total Pupils	<u>72,806</u>	<u>54,813</u>	<u>17,993</u>
Instructional Staff:			
Purchased Services	5,305	830	4,475
Materials and Supplies	6,600	64	6,536
Capital Outlay	300	0	300
Total Instructional Staff	<u>12,205</u>	<u>894</u>	<u>11,311</u>
Board of Education:			
Purchased Services	19	19	0
Materials and Supplies	190	0	190
Total Board of Education	<u>209</u>	<u>19</u>	<u>190</u>
Total Support Services	<u>85,220</u>	<u>55,726</u>	<u>29,494</u>
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Purchased Services	42,130	32,959	9,171
Materials and Supplies	21,306	14,426	6,880
Capital Outlay	2,100	830	1,270
Total School and Public Service Co-Curricular Activities	<u>65,536</u>	<u>48,215</u>	<u>17,321</u>

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Total Expenditures</i>	162,264	108,834	53,430
<i>Net Change in Fund Balance</i>	(12,264)	6,996	19,260
<i>Fund Balance (Deficit) at Beginning of Year</i>	96,575	96,575	0
Prior Year Encumbrances Appropriated	<u>2,265</u>	<u>2,265</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 86,576</u>	<u>\$ 105,836</u>	<u>\$ 19,260</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Termination Benefits Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Expenditures:</b>			
Current:			
Instruction:			
Other:			
Salaries and Wages	\$ 341,000	\$ 83,556	\$ 257,444
Fringe Benefits	7,825	964	6,861
Total Instruction	348,825	84,520	264,305
Support Services:			
Central:			
Salaries and Wages	50,000	22,368	27,632
Fringe Benefits	1,175	529	646
Total Support Services	51,175	22,897	28,278
<i>Total Expenditures</i>	400,000	107,417	292,583
<i>Excess of Revenues Over (Under) Expenditures</i>	(400,000)	(107,417)	292,583
<b>Other Financing Sources (Uses):</b>			
Transfers In	400,000	400,000	0
<i>Net Change in Fund Balance</i>	0	292,583	292,583
<i>Fund Balance (Deficit) at Beginning of Year</i>	786,052	786,052	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 786,052	\$ 1,078,635	\$ 292,583

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Revenues:</b>			
Investment Income	\$ 35,000	\$ 1,264	\$ (33,736)
<b>Expenditures:</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay	33,815	33,815	0
Capital Outlay:			
Building Improvement Services:			
Capital Outlay	2,394,386	2,357,340	37,046
Debt Service:			
Interest and Fiscal Charges	83,591	83,591	0
<i>Total Expenditures</i>	2,511,792	2,474,746	37,046
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,476,792)	(2,473,482)	3,310
<b>Other Financing Sources (Uses):</b>			
Energy Conservation Bonds Issued	2,442,977	2,442,977	0
Premium on Bonds Issued	0	10,003	(10,003)
<i>Total Other Financing Sources (Uses)</i>	2,442,977	2,452,980	10,003
<i>Net Change in Fund Balance</i>	(33,815)	(20,502)	13,313
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	33,815	33,815	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 13,313	\$ 13,313



**Orange City School District  
Cuyahoga County, Ohio**

*Internal Service and Fiduciary Funds*

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***Internal Service Fund***

Internal service funds account for the financing of goods or services provided by one department or agency of the School 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*** – This fund accounts for a self-insurance program for workers' compensation activities.

***Private-Purpose Trust Fund***

Private purpose trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the School District's own programs. The following is the School District's private-purpose trust fund:

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

***Agency Funds***

Agency funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the School District's 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 Health 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 Fund*** – The fund accounts for the activity of the Suburban Health Consortium.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenses and Change in Net Position -*  
*Budget (Non-GAAP Basis) and Actual*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Operating Revenues:</b>			
Charges for Services	\$ 330,000	\$ 286,635	\$ (43,365)
<b>Operating Expenses:</b>			
Fringe Benefits	78,145	0	78,145
Purchased Services	136,795	66,862	69,933
Claims	139,528	139,528	0
<i>Total Operating Expenses</i>	<u>354,468</u>	<u>206,390</u>	<u>148,078</u>
<i>Operating Income (Loss)</i>	<u>(24,468)</u>	<u>80,245</u>	<u>104,713</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment Earnings	5,000	9,130	4,130
Refund of Prior Year Expenses	15,000	0	(15,000)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>20,000</u>	<u>9,130</u>	<u>(10,870)</u>
<i>Change in Net Position</i>	<u>(4,468)</u>	<u>89,375</u>	<u>93,843</u>
<i>Net Position (Deficit) at Beginning of Year</i>	820,322	820,322	0
Prior Year Encumbrances Appropriated	130	130	0
<i>Net Position (Deficit) at End of Year</i>	<u>\$ 815,984</u>	<u>\$ 909,827</u>	<u>\$ 93,843</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenses and Change in Net Position -*  
*Budget (Non-GAAP Basis) and Actual*  
*Scholarship Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance
<b>Operating Revenues:</b>	\$ 0	\$ 0	\$ 0
<b>Operating Expenses:</b>			
Payments in Accordance with Trust Agreements	1,500	421	1,079
<i>Operating Income (Loss)</i>	(1,500)	(421)	1,079
<b>Non-Operating Revenues (Expenses):</b>			
Investment Earnings	440	685	245
<i>Change in Net Position</i>	(1,060)	264	1,324
<i>Net Position (Deficit) at Beginning of Year</i>	64,519	64,519	0
<i>Net Position (Deficit) at End of Year</i>	\$ 63,459	\$ 64,783	\$ 1,324

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Beginning Balance 7/1/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 6/30/17</u>
<b>District Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 6,021	\$ 50,037	\$ 55,273	\$ 785
<b>Liabilities</b>				
Undistributed Monies	\$ 6,021	\$ 50,037	\$ 55,273	\$ 785
<b>Employee Health Benefits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 4,972	\$ 0	\$ 0	\$ 4,972
<b>Liabilities</b>				
Undistributed Monies	\$ 4,972	\$ 0	\$ 0	\$ 4,972
<b>Student Managed Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 76,825	\$ 118,411	\$ 99,917	\$ 95,319
<b>Liabilities</b>				
Due to Students	\$ 76,825	\$ 118,411	\$ 99,917	\$ 95,319
<b>Suburban Health Consortium</b>				
<b>Assets</b>				
Cash and Investments in Segregated Accounts	\$ 16,948,587	\$ 84,025,051	\$ 87,070,405	\$ 13,903,233
<b>Liabilities</b>				
Intergovernmental Payable	\$ 16,948,587	\$ 84,025,051	\$ 87,070,405	\$ 13,903,233
<b>Athletic Tournaments</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 0	\$ 7,103	\$ 6,419	\$ 684
<b>Liabilities</b>				
Undistributed Monies	\$ 0	\$ 7,103	\$ 6,419	\$ 684

(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2017*

	<b>Beginning Balance 7/1/16</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 6/30/17</b>
<b>Total</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 87,818	\$ 175,551	\$ 161,609	\$ 101,760
Cash and Investments in Segregated Accounts	16,948,587	84,025,051	87,070,405	13,903,233
<i>Total Assets</i>	<u>\$ 17,036,405</u>	<u>\$ 84,200,602</u>	<u>\$ 87,232,014</u>	<u>\$ 14,004,993</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$ 16,948,587	\$ 84,025,051	\$ 87,070,405	\$ 13,903,233
Undistributed Monies	10,993	57,140	61,692	6,441
Due to Students	76,825	118,411	99,917	95,319
<i>Total Liabilities</i>	<u>\$ 17,036,405</u>	<u>\$ 84,200,602</u>	<u>\$ 87,232,014</u>	<u>\$ 14,004,993</u>

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Comprehensive  
Annual Financial  
Report

Fiscal Year Ended June 30, 2017

# 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 School District's overall financial health.

**Contents**

**Pages**

**Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

S-2 - S13

**Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

S-14 - S19

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

S-20 - S-23

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

S-24 - S-25

**Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

S-26 - S34

**Sources:** Sources are noted on the individual schedules.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Net Position By Component*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (2)</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 25,808,673	\$ 26,693,356	\$ 23,758,405	\$ 21,803,232
Restricted	13,113,976	11,101,270	8,999,104	8,712,389
Unrestricted	<u>(46,161,463)</u>	<u>(41,069,437)</u>	<u>(43,935,452)</u>	<u>(45,773,604)</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ (7,238,814)</u>	<u>\$ (3,274,811)</u>	<u>\$ (11,177,943)</u>	<u>\$ (15,257,983)</u>
<b>Business-Type Activities:</b>				
Net Investment in Capital Assets	\$ 3,187,220	\$ 3,009,827	\$ 3,176,249	\$ 3,342,225
Unrestricted	<u>2,017,814</u>	<u>2,214,061</u>	<u>2,447,906</u>	<u>1,354,179</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 5,205,034</u>	<u>\$ 5,223,888</u>	<u>\$ 5,624,155</u>	<u>\$ 4,696,404</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$ 28,995,893	\$ 29,703,183	\$ 26,934,654	\$ 25,145,457
Restricted	13,113,976	11,101,270	8,999,104	8,712,389
Unrestricted	<u>(44,143,649)</u>	<u>(38,855,376)</u>	<u>(41,487,546)</u>	<u>(44,419,425)</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ (2,033,780)</u>	<u>\$ 1,949,077</u>	<u>\$ (5,553,788)</u>	<u>\$ (10,561,579)</u>

**Source:** School District financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

(2) Amounts have been restated to reflect a restatement related to GASB Statement No. 68.

	<b>2013</b>	<b>2012 (1)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$	20,334,609	\$ 20,295,850	\$ 19,204,562	\$ 19,302,630	\$ 17,564,014	\$ 15,940,380
	7,851,186	9,537,894	9,821,326	9,431,851	8,180,016	6,410,493
	<u>28,750,345</u>	<u>24,358,710</u>	<u>24,726,686</u>	<u>25,162,121</u>	<u>29,114,358</u>	<u>30,863,616</u>
\$	<u>56,936,140</u>	<u>54,192,454</u>	<u>53,752,574</u>	<u>53,896,602</u>	<u>54,858,388</u>	<u>53,214,489</u>
\$	3,512,524	\$ 3,687,280	\$ 3,822,784	\$ 2,629,480	\$ 2,107,003	\$ 2,217,609
	4,070,807	3,625,114	4,003,097	4,893,793	5,124,892	4,690,495
\$	<u>7,583,331</u>	<u>7,312,394</u>	<u>7,825,881</u>	<u>7,523,273</u>	<u>7,231,895</u>	<u>6,908,104</u>
\$	23,847,133	\$ 23,983,130	\$ 23,027,346	\$ 21,932,110	\$ 19,671,017	\$ 18,157,989
	7,851,186	9,537,894	9,821,326	9,431,851	8,180,016	6,410,493
	<u>32,821,152</u>	<u>27,983,824</u>	<u>28,729,783</u>	<u>30,055,914</u>	<u>34,239,250</u>	<u>35,554,111</u>
\$	<u>64,519,471</u>	<u>61,504,848</u>	<u>61,578,455</u>	<u>61,419,875</u>	<u>62,090,283</u>	<u>60,122,593</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Changes in Net Position*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses:</b>				
Governmental Activities:				
Regular Instruction	\$ 21,425,874	\$ 19,720,913	\$ 19,785,171	\$ 20,311,007
Special Instruction	6,264,668	9,733,035	9,565,638	10,248,934
Vocational Instruction	534,567	502,362	290,087	287,690
Student Intervention Services	2,424,644	0	0	0
Other Instruction	1,169,197	47,040	764,597	208,427
Pupil Support	3,635,896	3,300,850	3,686,794	3,601,927
Instructional Staff Support	1,841,194	1,547,022	1,534,005	976,339
Board of Education	87,250	90,284	89,820	78,226
Administration	3,970,852	3,698,123	3,600,621	3,665,874
Fiscal	1,647,527	1,336,285	1,416,262	1,327,247
Business	583,436	536,906	634,654	605,040
Operations and Maintenance of Plant	5,628,873	5,206,403	5,374,524	5,088,454
Pupil Transportation	3,855,852	3,603,081	3,573,419	3,786,870
Central	1,298,934	912,408	1,054,215	954,363
Operation of Non-Instructional Services:				
Food Service Operations	672,600	654,314	632,532	683,835
Other Non-Instructional Services	678,637	593,244	714,736	625,874
Extracurricular Activities	1,810,145	1,852,014	1,731,632	1,954,690
Interest and Fiscal Charges	1,109,603	978,827	1,087,519	1,186,489
<i>Total Governmental Activities Expenses</i>	<u>58,639,749</u>	<u>54,313,111</u>	<u>55,536,226</u>	<u>55,591,286</u>
Business-Type Activities:				
Recreation	3,187,167	2,866,308	1,585,233	2,462,120
Total Business-Type Activities Expenses	<u>3,187,167</u>	<u>2,866,308</u>	<u>1,585,233</u>	<u>2,462,120</u>
Total Primary Government Expenses	<u>\$ 61,826,916</u>	<u>\$ 57,179,419</u>	<u>\$ 57,121,459</u>	<u>\$ 58,053,406</u>
<b>Program Revenues:</b>				
Governmental Activities:				
Charges for Services:				
Instruction:				
Regular Instruction	\$ 3,148,233	\$ 923,079	\$ 660,462	\$ 710,686
Special Instruction	374,851	3,310,095	3,800,609	2,920,085
Vocational Instruction	0	111,163	64,148	128,762
Support Services:				
Pupil Support	108,184	63,478	50,531	49,955
Instructional Staff	0	2,729	1,944	3,088
Fiscal	0	0	568	0
Operation and Maintenance of Plant	0	115	9,031	15,290
Pupil Transportation	0	0	53,983	0
Operation of Non-Instructional Services:				
Food Service Operations	520,731	519,625	481,023	505,523
Community Services	0	0	0	0
Extracurricular Activities	205,144	192,663	184,219	375,754
Operating Grants, Contributions and Interest:				
Regular Instruction	883,364	110,583	127,558	107,175
Special Instruction	806,667	612,770	561,187	602,465
Vocational Instruction	3,346	2,438	2,483	1,978
Pupil Support	5,602	177,106	213,225	204,407
Instructional Staff	0	4,552	6,968	18,568
Administration	19,155	15,791	16,252	14,693
Fiscal	0	0	60	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	109,667	134,665	107,313	115,512
Central	5,400	5,400	5,400	9,000

	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	18,837,598	\$ 19,743,967	\$ 20,300,444	\$ 19,466,209	\$ 19,320,888	\$ 18,238,270
	6,493,403	6,766,002	6,615,112	6,583,687	6,374,462	5,832,538
	365,421	449,711	373,396	286,099	338,162	293,462
	0	0	0	0	0	0
	683,802	0	0	0	0	0
	3,598,659	3,754,396	3,816,962	3,769,072	3,336,127	3,471,580
	4,003,460	4,010,079	4,202,438	4,210,809	4,081,959	3,670,822
	69,029	78,336	167,112	82,545	160,757	110,200
	3,428,020	3,483,041	3,070,697	3,163,324	2,968,787	2,926,908
	1,344,401	1,359,152	1,217,573	1,266,752	1,169,115	1,176,289
	625,460	597,555	630,083	579,625	598,414	549,721
	5,256,521	4,628,231	4,941,387	5,384,475	5,284,630	5,118,866
	3,641,934	3,696,464	3,668,804	3,885,576	3,485,290	3,367,878
	992,787	1,073,422	1,201,191	1,358,741	1,189,474	1,202,049
	737,225	742,646	692,679	654,881	672,018	589,901
	575,953	702,122	755,071	590,397	714,550	635,808
	1,665,913	1,674,468	1,737,345	1,838,362	1,608,333	1,617,987
	1,277,694	1,573,604	1,350,545	1,263,512	1,286,551	1,296,998
	<u>53,597,280</u>	<u>54,333,196</u>	<u>54,740,839</u>	<u>54,384,066</u>	<u>52,589,517</u>	<u>50,099,277</u>
	<u>2,493,790</u>	<u>2,423,611</u>	<u>2,274,813</u>	<u>2,314,252</u>	<u>2,300,268</u>	<u>2,257,947</u>
	<u>2,493,790</u>	<u>2,423,611</u>	<u>2,274,813</u>	<u>2,314,252</u>	<u>2,300,268</u>	<u>2,257,947</u>
\$	<u>56,091,070</u>	<u>56,756,807</u>	<u>57,015,652</u>	<u>56,698,318</u>	<u>54,889,785</u>	<u>52,357,224</u>
\$	591,176	\$ 608,650	\$ 730,204	\$ 635,837	\$ 178,963	\$ 397,212
	2,704,572	2,499,386	3,340,595	2,575,470	3,574,000	3,118,760
	190,208	166,943	154,053	177,370	180,131	220,075
	55,420	47,882	47,202	45,594	29,565	32,923
	3,600	4,888	1,536	1,260	1,685	4,493
	0	0	0	0	0	0
	3,120	5,540	7,760	7,210	6,685	7,230
	0	0	0	0	0	0
	498,277	546,196	534,975	524,298	509,306	491,963
	0	540	0	0	0	0
	191,692	170,086	194,293	284,534	172,384	166,586
	97,238	104,438	195,350	104,413	113,669	139,151
	273,940	486,835	520,430	519,558	304,796	269,230
	0	0	936	0	171	4,035
	142,994	135,002	127,222	150,968	158,142	294,489
	227,874	179,819	259,985	265,488	227,773	112,347
	13,337	0	135,610	182,261	0	2,218
	0	0	0	0	0	0
	0	26,354	0	0	0	10,050
	97,242	143,695	120,584	133,796	154,525	157,809
	9,000	25,176	122,906	102,294	33,376	33,187
						(continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Changes in Net Position*  
*Last Ten Fiscal Years*  
*(Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	139,628	157,840	156,693	154,474
Community Services	650,824	589,782	646,236	557,650
Extracurricular Activities	29,993	55,567	81,985	64,566
Interest and Fiscal Charges	0	117,454	116,824	116,937
<b>Capital Grants and Contributions:</b>				
Regular Instruction	0	0	0	14,598
Fiscal	100,120	0	0	0
Operations and Maintenance of Plant	0	420,213	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
<b>Total Governmental Activities Program Revenues</b>	<u>7,110,909</u>	<u>7,527,108</u>	<u>7,348,702</u>	<u>6,691,166</u>
<b>Business-Type Activities:</b>				
Recreation				
Charges for Services	2,145,492	1,993,171	1,769,740	1,831,696
Operating Grants and Contributions	101,686	111,527	117,529	117,952
<b>Total Business-Type Activities Program Revenues</b>	<u>2,247,178</u>	<u>2,104,698</u>	<u>1,887,269</u>	<u>1,949,648</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 9,358,087</u>	<u>\$ 9,631,806</u>	<u>\$ 9,235,971</u>	<u>\$ 8,640,814</u>
<b>Net (Expense)/Revenue:</b>				
Governmental Activities	(51,528,840)	(46,786,003)	(48,187,524)	(48,900,120)
Business-Type Activities	(939,989)	(761,610)	302,036	(512,472)
<b>Total Primary Government Net Expense</b>	<u>\$ (52,468,829)</u>	<u>\$ (47,547,613)</u>	<u>\$ (47,885,488)</u>	<u>\$ (49,412,592)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
<b>Property Taxes Levied For:</b>				
General Purposes	\$ 36,367,697	\$ 42,712,795	\$ 40,643,066	\$ 39,749,378
Debt Service	2,091,374	2,455,397	2,242,313	2,301,562
Capital Projects	739,281	877,465	779,788	655,556
Grants and Entitlements not Restricted to Specific Programs	7,795,687	7,690,101	8,022,976	7,941,897
Investment Earnings	247,922	289,285	257,364	510,822
Miscellaneous	356,409	64,092	45,558	65,853
Transfers	(33,533)	600,000	276,499	0
<b>Total Governmental Activities</b>	<u>47,564,837</u>	<u>54,689,135</u>	<u>52,267,564</u>	<u>51,225,068</u>
<b>Business-Type Activities:</b>				
<b>Property Taxes Levied For:</b>				
Recreation	744,714	905,455	825,947	825,721
Investment Earnings	25,961	42,418	27,407	52,006
Miscellaneous	116,927	13,470	48,860	39,148
Transfers	33,533	(600,000)	(276,499)	0
<b>Total Business-Type Activities</b>	<u>921,135</u>	<u>361,343</u>	<u>625,715</u>	<u>916,875</u>
<b>Total Primary Government</b>	<u>\$ 48,485,972</u>	<u>\$ 55,050,478</u>	<u>\$ 52,893,279</u>	<u>\$ 52,141,943</u>
<b>Change in Net Position</b>				
Governmental Activities	(3,964,003)	7,903,132	4,080,040	2,324,948
Business-Type Activities	(18,854)	(400,267)	927,751	404,403
<b>Total Primary Government</b>	<u>\$ (3,982,857)</u>	<u>\$ 7,502,865</u>	<u>\$ 5,007,791</u>	<u>\$ 2,729,351</u>

**Source:** School District financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
131,722	156,140	136,717	108,903	114,223	116,631
563,376	532,455	575,340	633,821	625,771	611,585
66,235	30,266	19,033	31,064	9,400	6,335
120,542	126,024	94,518	0	0	0
0	0	0	0	0	0
20,060	0	0	0	0	0
0	0	0	0	7,500	0
0	0	0	0	39,909	32,744
0	0	0	0	0	13,366
<u>6,001,625</u>	<u>5,996,315</u>	<u>7,319,249</u>	<u>6,484,139</u>	<u>6,441,974</u>	<u>6,242,419</u>
1,761,216	1,566,267	1,549,601	1,474,411	1,474,791	1,536,303
120,128	129,180	138,208	147,076	143,608	139,754
<u>1,881,344</u>	<u>1,695,447</u>	<u>1,687,809</u>	<u>1,621,487</u>	<u>1,618,399</u>	<u>1,676,057</u>
<u>\$ 7,882,969</u>	<u>\$ 7,691,762</u>	<u>\$ 9,007,058</u>	<u>\$ 8,105,626</u>	<u>\$ 8,060,373</u>	<u>\$ 7,918,476</u>
(47,595,655)	(48,336,881)	(47,421,590)	(47,899,927)	(46,147,543)	(43,856,858)
(612,446)	(728,164)	(587,004)	(692,765)	(681,869)	(581,890)
<u>\$ (48,208,101)</u>	<u>\$ (49,065,045)</u>	<u>\$ (48,008,594)</u>	<u>\$ (48,592,692)</u>	<u>\$ (46,829,412)</u>	<u>\$ (44,438,748)</u>
\$ 39,691,542	\$ 37,410,095	\$ 34,734,232	\$ 34,226,326	\$ 34,720,303	\$ 37,569,616
2,359,811	2,178,259	2,339,709	2,064,534	2,098,013	2,258,971
608,515	707,148	620,845	791,373	794,196	849,401
7,707,534	8,146,313	9,217,121	9,169,178	8,608,261	7,789,074
(74,145)	317,792	296,638	557,239	1,511,999	1,956,626
46,084	17,154	69,017	129,491	58,670	69,056
0	0	0	0	0	(58,531)
<u>50,339,341</u>	<u>48,776,761</u>	<u>47,277,562</u>	<u>46,938,141</u>	<u>47,791,442</u>	<u>50,434,213</u>
824,640	795,490	805,392	856,473	794,607	783,212
(10,286)	25,620	20,859	59,677	139,220	191,095
69,029	70,110	63,361	67,993	71,833	39,044
0	0	0	0	0	58,531
<u>883,383</u>	<u>891,220</u>	<u>889,612</u>	<u>984,143</u>	<u>1,005,660</u>	<u>1,071,882</u>
<u>\$ 51,222,724</u>	<u>\$ 49,667,981</u>	<u>\$ 48,167,174</u>	<u>\$ 47,922,284</u>	<u>\$ 48,797,102</u>	<u>\$ 51,506,095</u>
2,743,686	439,880	(144,028)	(961,786)	1,643,899	6,577,355
270,937	163,056	302,608	291,378	323,791	489,992
<u>\$ 3,014,623</u>	<u>\$ 602,936</u>	<u>\$ 158,580</u>	<u>\$ (670,408)</u>	<u>\$ 1,967,690</u>	<u>\$ 7,067,347</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 146,910	\$ 121,344	\$ 115,461	\$ 115,562
Committed	1,078,635	785,113	432,153	881,426
Assigned	4,087,736	3,100,147	953,807	2,515,877
Unassigned	28,484,619	30,488,645	26,445,365	25,950,263
Reserved	0	0	0	0
Unreserved	0	0	0	0
<i>Total General Fund</i>	<u>33,797,900</u>	<u>34,495,249</u>	<u>27,946,786</u>	<u>29,463,128</u>
All Other Governmental Funds				
Nonspendable	0	0	1,691	0
Restricted	12,548,456	11,314,568	10,553,119	9,986,832
Committed	30,760	1,761,524	4,862,100	2,110,726
Unassigned (Deficit)	(24,889)	0	0	(745)
Reserved	0	0	0	0
Unreserved, Reported in:				
Special Revenue Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>12,554,327</u>	<u>13,076,092</u>	<u>15,416,910</u>	<u>12,096,813</u>
<i>Total Governmental Funds</i>	<u>\$ 46,352,227</u>	<u>\$ 47,571,341</u>	<u>\$ 43,363,696</u>	<u>\$ 41,559,941</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 School District implemented GASB 54 in fiscal year 2011.



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010 (1)</b>	<b>2009</b>	<b>2008</b>
\$ 137,957	\$ 139,411	\$ 226,453	\$ 0	\$ 0	\$ 0
683,619	0	0	0	0	0
3,851,512	3,405,003	2,870,700	0	0	0
24,805,537	25,694,026	24,606,148	0	0	0
0	0	0	4,509,530	6,056,237	5,148,703
0	0	0	23,818,349	25,289,018	26,035,339
<u>29,478,625</u>	<u>29,238,440</u>	<u>27,703,301</u>	<u>28,327,879</u>	<u>31,345,255</u>	<u>31,184,042</u>
0	5,572	6,646	0	0	0
9,700,263	9,505,152	10,923,564	0	0	0
1,728,501	51,446	61,668	0	0	0
0	(63,290)	(815)	0	0	0
0	0	0	5,355,107	4,436,359	2,757,346
0	0	0	386,082	488,701	521,337
0	0	0	3,147,047	3,246,177	3,282,849
<u>11,428,764</u>	<u>9,498,880</u>	<u>10,991,063</u>	<u>8,888,236</u>	<u>8,171,237</u>	<u>6,561,532</u>
<u>\$ 40,907,389</u>	<u>\$ 38,737,320</u>	<u>\$ 38,694,364</u>	<u>\$ 37,216,115</u>	<u>\$ 39,516,492</u>	<u>\$ 37,745,574</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Change in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>				
Property Taxes	\$ 39,067,015	\$ 46,170,273	\$ 44,079,060	\$ 42,706,426
Intergovernmental	10,365,257	9,731,326	9,998,159	9,776,606
Investment Earnings	242,973	424,439	275,632	550,868
Tuition and Fees	4,456,253	4,407,392	4,020,296	3,665,733
Extracurricular	309,392	253,743	238,123	427,478
Rental Income	0	115	9,031	15,290
Charges for Services	569,968	556,231	535,006	546,973
Contributions and Donations	40,620	357,936	56,271	58,435
Other Local Revenues	351,384	68,307	76,975	93,855
<i>Total Revenues</i>	<u>55,402,862</u>	<u>61,969,762</u>	<u>59,288,553</u>	<u>57,841,664</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	19,675,308	18,779,228	18,953,256	18,561,146
Special	5,937,057	9,634,823	9,219,036	9,678,921
Vocational	502,313	459,480	257,428	254,227
Student Intervention Services	2,408,530	0	0	0
Other	752,604	47,040	756,683	207,366
Support Services:				
Pupil	3,358,929	3,373,974	3,565,742	3,465,007
Instructional Staff	1,734,819	1,567,081	1,500,935	1,184,272
Board of Education	85,307	92,969	87,062	78,372
Administration	3,643,028	3,741,499	3,562,187	3,458,087
Fiscal	1,437,105	1,333,807	1,405,752	1,312,083
Business	539,768	575,979	637,673	589,603
Operations and Maintenance	4,472,373	4,405,344	4,663,263	4,576,331
Pupil Transportation	3,758,536	3,406,636	3,590,541	3,664,747
Central	1,226,904	917,092	1,017,146	930,580
Operation of Non-Instructional Services:				
Food Service Operations	596,651	596,921	584,234	624,186
Other Non-Instructional Services	651,678	589,501	610,355	618,650
Extracurricular Activities	1,670,821	1,800,901	1,617,961	1,820,502
Capital Outlay	4,009,124	3,979,504	3,141,259	3,661,442
Debt Service:				
Principal Retirement	999,040	1,057,830	1,767,470	1,626,488
Interest and Fiscal Charges	1,790,296	1,678,765	847,437	882,357
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>59,250,191</u>	<u>58,038,374</u>	<u>57,785,420</u>	<u>57,194,367</u>
<i>Excess Revenues</i>				
<i>Over (Under) Expenditures</i>	(3,847,329)	3,931,388	1,503,133	647,297

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 42,765,503	\$ 40,698,349	\$ 37,568,424	\$ 36,258,491	\$ 38,961,368	\$ 39,879,562
9,373,306	10,081,139	11,607,573	11,222,623	10,366,538	9,538,474
(115,043)	343,606	323,414	650,832	1,745,195	1,782,271
3,500,985	3,777,544	4,063,652	3,791,794	3,545,092	2,898,200
248,088	221,695	242,272	334,765	202,404	202,607
3,120	5,540	7,760	7,210	6,685	7,230
526,038	587,011	576,596	568,207	566,407	491,963
67,021	18,886	7,389	14,643	14,270	0
74,430	33,558	85,049	153,446	63,958	107,769
<u>56,443,448</u>	<u>55,767,328</u>	<u>54,482,129</u>	<u>53,002,011</u>	<u>55,471,917</u>	<u>54,908,076</u>
17,961,767	18,675,485	19,391,253	18,440,370	18,365,083	17,385,174
6,305,746	6,300,173	6,510,388	6,402,902	6,205,744	5,725,646
337,679	420,324	343,264	262,377	315,725	272,615
0	0	0	0	0	0
685,834	0	0	0	0	0
3,545,909	3,702,792	3,708,056	3,691,059	3,250,828	3,471,402
3,988,800	3,989,498	4,124,229	4,194,566	4,019,019	3,649,596
69,126	78,336	167,112	82,545	160,757	110,200
3,332,557	3,359,159	2,988,770	2,992,936	2,837,225	2,872,172
1,338,823	1,357,424	1,214,690	1,232,620	1,157,298	1,171,481
593,970	545,458	581,137	547,326	555,661	537,479
4,522,117	4,347,981	4,634,784	4,755,829	4,771,091	4,608,092
3,714,548	3,637,659	3,679,320	3,897,232	3,539,067	3,424,859
1,034,998	1,033,121	1,166,158	1,317,455	1,153,880	1,200,502
675,203	682,617	660,242	638,399	660,210	585,191
462,770	640,367	686,326	528,768	660,266	578,947
1,556,513	1,566,991	1,626,184	1,734,254	1,526,210	1,500,950
1,622,291	2,491,781	1,770,222	2,351,391	2,290,812	1,298,161
1,633,920	1,536,508	1,401,117	1,331,956	1,246,794	1,247,432
895,174	936,879	968,001	931,582	986,089	1,024,672
0	0	52,627	0	0	0
<u>54,277,745</u>	<u>55,302,553</u>	<u>55,673,880</u>	<u>55,333,567</u>	<u>53,701,759</u>	<u>50,664,571</u>
2,165,703	464,775	(1,191,751)	(2,331,556)	1,770,158	4,243,505 (continued)

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Change in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(Modified Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of Bonds	\$ 2,442,977	\$ 0	\$ 0	\$ 0
Transfers In	141,918	110,000	5,176,000	3,410,000
Transfers Out	(141,918)	(110,000)	(5,176,000)	(3,410,000)
Sale of Assets	0	397	1,119	5,255
Inception of Capital Lease	0	275,860	299,503	0
Sale of Refunding Bonds	14,505,000	0	0	0
Premium on Refunding Bonds Sold	1,500,302	0	0	0
Payment to Refunded Bond Escrow Agent	(15,830,067)	0	0	0
Premium on Bonds	10,003	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,628,215</u>	<u>276,257</u>	<u>300,622</u>	<u>5,255</u>
<i>Net Change in Fund Balances</i>	<u>\$ (1,219,114)</u>	<u>\$ 4,207,645</u>	<u>\$ 1,803,755</u>	<u>\$ 652,552</u>
Capital Expenditures	\$ 4,271,326	\$ 4,445,125	\$ 2,809,831	\$ 2,950,324
Debt Service as a Percentage of Total Noncapital Expenditures	5.07%	5.11%	4.76%	4.63%

**Source:** School District financial records.

Amounts have been restated from those reported in the original CAFR to correspond with the line items reported in the basic financial statements.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 0	\$ 0	\$ 2,670,000	\$ 0	\$ 0	\$ 0
2,610,000	110,000	110,000	2,115,000	2,659,000	260,319
(2,610,000)	(531,819)	(110,000)	(2,115,000)	(2,659,000)	(260,319)
4,366	0	0	924	760	3,612
0	0	0	30,255	0	294,690
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,366</u>	<u>(421,819)</u>	<u>2,670,000</u>	<u>31,179</u>	<u>760</u>	<u>298,302</u>
<u>\$ 2,170,069</u>	<u>\$ 42,956</u>	<u>\$ 1,478,249</u>	<u>\$ (2,300,377)</u>	<u>\$ 1,770,918</u>	<u>\$ 4,541,807</u>
\$ 1,792,403	\$ 2,928,806	\$ 2,172,785	\$ 2,384,310	\$ 2,420,224	\$ 1,422,166
4.82%	4.72%	4.43%	4.27%	4.35%	4.61%

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Assessed Valuation and Estimated Actual Value of Taxable Property*  
*Last Ten Collection 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
2017	\$ 1,053,553,810	\$ 3,010,153,743	\$ 0	\$ 0	\$ 11,698,940	\$ 13,294,250
2016	1,043,260,120	2,980,743,200	0	0	11,012,300	12,513,977
2015	1,002,217,530	2,863,478,657	0	0	10,763,950	12,231,761
2014	1,001,559,470	2,861,598,486	0	0	10,236,390	11,632,261
2013	995,704,210	2,844,869,171	0	0	9,282,780	10,548,614
2012	996,924,660	2,848,356,171	0	0	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

**Source:** Cuyahoga County Fiscal Officer's Office - Data is presented on a calendar year basis as this is the manner in which information is maintained by the County Auditor.

- (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.

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**Total**

<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Percentage of Assessed Value to Estimated Actual Value</b>	<b>Total Direct Rate (4)</b>
\$ 1,065,252,750	\$ 3,023,447,993	35.23%	\$ 91.20
1,054,272,420	2,993,257,177	35.22%	91.20
1,012,981,480	2,875,710,419	35.23%	91.10
1,011,795,860	2,873,230,747	35.21%	91.10
1,004,986,990	2,855,417,785	35.20%	91.10
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

**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					
	Year	County	City	Library	General	Bond	Voted		
Permanent Improvement							Recreation	Unvoted	
2016/2017	\$ 20.93	\$ 7.10	\$ 2.50	\$ 81.55	\$ 2.50	\$ 1.00	\$ 0.95	\$ 5.20	\$ 91.20
2015/2016	20.93	7.10	2.50	81.55	2.50	1.00	0.95	5.20	91.20
2014/2015	20.93	9.50	2.50	81.55	2.40	1.00	0.95	5.20	91.10
2013/2014	20.03	9.50	2.50	81.55	2.40	1.00	0.95	5.20	91.10
2012/2013	18.30	9.50	2.50	81.55	2.40	1.00	0.95	5.20	91.10
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

Source: Cuyahoga County Fiscal Officer's Office



**Orange City School District**  
**Cuyahoga County, Ohio**  
*Principal Taxpayers*  
*Real Estate Tax*  
December 31, 2016 and December 31, 2007

<b>December 31, 2016</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Chagrin Retail L.L.C.	\$ 19,604,870	1	1.86%
Village Chagrin Partners	6,643,430	2	0.63%
Landerwood Consolidated LLC	4,481,470	3	0.43%
Chagrin Boulevard LLC	4,035,470	4	0.38%
Pine IX LLC	3,968,160	5	0.38%
Lakes of Orange	3,868,510	6	0.37%
CY Beachwood Owner LLC	3,339,980	7	0.32%
Landerwood Crossing LLC	3,290,000	8	0.31%
Raintree Holdings LLC	3,184,350	9	0.30%
HV Holdings, Inc.	3,125,710	10	0.30%
Total	<u>\$ 55,541,950</u>		<u>5.28%</u>
Total Assessed Values	<u>\$ 1,053,553,810</u>		

<b>December 31, 2007</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Real Estate Assessed Value</u>
Chagrin Retail L.L.C.	\$ 19,373,350	1	1.89%
HRP NOM L.P.	7,148,940	2	0.70%
Village Chagrin Partners	6,372,310	3	0.62%
Lowe's Home Center, Inc.	4,606,350	4	0.45%
Gotham King Fee Owner, L.L.C.	4,355,510	5	0.43%
Olympic Steel	4,014,890	6	0.39%
AM Castle and Company	3,996,060	7	0.39%
Harp Midam Beachwood Hotel	3,582,810	8	0.35%
Lander Circle Company	3,223,890	9	0.31%
Beechmont, Inc.	3,073,920	10	0.30%
Total	<u>\$ 59,748,030</u>		<u>5.83%</u>
Total Assessed Values	<u>\$ 1,023,957,100</u>		

**Source:** Cuyahoga County Fiscal Officer's Office

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Principal Taxpayers*  
*Public Utility Tax*  
*December 31, 2016 and December 31, 2007*

<b>December 31, 2016</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 8,567,790	1	73.24%
American Transmission	2,121,190	2	18.13%
Total	<u>\$ 10,688,980</u>		<u>91.37%</u>
Total Assessed Values	<u>\$ 11,698,940</u>		

<b>December 31, 2007</b>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 5,775,490	1	81.50%
East Ohio Gas	707,170	2	9.98%
American Transmission	587,280	3	8.29%
Total	<u>\$ 7,069,940</u>		<u>99.77%</u>
Total Assessed Values	<u>\$ 7,086,100</u>		

**Source:** Cuyahoga County Fiscal Officer's Office

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

<b>Tax Year/ Collection Year</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (2)</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy (2)</b>	<b>Outstanding Delinquent Taxes (1)</b>	<b>Total Delinquent Taxes As a Percent of Total Levy</b>
2016/2017	\$ 50,560,152	\$ 48,931,050	96.78%	\$ 1,279,993	\$ 50,211,043	99.31%	\$ 1,850,540	3.66%
2015/2016	50,243,016	48,679,116	96.89%	1,038,785	49,717,901	98.95%	1,876,375	3.73%
2014/2015	49,338,211	46,399,765	94.04%	1,172,551	47,572,316	96.42%	1,823,292	3.70%
2013/2014	49,115,107	46,933,918	95.56%	1,321,499	48,255,417	98.25%	2,266,057	4.61%
2012/2013	49,115,107	46,933,918	95.56%	1,325,819	48,259,737	98.26%	2,266,057	4.61%
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%

**Source:** Cuyahoga County Fiscal Officer'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 (4)</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>
2017	\$ 21,128,282	\$ 291,724	\$ 21,420,006	(3)	\$ 10,630	(3)
2016	20,359,366	414,204	20,773,570	1,448	10,050	1.01%
2015	22,010,509	267,763	22,278,272	1,550	10,262	1.14%
2014	23,530,963	5,730	23,536,693	1,638	10,588	1.48%
2013	24,877,957	12,218	24,890,175	1,748	11,197	0.86%
2012	26,117,290	56,138	26,173,428	1,838	11,659	1.69%
2011	27,228,004	127,646	27,355,650	1,928	11,946	1.87%
2010	25,578,611	193,763	25,772,374	1,814	11,394	2.16%
2009	26,574,579	220,464	26,795,043	1,986	11,595	1.81%
2008	27,522,004	272,258	27,794,262	2,068	11,639	1.62%

**Sources:** School District Financial Records

(1) See notes to the financial statements regarding the School 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.

(4) General obligation bonds are reported net of premiums, discounts and other adjustments.

**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		
2017	\$ 21,128,282	\$ 4,504,651	\$ 16,623,631	0.55%	(2)
2016	20,359,366	4,430,182	15,929,184	0.53%	1,110
2015	22,010,509	2,685,509	19,325,000	0.67%	1,345
2014	23,530,963	2,828,644	20,702,319	0.72%	1,440
2013	24,877,957	1,831,512	23,046,445	0.81%	1,619
2012	26,117,290	3,728,136	22,389,154	0.78%	1,572
2011	27,228,004	3,342,046	23,885,958	0.83%	1,683
2010	25,578,611	3,029,772	22,548,839	0.79%	1,587
2009	26,574,579	2,763,181	23,811,398	0.75%	1,765
2008	27,522,004	2,478,446	25,043,558	0.75%	1,864

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

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

(2) Personal income information can be found on the Demographic and Economic Statistics table. The information for 2017 was not readily available.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Direct and Overlapping Governmental Activities Debt*  
*As of June 30, 2017*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 21,420,006	100.00%	\$ 21,420,006
<i>Total Direct Debt</i>	<u>21,420,006</u>		<u>21,420,006</u>
Overlapping Debt:			
Cuyahoga County	163,760,000	3.86%	6,321,136
Village Of Orange	400,000	96.14%	384,560
City Of Bedford Heights	580,000	11.35%	65,830
City Of Pepper Pike	2,349,116	98.96%	2,324,685
City Of Warrensville Heights	9,965,000	3.52%	350,768
Village Of Woodmere	1,500,000	100.00%	1,500,000
<i>Total Overlapping Debt</i>	<u>178,554,116</u>		<u>10,946,979</u>
 <i>Total Direct And Overlapping Debt</i>	 <u>\$ 199,974,122</u>		 <u>\$ 32,366,985</u>

**Source:** Ohio Municipal Advisory Council

**Note:** Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2015 collection year.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Legal Debt Margin Information*  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Assessed Value (2)</b>	<b>Voted Debt Limit (1)</b>	<b>Total Debt Applicable to Limit (3)</b>	<b>Debt Service Available Balance</b>	<b>Voted Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>	<b>Unvoted Legal Debt Margin (1)</b>
2017	\$ 1,065,252,750	\$ 95,872,748	\$ 19,617,977	\$ 4,504,651	\$ 80,759,422	15.76%	\$ 1,065,253
2016	1,054,272,420	94,884,518	19,046,560	4,407,537	80,245,495	15.43%	1,054,272
2015	1,012,981,480	91,168,333	19,974,970	4,191,931	75,385,294	17.31%	1,012,981
2014	1,011,795,860	91,061,627	21,522,696	4,129,608	73,668,539	19.10%	1,011,796
2013	1,004,986,990	90,448,829	22,121,029	3,933,451	72,261,251	20.11%	1,004,987
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

**Source:** Cuyahoga County Fiscal Officer, 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*

Year	Population (1)	Average Income by Return (5)	Personal Income (5)	Per Capita Income	Median Age (1)	School Enrollment (3)	Unemployment Rates (4)		
							Cuyahoga County	Ohio	United States
2017	(2)	(2)	(2)	(2)	49.3	2,015	6.6%	5.0%	4.4%
2016	14,350	\$ 305,772	\$ 2,062,128,492	\$ 143,702	49.3	2,067	5.6%	5.0%	4.9%
2015	14,372	290,417	1,946,371,921	135,428	51.2	2,171	6.7%	5.2%	5.3%
2014	14,373	228,421	1,588,439,132	110,515	51.1	2,216	7.9%	5.5%	6.1%
2013	14,239	307,155	2,903,570,821	203,917	49.2	2,223	8.0%	7.2%	7.6%
2012	14,239	230,528	1,552,833,536	109,055	49.2	2,245	7.5%	7.2%	8.2%
2011	14,190	224,370	1,461,094,740	102,967	40.2	2,290	7.9%	8.8%	9.1%
2010	14,211	183,625	1,191,176,755	83,821	41.5	2,262	9.7%	10.5%	9.5%
2009	13,493	218,640	1,477,129,812	109,474	41.5	2,311	10.2%	11.1%	9.5%
2008	13,437	218,640	1,718,478,448	127,892	41.5	2,388	8.1%	6.7%	5.7%

**Sources:**

- (1) Information obtained from the U.S. Census Bureau website ([www.census.gov](http://www.census.gov)).  
City of Pepper Pike Geographic Area.
- (2) Information not readily available for this calendar year.
- (3) Obtained from School 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, 2016 And Nine Years Ago*

<b>December 31, 2016</b>		
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>
Orange City School District (1)	651	1
Ursuline College	542	2
Country Club, Inc.	298	3
Beech Brook	239	4
Heinens, Inc.	197	5
Chagrin Valley Country Club	175	6
Red Lobster Restaurants, LLC	169	7
Beechmont, Inc.	166	8
Apple, Inc.	164	9
Paladar Cleveland, Inc.	140	10
Total	<u>2,741</u>	

<b>December 31, 2007</b>		
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>
GMRI, Inc.	745	1
Orange City School District (1)	642	2
Ursuline College	362	3
Wild Oats Markets, Inc.	195	4
OS Restaurant Services, Inc.	195	5
Cambridge Home Health Care	137	6
Sky Financial Group	126	7
Cameron Mitchell Restaurants	123	8
San Allen, Inc.	120	9
City of Pepper Pike	101	10
Total	<u>2,746</u>	

**Source:** Regional Income Tax Agency

(1) Includes substitute and seasonal employees.

**Note:** The Regional Income Tax Agency was unable to provide statistics on total employment within the School District such that the above totals by employer could be expressed as a percentage of total employment. The School 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*

<b>Type</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Professional Staff:										
Teaching Staff:										
Elementary	77.3	77.1	82.3	82.3	82.3	82.3	85.8	85.0	84.6	84.6
Middle	48.4	49.3	49.5	49.5	49.5	47.9	50.9	50.9	50.9	49.5
High	66.1	67.5	69.6	69.6	67.6	67.0	68.0	67.0	67.0	66.9
Others	6.0	19.1	19.3	19.3	18.9	17.9	18.9	18.7	18.7	17.7
Administration:										
District	20.0	19.0	20.0	20.0	21.0	20.0	21.0	21.0	20.0	20.0
Auxiliary Positions:										
Counselors	7.0	7.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5	6.5
Nurses	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Speech	4.6	4.6	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Mental Health Specialists	3.8	4.0	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Others	7.6	6.6	8.6	8.6	8.6	8.6	9.6	9.6	9.6	9.6
Support Staff:										
Supervisors	8.0	9.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0
Secretarial	32.0	33.0	33.0	33.0	33.4	33.4	33.4	32.5	32.5	33.5
Aides	48.4	56.5	60.0	59.0	59.0	58.0	60.0	60.0	60.0	57.5
Technical	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Cooks	8.0	8.2	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Custodial	26.2	26.1	26.0	26.0	26.0	26.0	25.3	25.3	25.3	25.3
Maintenance	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Bus Driver	31.8	31.2	31.6	31.6	31.6	31.6	32.9	32.9	32.9	32.9
Bus Aides	6.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
<b>Total</b>	<b>417.2</b>	<b>436.2</b>	<b>451.9</b>	<b>450.9</b>	<b>449.9</b>	<b>445.7</b>	<b>460.8</b>	<b>457.9</b>	<b>456.5</b>	<b>452.5</b>
<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Instruction:										
Regular	153.6	152.9	158.2	159.2	156.8	154.6	161.6	161.1	160.7	160.2
Special	45.0	54.0	51.6	50.6	50.6	49.6	51.1	49.6	49.6	47.6
Vocational	1.0	1.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	28.5	28.2	36.9	36.9	36.9	35.9	36.4	36.4	36.4	36.4
Instructional staff	60.6	68.0	65.0	64.0	64.0	64.0	67.0	67.0	67.0	65.0
Administration	21.0	21.0	22.0	22.0	23.0	22.0	23.0	23.0	22.0	22.5
Fiscal	5.8	5.8	5.6	5.6	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	39.0	43.1	44.0	44.0	44.0	45.0	45.3	45.3	45.3	45.3
Pupil transportation	40.7	39.6	39.1	39.1	39.1	39.1	40.9	40.9	40.9	40.9
Central	7.0	7.0	10.9	10.9	10.9	10.9	10.9	10.0	10.0	10.0
Food Service Operations	9.0	8.7	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1
Extracurricular activities	2.0	2.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
<b>Total Governmental Activities</b>	<b>417.2</b>	<b>436.2</b>	<b>451.9</b>	<b>450.9</b>	<b>449.9</b>	<b>445.7</b>	<b>460.8</b>	<b>457.9</b>	<b>456.5</b>	<b>452.5</b>

Source: School District records

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Operating Indicators by Function*  
*Last Ten Fiscal Years*

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Instruction:										
Regular and Special										
Enrollment (Students)	2,015	2,067	2,171	2,216	2,223	2,245	2,290	2,199	2,311	2,388
Graduates	182	161	159	185	190	181	172	150	201	187
Support Services:										
Board of Education										
Regular Meetings per Year	23	16	21	18	23	22	22	21	24	24
Special Meetings per Year	8	20	17	20	16	12	12	17	11	22
Administration										
Student Attendance Rate	95.6%	95.8%	95.6%	95.0%	95.6%	95.6%	95.7%	95.8%	96.0%	96.5%
Fiscal										
Nonpayroll Checks										
Issued	5,111	5,278	5,589	5,511	5,538	5,389	6,018	6,636	6,588	6,619
Operations and Maintenance										
Work Orders Completed	223	411	397	390	573	438	629	416	500	500
Square Footage										
Maintained	548,700	548,700	548,700	548,700	548,700	548,700	534,881	534,881	534,881	534,881
Pupil Transportation										
Avg. Students Transported										
Daily (1)	1,488	1,293	1,382	1,391	1,391	1,381	1,525	1,440	2,242	2,462
Food Service Operations										
Meals Served to Students	178,166	186,851	168,969	182,556	182,590	184,677	170,930	195,915	188,754	207,577
Number of Students With										
Free or Reduced Lunches	268	257	284	278	251	282	203	224	222	218

**Source:** School District Records

(1) Figure includes public and nonpublic riders.

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Capital Asset Statistics*  
*Last Ten Fiscal Years*

<b>Governmental Activities</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Land	\$ 6,315,782	\$ 6,315,782	\$ 6,315,782	\$ 6,315,782
Construction in Progress	2,944,444	0	645,323	1,148,798
Land Improvements	3,462,975	3,669,484	4,021,647	4,379,666
Buildings	32,288,278	33,663,785	30,289,257	28,916,233
Equipment	1,107,522	1,068,447	1,309,712	1,233,820
Vehicles	1,495,750	1,356,142	1,607,377	1,545,465
<b>Total Governmental Activities</b>				
Capital Assets, Net	<u>\$ 47,614,751</u>	<u>\$ 46,073,640</u>	<u>\$ 44,189,098</u>	<u>\$ 43,539,764</u>
<b>Business-Type Activities</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Construction in Progress	\$ 322,313	\$ 0	\$ 0	\$ 0
Land Improvements	16,517	19,330	22,143	24,956
Buildings	2,891,956	2,984,180	3,149,210	3,317,269
Equipment	28,608	6,317	4,896	0
Vehicles	0	0	0	0
<b>Total Business-Type Activities</b>				
Capital Assets, Net	<u>\$ 3,259,394</u>	<u>\$ 3,009,827</u>	<u>\$ 3,176,249</u>	<u>\$ 3,342,225</u>

**Source:** School District financial records.

**Note:** Amounts above are presented net of accumulated depreciation.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
330,459	80,263	1,724,343	1,431,742	1,424,838	55,103
3,881,682	4,138,845	4,052,380	4,338,252	4,603,316	4,925,063
29,429,013	30,349,086	28,014,968	27,973,225	27,231,377	27,698,365
1,390,872	914,936	927,018	1,005,328	1,101,286	1,181,011
1,580,642	1,665,297	1,723,068	1,714,578	1,685,540	1,585,559
<u>\$ 42,982,818</u>	<u>\$ 43,518,577</u>	<u>\$ 42,811,927</u>	<u>\$ 42,833,275</u>	<u>\$42,416,507</u>	<u>\$41,815,251</u>

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 0	\$ 0	\$ 0	\$ 631,180	\$ 0	\$ 0
27,769	30,582	33,395	36,632	44,728	44,728
3,484,755	3,654,394	3,783,272	1,949,230	2,131,584	2,131,584
0	2,304	3,610	4,916	17,696	17,696
0	0	2,507	7,522	23,601	23,601
<u>\$ 3,512,524</u>	<u>\$ 3,687,280</u>	<u>\$ 3,822,784</u>	<u>\$ 2,629,480</u>	<u>\$ 2,217,609</u>	<u>\$ 2,217,609</u>

**Orange City School District**  
**Cuyahoga County, Ohio**  
*School Building Information*  
*Last Ten Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Orange High School (1973)				
Square feet	215,886	215,886	215,886	215,886
Capacity (All)	960	960	960	960
Enrollment	681	681	681	698
Brady Middle School (1965)				
Square feet	99,760	99,760	99,760	99,760
Capacity (All)	720	720	720	720
Enrollment	500	500	500	498
Moreland Hills Elementary (2001)				
Square feet	124,875	124,875	124,875	124,875
Capacity (All)	1,440	1,440	1,440	1,440
Enrollment	883	883	883	917
Gund School (1978)				
Square feet	6,000	6,000	6,000	6,000
Capacity (All)	84	84	84	84
Enrollment	81	81	81	70
New Directions (1989)				
Square feet	26,400	26,400	26,400	26,400
Capacity (All)	38	38	38	38
Enrollment	26	26	26	33

**Source:** School District records

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

2013	2012	2011	2010	2009	2008
215,886	215,886	215,886	215,886	215,886	215,886
960	960	960	960	960	960
712	701	765	719	688	715
99,760	99,760	86,138	86,138	86,138	86,138
720	720	720	720	720	720
473	516	484	496	521	570
124,875	124,875	124,875	124,875	124,875	124,875
1,440	1,440	1,440	1,440	1,440	1,440
943	947	957	881	997	1,006
6,000	6,000	6,000	6,000	6,000	6,000
84	84	84	84	84	84
67	60	58	68	79	68
26,400	26,400	26,400	26,400	26,400	1,800
38	38	38	38	38	30
28	21	26	35	26	29

**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		
2017	\$ 56,460,855	\$ 28,020	\$ 57,530,146	\$ 28,551	2,015	-2.52%
2016	55,301,779	26,755	53,334,284	25,803	2,067	-4.79%
2015	55,170,513	25,412	54,448,707	25,080	2,171	-2.03%
2014	54,685,522	24,678	54,404,797	24,551	2,216	-0.31%
2013	51,748,651	23,279	52,319,586	23,536	2,223	-0.98%
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%

**Source:** School District records

- (1) Debt Service totals have been excluded.
- (2) Enrollment derived from School District attendance records.
- (3) Teaching staff headcount represents full-time equivalents.



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<b>Teaching Staff (3)</b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>
197.8	10.19	95.6%
220.7	9.37	95.6%
220.7	9.84	95.6%
220.7	10.04	95.6%
239.0	9.30	95.6%
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%

**Orange City School District**  
**Cuyahoga County, Ohio**  
*Teacher Statistics*  
*June 30, 2017*

Degree	Number of Teachers	Percentage of Total	Pay Range
Associate's Degree	(1)	n/a	(1)
Bachelor's Degree	17.00	11.30%	\$44,191 - \$84,522
Master's Degree	206.00	87.02%	\$49,029 - \$104,803
Ph.D.	1.00	1.67%	\$52,029 - \$105,803
	<u>224.00</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	26.00	11.61%
6 - 10	34.00	15.18%
11 and over	164.00	73.21%
	<u>224.00</u>	<u>100.00%</u>

**Source:** School District Personnel Records

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



# 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  
JANUARY 4, 2018