



OHIO AUDITOR OF STATE
KEITH FABER



ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
<u>Child Nutrition Cluster:</u>		
National School Lunch Program	10.555	117,797
National School Lunch Program- Non-Cash Assistance	10.555	49,238
		<u>167,035</u>
Total U.S. Department of Agriculture/ Child Nutrition Cluster		<u>167,035</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
<u>Special Education Cluster:</u>		
Special Education Grants to States	84.027	73,185
		<u>412,802</u>
Total- Special Education Grants to States		<u>485,987</u>
Special Education Grants to States- Restoration	84.027	13,546
Special Education Preschool Grants	84.173	2,569
		<u>15,814</u>
Total- Special Education Preschool Grants		<u>18,383</u>
Total- Special Education Cluster		517,916
Title I Grants to Local Educational Agencies	84.010	14,326
		8,000
		<u>115,851</u>
Total- Title I Grants to Local Educational Agencies		<u>138,177</u>
Supporting Effective Instruction State Grants	84.367	7,367
		<u>43,209</u>
Total- Supporting Effective Instruction State Grants		<u>50,576</u>
English Language Acquisition State Grants	84.365	1,851
		<u>3,828</u>
Total- English Language Acquisition State Grants		<u>5,679</u>
Student Support and Academic Enrichment Program	84.424	180
Total U.S. Department of Education		<u>712,528</u>
Total Expenditures of Federal Awards		<u>\$879,563</u>

The accompanying notes are an integral part of this schedule.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Orange City School District, Cuyahoga County, Ohio (the District) under programs of the federal government for the year ended June 30, 2019. 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - 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 E – 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 benefited from the use of those donated food commodities.

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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, (the District) as of and for the year ended June 30, 2019, 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 20, 2019.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2019



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**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, 2019. 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 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, 2019.

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 Schedule of Expenditures of Federal Awards 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 the Orange City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2019, 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 20, 2019. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2019

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
June 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	➤ Special Education Cluster, CFDA 84.027 and 84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	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, 2019

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, 2019

Orange City School District

Cuyahoga County, Ohio



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Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2019

Orange City School District

Cuyahoga County, Ohio



To Learn.
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Introductory Section



December 20, 2019

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, 2019. 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 12th grade were all educated in this one building. Dr. Terry Wickham, former president of Heidelberg College, was the School District's first superintendent. The first senior class graduated in 1927 with 11 members.

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange City School District. In 1994, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school. The original Moreland Hills Elementary School was used to educate students in grades K-2 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. The net total cost of the renovation would be \$7,797,020 paid for through existing funds and without going to the taxpayers for additional monies. Phase one included complete renovation to all restrooms in the summer of 2017. In the spring and summer of 2018, Phase two was completed and included a new entrance, lobby and reception area along with reformation to administrative offices and renovations to the school's original gymnasium into two levels of learning space for music classes. In the spring and summer of 2019, Phase three was completed and included the repurposing of former music rooms, the develop collaborative spaces, a complete media center redesign, classroom upgrades, restroom additions, and the painting of lockers and hallways.

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. In 2018, the high school was recognized as Cleveland Clinic Banner School for its programs designed to promote health and wellness, academic achievement, and career preparedness. The District is also recognized among the best school systems annually by various local and national outlets for its excellence in education. 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 the school auditorium 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.

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 1,967 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 the summer of 2016, the District assumed operational control of the Orange Art Center, which is being administered through Orange Community Education and Recreation. The Orange 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% 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 97 percent of the District's graduates pursue post-secondary education. For more than 40 years, residents have passed all school operating levies placed on the ballot for their approval. The most recent general operating levy of 5 mills, which was on the ballot in November 2011, was approved by 60 percent of the voters. In its October 2018 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.

Two fiscal years ago, 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. Currently, the Board of Education is exploring additional ways to operate its physical plant more efficiently.

At the recommendation of the Treasurer, the Board defeased all outstanding voted General Obligation bonds in 2016 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%. 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%. Among the activities that occurred during the debt refunding process was that the District affirmed its AAA/Aaa ratings with Moody's Investors Service and Standard & Poor's Corp. Orange City Schools is the only Ohio school District to have top ratings from these agencies and has maintained this top rating for the past 15 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 21st Century Curriculum, Director of Student Support Services, 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 21st Century Learning

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

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

The educational plan for the District consists of the following:

1. Educational Programs - In order to develop students who will think critically to solve problems, acquire and apply knowledge to be life-long learners, communicate effectively, work collaboratively, utilize new technologies and are civic-minded, the District will:
 - Focus all energies on the core business of schools, which is to design engaging work for students.
 - Encourage and design professional development for both certified and non-certified staff that focuses on designing engaging and satisfying work for students. This includes, but is not limited to, Teachers' Academy, staff development days, Innovative Lab Network 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 2018-2019 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.

2019-2020 DISTRICT GOALS

- Maximize individual student growth in all areas, including academic and extracurricular, to ensure our students are well prepared for college and careers.
- Ensure a culture of excellence by hiring and developing employees who will foster a collaborative learning environment.
- 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 and transparency to district residents.
- Engage the community as active participants and significant partners in support of our vision.

2019-2020 DISTRICT STRATEGIES

1. **Academics.** Create a challenging academic culture that stimulates exceptional academic growth in all students,
 - a. Through the teaching of a rigorous curriculum and maintaining the Orange tradition of innovative programming, achieve the highest performance rating on the state report card and other performance measures.
 - b. Strengthen all-district academic offerings, with a particular focus on improved sequencing, student placement, and student advancement, to permit all students to meet their potential through challenging curriculum.
 - c. Promote excellence in hiring, development, evaluation, and performance management of district employees.
 - d. Implement Professional Learning Communities comprised of grade level and subject teams, building level teams, district level teams, and vertical alignment teams, identifying specific goals to improve growth and achievement for all students.
2. **Financial.** Maintain and improve fiscal responsibility through the Treasurer's office with support from the Finance Committee.
3. **Facilities.**
 - a. Continue to monitor Brady Middle School renovations, with respect to quality of work and financial costs.
 - b. Continue to assess and evaluate safety and security needs of District.
4. **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 meetings with Mayors.
 - c. Encourage new programs that foster interaction among community members, students, teachers, administrators, and Board members in valuable activities.

Major Initiatives and Accomplishments for School Year 2018-2019

Moody's Investors Service and Standard & Poor's Corp. affirmed their highest credit ratings (Aaa/AAA) on the School District. 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 2021.

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 2017-2018 school year, nearly 77 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 2019 Ohio Department of Education school district report card.

- Earned an “A” in overall District Grade
- Earned an “A” for academic progress overall and for the achievement of gifted students, students in the lowest 20% 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 104.5.
- Earned an “A” in Gap Closing.
- Earned an “A” in Gifted
- Earned an “A” in Achievement

The District is advancing several professional development initiatives aimed at ensuring student success in the 21st 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.

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. The final payment to retire this bond issue is scheduled to be made on December 1, 2019.

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 studied specific renovations to the middle school and work began in the summer of 2017 with building restroom renovations. In 2018, construction of a new building entrance and lobby area along with updates to the office area and renovations to the former gymnasium space for music instruction was completed. In 2019, renovations included the repurposing of former music rooms, the development collaborative spaces, a complete media center redesign, classroom upgrades, restroom additions, and the painting of lockers and hallways.

Also as part of the campus facilities 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 was completed in the fall of 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 began 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 21st 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 100 percent and a five-year graduation rate of 97.9 percent in 2019, with more than 97 percent of graduates continuing their education at an institution of higher learning.
- 2) More than 75 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 eight students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations.
- 4) Ten Orange High School students were recognized by the National Merit Scholarship Program.
- 5) Average student scores on the ACT are consistently above national and state averages, ranking Orange High School among the top 10% of all high schools in Ohio. Orange High School earned a 25.6. composite score on the 2019 ACT.

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 began operating in the fall of 2018, 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% 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 2,067, 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 45 years have not defeated an operating levy request. For financial forecasting purposes, the District noted in its October 2018 Five Year Forecast the possibility of placing a 5-mill levy before the electors in calendar year 2021. 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 and 75 Implementation

Starting with fiscal year 2015 and 2018, the District is required to implement Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. GASB 68 addresses accounting for defined benefit and defined contribution pension plans. The District maintains a strong financial position, and readers are cautioned not to be misled by this accounting standards. In Ohio, the pension and OPEB systems are 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 and OPEB 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 12 and 13 of the basic financial statements for more information regarding GASB 68 and GASB 75 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.

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 governmental funds are budgeted and appropriated annually.

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, 2018. 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, 2018. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2019, 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, 2019. 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 Federal uniform grant guideline. 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,



Dr. Lynn Campbell
Superintendent



Todd Puster
Treasurer

**Orange City School District
List of Principal Officials
As of June 30, 2019**

Board of Education

Mrs. Beth Wilson-Fish	President
Mrs. Deborah Kamat	Vice-President
Dr. Rebecca Boyle	Member
Mr. Jeffrey Leikin	Member
Mrs. Melanie Weltman	Member

Treasurer/Chief Financial Officer

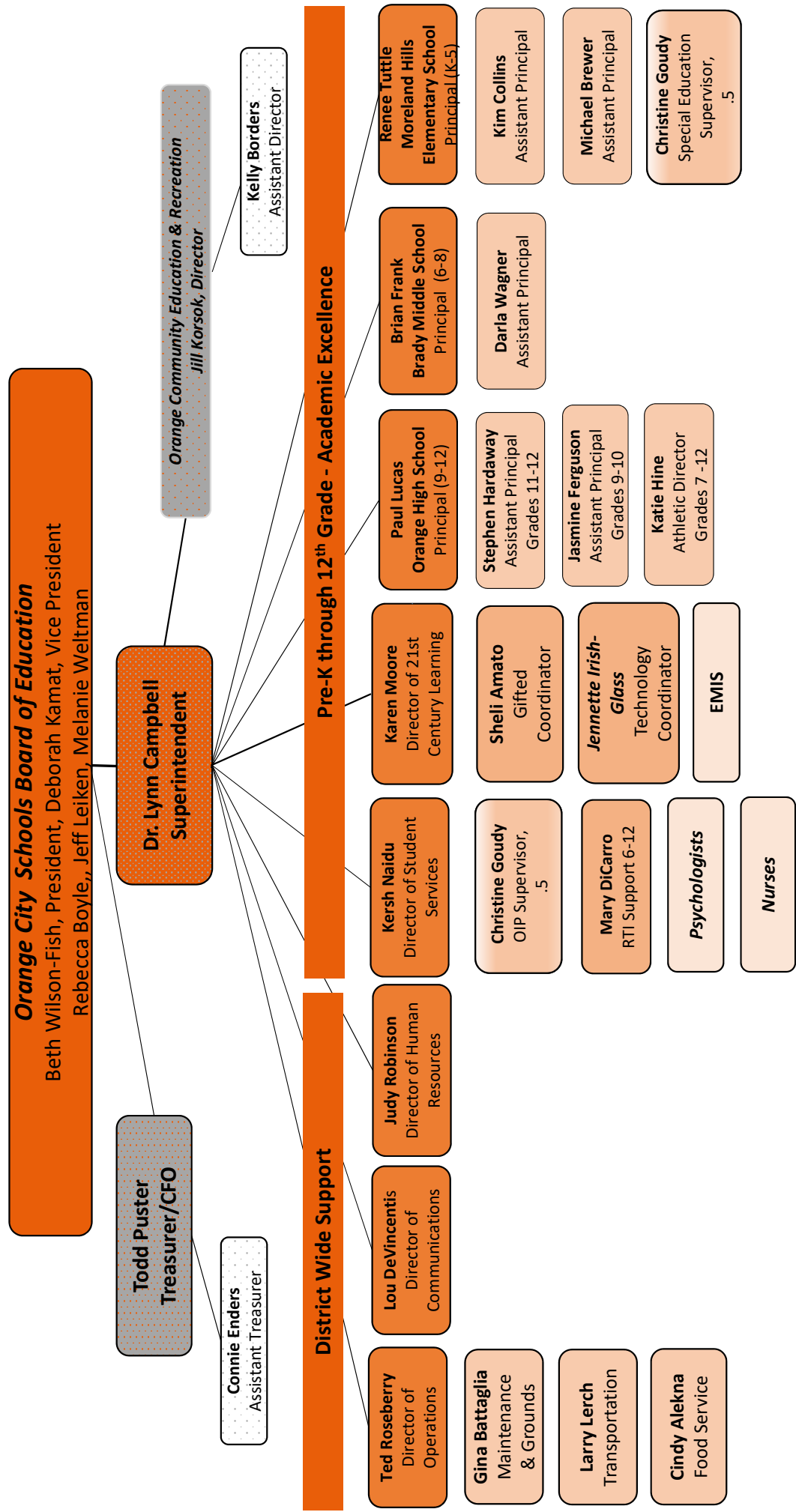
Mr. Todd Puster

Administration

Dr. Lynn Campbell	Superintendent
Mrs. Judith Robinson	Director of Human Resources
Mrs. Karen Moore	Director of 21 st Century Curriculum
Dr. Kershini Naidu	Director of Student Support Services
Mr. Charles (Ted) Roseberry	Director of Operations and Business Services
Mrs. Jill Korsok	Director of Community Education and Recreation
Mr. Lou DeVincentis	Director of Communications
Mrs. Connie Enders ⁽¹⁾	Assistant Treasurer
Mrs. Cindy Alekna	Supervisor of Food Services
Mr. Larry Lerch	Supervisor of Transportation Services
Mrs. Jennette Irish-Glass	Supervisor of Technology
Ms. Gina Marie Battaglia	Campus Maintenance Supervisor

(1) On August 1, 2019, Ms. Carol Lake became the Assistant Treasurer.

Administrative Organizational Chart 2018-2019





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, 2018

Christopher P. Morill

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, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2019

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Financial Section

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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, 2019, 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 such 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, 2019, 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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 20, 2019, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 20, 2019

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Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

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, 2019. 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 2019 are as follows:

- Net position increased \$10,800,192 during fiscal year 2019.
- Capital assets increased \$2,699,997 during fiscal year 2019.
- During the fiscal year, outstanding debt decreased from \$18.9 million to \$16.7 million.

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, permanent improvement fund, and the recreation fund are the School District's major funds.

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 2019?". 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.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

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.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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 and permanent improvement fund.

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

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. For reporting on the statement of net position and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
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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. 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.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2019 compared to 2018:

Table 1
Net Position

	Governmental Activities			Business-Type Activities		
	2019	2018	Change	2019	2018	Change
Assets						
Current and Other Assets	\$ 89,489,045	\$ 94,386,815	(4,897,770)	\$ 5,441,033	\$ 5,598,653	\$ (157,620)
Net Pension/OPEB Asset	3,168,432	0	3,168,432	0	0	0
Capital Assets	50,237,593	47,708,229	2,529,364	3,373,002	3,202,369	170,633
<i>Total Assets</i>	<u>142,895,070</u>	<u>142,095,044</u>	<u>800,026</u>	<u>8,814,035</u>	<u>8,801,022</u>	<u>13,013</u>
Deferred Outflows of Resources						
Pension & OPEB	14,876,189	18,718,789	(3,842,600)	901,179	604,445	296,734
Liabilities						
Other Liabilities	6,470,479	6,612,248	(141,769)	271,220	166,918	104,302
Long-Term Liabilities:						
Due Within One Year	5,347,789	2,623,188	2,724,601	8,759	9,510	(751)
Due in More Than One Year:						
Net Pension and OPEB Liability	65,762,986	78,877,170	(13,114,184)	3,954,743	3,539,527	415,216
Other Amounts	16,416,712	21,184,788	(4,768,076)	115,813	98,631	17,182
<i>Total Liabilities</i>	<u>93,997,966</u>	<u>109,297,394</u>	<u>(15,299,428)</u>	<u>4,350,535</u>	<u>3,814,586</u>	<u>535,949</u>
Deferred Inflows of Resources						
Property Taxes	35,552,976	39,053,508	(3,500,532)	668,398	744,094	(75,696)
Pension & OPEB	12,837,909	8,095,515	4,742,394	195,902	131,608	64,294
<i>Deferred Inflows of Resources</i>	<u>48,390,885</u>	<u>47,149,023</u>	<u>1,241,862</u>	<u>864,300</u>	<u>875,702</u>	<u>(11,402)</u>
Net Position						
Net Investment in Capital Assets	36,768,291	30,733,210	6,035,081	3,227,782	3,202,368	25,414
Restricted	15,207,672	14,443,463	764,209	0	0	0
Unrestricted	(36,593,555)	(40,809,257)	4,215,702	1,272,597	1,512,811	(240,214)
<i>Total Net Position</i>	<u>\$ 15,382,408</u>	<u>\$ 4,367,416</u>	<u>\$ 11,014,992</u>	<u>\$ 4,500,379</u>	<u>\$ 4,715,179</u>	<u>\$ (214,800)</u>

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2019 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these assets/liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded asset/liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets of the School District represented 35 percent of total assets. Capital assets include land, construction in progress, buildings, land improvements, equipment and vehicles. Net investment in capital assets was \$40 million at June 30, 2019. 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.

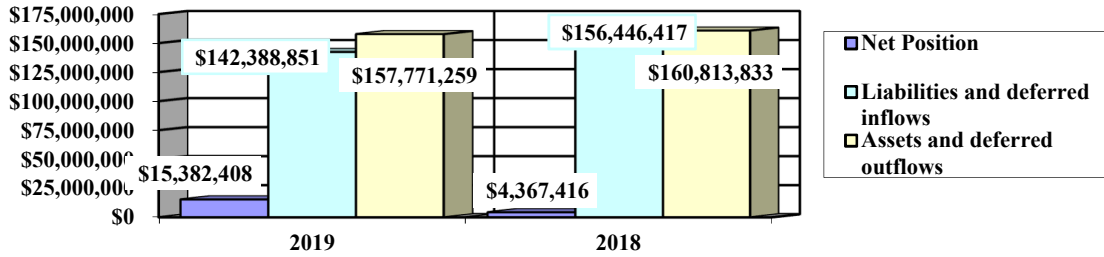
A portion of the School District's net position, \$15.2 million, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$35.3 million, which is mainly caused by GASB 68 and GASB 75.

Current assets decreased due to two primary reasons. One was caused by more cash on hand in 2018 from several tax payers prepaying their taxes at the end of 2018 due to the change in tax laws. A second cause was from the increase in expenditures for non-capitalized projects that fell below the capitalization threshold. The increase in nondepreciable capital assets is attributed to multiple construction projects in progress. Accounts payable increased over fiscal year 2018, partially due to the timing of payments made by the School District. The decrease in other long term liabilities is due to the School District's principal payments.

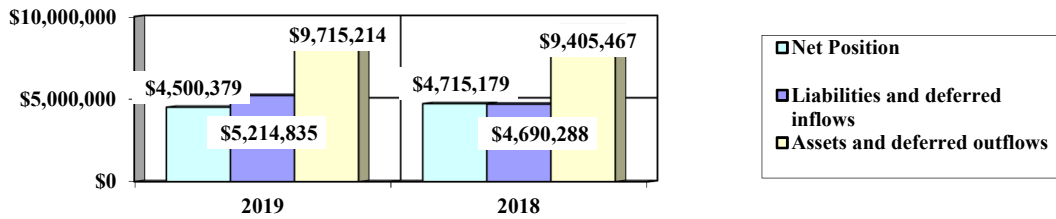
There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the retirement systems unfunded liabilities that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

Orange City School District
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(Unaudited)

Governmental - Net Position



Business-Type - Net Position



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Orange City School District
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(Unaudited)

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 2019 and 2018.

Table 2
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2019	2018	Change	2019	2018	Change
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 1,949,343	\$ 1,917,467	\$ 31,876	\$ 2,597,394	\$ 2,097,832	\$ 499,562
Operating Grants	2,011,506	1,712,045	299,461	102,327	101,225	1,102
Capital Grants	171,630	99,670	71,960	0	0	0
Total Program Revenues	4,132,479	3,729,182	403,297	2,699,721	2,199,057	500,664
<i>General Revenues:</i>						
Property Taxes	45,367,612	45,772,193	(404,581)	861,955	874,840	(12,885)
Grants and Entitlements Not Restricted	7,239,786	7,350,589	(110,803)	0	0	0
Other	1,210,961	604,103	606,858	250,568	324,571	(74,003)
Total General Revenues	53,818,359	53,726,885	91,474	1,112,523	1,199,411	(86,888)
Total Revenues	57,950,838	57,456,067	494,771	3,812,244	3,398,468	413,776
Program Expenses						
<i>Instruction:</i>						
Regular	16,042,839	9,392,159	6,650,680	0	0	0
Special	7,581,149	5,419,725	2,161,424	0	0	0
Vocational	634,020	856,421	(222,401)	0	0	0
Student Intervention Services	40,992	(290,660)	331,652	0	0	0
Other	119,226	31,273	87,953	0	0	0
<i>Support Services:</i>						
Pupils	2,992,628	1,911,333	1,081,295	0	0	0
Instructional Staff	1,388,484	1,238,417	150,067	0	0	0
Board of Education	88,295	123,916	(35,621)	0	0	0
Administration	2,774,613	2,255,249	519,364	0	0	0
Fiscal	1,505,515	(5,384,262)	6,889,777	0	0	0
Business	525,562	464,520	61,042	0	0	0
Operation and Maintenance of Plant	5,390,749	5,753,117	(362,368)	0	0	0
Pupil Transportation	3,339,886	3,510,647	(170,761)	0	0	0
Central	1,132,658	865,907	266,751	0	0	0
<i>Operation of Non-Instructional Services:</i>						
Food Service Operations	719,976	718,502	1,474	0	0	0
Community Services	691,462	657,500	33,962	0	0	0
Extracurricular Activities	1,402,107	(1,440,928)	2,843,035	0	0	0
<i>Debt Service:</i>						
Interest and Fiscal Charges	565,685	692,096	(126,411)	0	0	0
Recreation	0	0	0	4,027,044	2,817,170	1,209,874
Total Expenses	46,935,846	26,774,932	20,160,914	4,027,044	2,817,170	1,209,874
Increase (Decrease) in Net Position	11,014,992	30,681,135	(19,666,143)	(214,800)	581,298	(796,098)
Net Position at Beginning of Year	4,367,416	(26,313,719)	30,681,135	4,715,179	4,133,881	581,298
Net Position at End of Year	\$ 15,382,408	\$ 4,367,416	\$ 11,014,992	\$ 4,500,379	\$ 4,715,179	\$ (214,800)

Orange City School District
Cuyahoga County, Ohio
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(Unaudited)

Governmental Activities

Operating grants and capital grants increased over 2018 due to an increase in state and federal grants. The other revenue increased due to increased investment income from investments.

The changes in pension and OPEB accruals from fiscal year 2018 substantially increased several instructional and support service expenses.

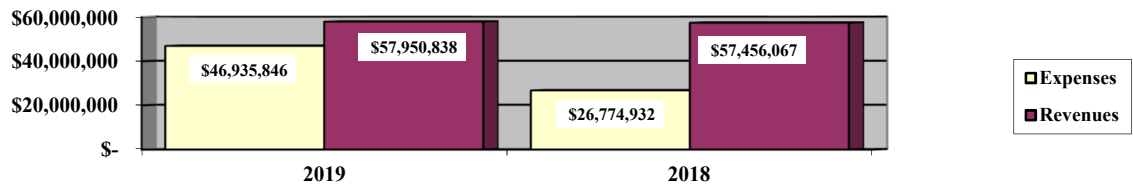
Business-Type Activities

Charges for services increased over 2018 due to an increase in recreation fees.

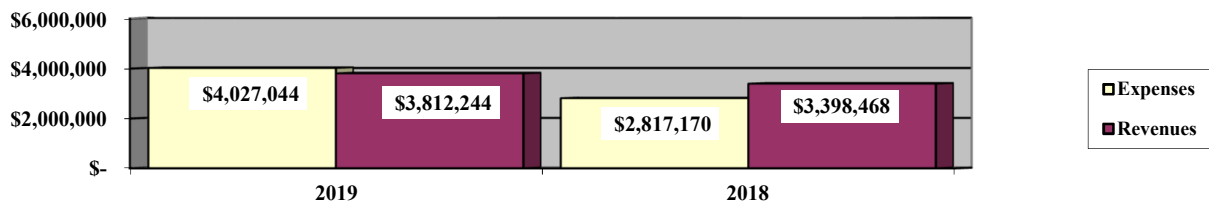
The changes in pension and OPEB accruals from fiscal year 2018 substantially increased several instructional and support service expenses.

The graphs below present the School District's governmental and business-type activities revenues and expenses for fiscal year 2019 and 2018.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. 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.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
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(Unaudited)

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2019	2018	2019	2018
Instruction:				
Regular	\$ 16,042,839	\$ 9,392,159	\$ 14,958,855	\$ 8,445,046
Special	7,581,149	5,419,725	6,906,598	4,748,663
Vocational	634,020	856,421	629,318	851,850
Student Intervention Services	40,992	(290,660)	40,926	(290,660)
Other	119,226	31,273	119,226	31,273
Support Services:				
Pupils	2,992,628	1,911,333	2,760,509	1,775,485
Instructional Staff	1,388,484	1,238,417	1,231,239	1,204,972
Board of Education	88,295	123,916	88,176	123,916
Administration	2,774,613	2,255,249	2,764,238	2,245,985
Fiscal	1,505,515	(5,384,262)	1,334,135	(5,384,262)
Business	525,562	464,520	511,077	464,520
Operation and Maintenance of Plant	5,390,749	5,753,117	5,378,007	5,571,606
Pupil Transportation	3,339,886	3,510,647	3,186,623	3,272,802
Central	1,132,658	865,907	1,127,258	860,507
Operation of Non-Instructional Services:				
Food Service Operations	719,976	718,502	(46,251)	4,582
Community Services	691,462	657,500	(4,233)	96,263
Extracurricular Activities	1,402,107	(1,440,928)	1,251,981	(1,668,894)
Debt Service:				
Interest and Fiscal Charges	565,685	692,096	565,685	692,096
Total Expenses	\$ 46,935,846	\$ 26,774,932	\$ 42,803,367	\$ 23,045,750

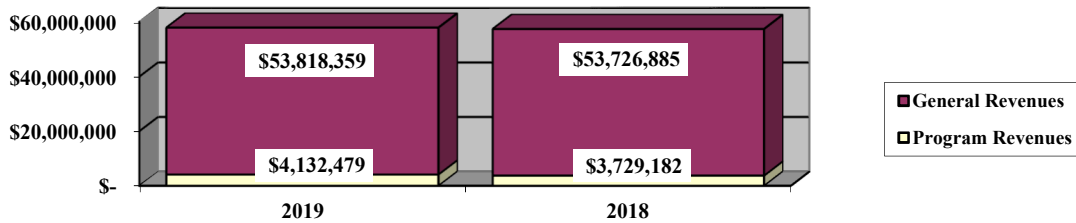
The dependence upon general revenues for governmental activities is apparent. Approximately 91 percent of governmental activities are supported through taxes and other general revenues; such revenues are 93 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

The total and net cost of services changes were primarily caused by the change in COLA related to NPL as previously discussed.

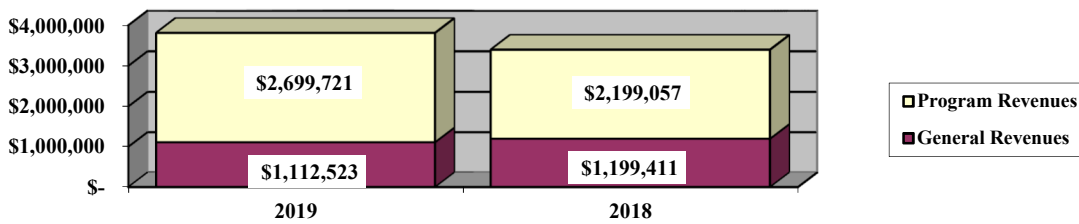
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(Unaudited)

The graphs below present the School District's governmental and business-type activities revenues for fiscal years 2019 and 2018.

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 2019, the School District's business-type activities received \$0.9 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 \$1.3 million (prior to non-operating revenues, such as interest revenue, grants and taxes) and a decrease in net position of \$.2 million. As can be seen, the recreation fund is dependent upon the tax levy to help sustain operations. Total net position of the recreation fund at June 30, 2019, was \$4.5 million.

Governmental Funds

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 \$1.7 million for all governmental funds.

The general fund's net change in fund balance for fiscal year 2019 was a decrease of \$2.7 million over fiscal year 2018. This is primarily based on normal operations compared to 2018.

The permanent improvement fund's fund balance increased \$.8 million from fiscal year 2018. This increase was primarily due to expenditures for improvement projects as compared to the timing of the collection of property taxes; offset by a transfer from the general fund.

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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 2019, 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, actual budget basis revenue was \$4,832,697 higher than the final budget basis revenue of \$41,756,384. Most of this is an underestimation of taxes and intergovernmental revenue.

Final expenditure appropriations of \$52.5 million were \$1.4 million higher than the actual expenditures due to the School District focusing on cutting costs. Final appropriations exceeded original appropriations by \$0.5 million.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the School District had \$53.6 million invested in capital assets. Table 4 shows fiscal year 2019 balances compared with 2018.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,315,782	\$ 6,315,782	\$ 0	\$ 0	\$ 6,315,782	\$ 6,315,782
Construction in Progress	6,149,312	1,482,519	24,950	0	6,174,262	1,482,519
Land Improvements	2,545,055	3,032,208	335,155	13,704	2,880,210	3,045,912
Buildings	32,638,066	34,373,896	2,990,134	3,162,979	35,628,200	37,536,875
Equipment	980,231	951,593	22,763	25,686	1,002,994	977,279
Vehicles	1,609,147	1,552,231	0	0	1,609,147	1,552,231
<i>Totals</i>	<u>\$ 50,237,593</u>	<u>\$ 47,708,229</u>	<u>\$ 3,373,002</u>	<u>\$ 3,202,369</u>	<u>\$ 53,610,595</u>	<u>\$ 50,910,598</u>

The \$2.5 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 middle school renovations.

Business-type activities capital assets increased \$0.2 million. This is due to acquisitions exceeding current depreciation. A significant portion of in the increase is for playground equipment.

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

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Debt

At June 30, 2019, the School District had \$16.7 million in debt outstanding. Table 5 summarizes bonds and leases outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2019	2018
2010 Qualified School Construction Bonds	\$ 2,670,000	\$ 2,670,000
2017 Serial Tax Exempt Bonds Refunding	10,765,000	12,565,000
Unamortized Bond Premium	1,200,242	1,350,272
2017 Energy Conservation Bonds	1,982,541	2,215,737
Lease Purchase Agreement	56,297	111,446
<i>Total</i>	<u>\$ 16,674,080</u>	<u>\$ 18,912,455</u>

In fiscal year 2019, the School District made principal payments of \$2.2 million in general obligation bonds. See Note 14 for additional information on the School District's outstanding debt.

Current Financial Related Activities

The School District offers students, parents and community members an outstanding and robust educational program on a foundation of excellence. In seeking to maintain the highest standards, the School District is always presented with challenges and opportunities. Local circumstances and national events economically impact the School District and surrounding community. School District leaders review and analyze the impact such activities have on its property tax base as the local real property tax base is the primary source of financial support for the educational program.

The School District has a relatively strong financial outlook as evidenced by the fact that two nationally recognized financial ratings 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 School District was the first district in the State of Ohio to ever receive Standard & Poor's highest rating. Subsequent surveillance by the ratings agencies has affirmed the School District has upheld the credit characteristics to maintain these ratings. These achievements allow the School District to secure better interest rates on any necessary borrowing 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.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Overall, the School District continues to academically perform at a high level as determined by the State of Ohio. The most recent State report data, the School District performed among the top of all Ohio school districts. The report card shows the School District's students achieving receiving an overall District grade of "A" and met 23 out of 24 state indicators. The School District also earned the following component scores: Achievement "A", Progress "A", "Gap Closing "A", Graduation Rate "A", Improving At-Risk K-3 Readers "Not Rated", Prepared for Success "B". a score of "A" in Overall Value Added (Student Growth) and in Graduation Rate. The School District's Performance Index of 105.4 for the 2018-2019 school year increased from the prior year and continues a multi-year trend of increases. The School District received commendation from State Superintendent of Public Instruction Paolo DeMaria for being one of 31 school districts in the State to earn an "A" overall grade.

The School District depends heavily on its property taxpayers for financial support. Approximately 90 percent of day-to-day operating revenue comes from either direct property tax payments or reimbursements for property tax exemptions from the State government. Local fiscal support during the past 20 years can be benchmarked by the following accomplishments: In the fall of 1998 the community authorized 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. During fall 2019, the Board of Education will once again deliberate the renewal of the community recreation levy. Community support for these issues over a long period of time 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 ongoing communication with community leaders and citizens to advise them of its reliance upon their financial support for the major part of its operations. This is also disclosed in the Five Year Forecast of the District. The Board of Education and District leaders 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. Current forecast information indicates that growth in revenues is less than 1 percent per year while growth in expenditures is approximately 2.5 percent per year. 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. The most recent Forecast document shows a possible tax levy to go before the electorate in 2021.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

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. Several subsequent initiatives to reform the school funding system in Ohio have been attempted. The most recent attempt at reforming Ohio's school funding system is known as the Ohio Fair School Funding Plan. Two State Representatives, Robert R. Cupp and John Patterson, led this initiative. Implementing legislation currently is pending before the Ohio House of Representatives. In the opinion of management, the Fair School Funding Plan would be beneficial to most Ohio school districts. Yet, due to its demographic and wealth characteristics, the Plan appears unlikely to have a material effect—beneficial or adverse—on the finances of the school district.

As a result of the foregoing, all of the School District's financial abilities and acumen will be called upon to meet the challenges the future may bring. For example, voter approval of a possible future tax levy cannot be assumed. So, 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 sustain one of the most rigorous and robust public educational programs in the State of Ohio.

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.

Orange City School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 40,611,749	\$ 4,572,279	\$ 45,184,028
Cash and Investments with Escrow Agent	2,398,654	0	2,398,654
Materials and Supplies Inventory	83,798	0	83,798
Receivables:			
Intergovernmental	591,603	0	591,603
Property Taxes	45,803,241	868,754	46,671,995
Net OPEB Asset (See Note 13)	3,168,432	0	3,168,432
Nondepreciable Capital Assets	12,465,094	24,950	12,490,044
Depreciable Capital Assets (Net)	37,772,499	3,348,052	41,120,551
<i>Total Assets</i>	<u>142,895,070</u>	<u>8,814,035</u>	<u>151,709,105</u>
Deferred Outflows of Resources			
Pension	14,240,669	676,948	14,917,617
OPEB	635,520	224,231	859,751
<i>Total Deferred Outflows of Resources</i>	<u>14,876,189</u>	<u>901,179</u>	<u>15,777,368</u>
Liabilities			
Accounts Payable	139,983	40,881	180,864
Accrued Wages and Benefits	4,582,434	57,795	4,640,229
Contracts Payable	739,694	145,220	884,914
Intergovernmental Payable	751,832	27,324	779,156
Retainage Payable	66,744	0	66,744
Matured Compensated Absences Payable	49,020	0	49,020
Accrued Interest Payable	53,878	0	53,878
Claims Payable	86,894	0	86,894
Long Term Liabilities:			
Due Within One Year	5,347,789	8,759	5,356,548
Due In More Than One Year:			
Net Pension Liability (See Note 12)	58,460,128	2,666,003	61,126,131
Net OPEB Liability (See Note 13)	7,302,858	1,288,740	8,591,598
Other Amounts Due in More Than One Year	16,416,712	115,813	16,532,525
<i>Total Liabilities</i>	<u>93,997,966</u>	<u>4,350,535</u>	<u>98,348,501</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Fiscal Year	35,552,976	668,398	36,221,374
Pension	6,542,356	78,185	6,620,541
OPEB	6,295,553	117,717	6,413,270
<i>Total Deferred Inflows of Resources</i>	<u>48,390,885</u>	<u>864,300</u>	<u>49,255,185</u>
Net Position			
Net Investment in Capital Assets	36,768,291	3,227,782	39,996,073
Restricted For:			
Capital Outlay	9,837,493	0	9,837,493
Debt Service	4,439,028	0	4,439,028
Locally Funded Programs	18,398	0	18,398
Federally Funded Programs	292,043	0	292,043
Student Activities	111,548	0	111,548
Food Service	438,143	0	438,143
Other Purposes	71,019	0	71,019
Unrestricted	(36,593,555)	1,272,597	(35,320,958)
<i>Total Net Position</i>	<u>\$ 15,382,408</u>	<u>\$ 4,500,379</u>	<u>\$ 19,882,787</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, 2019

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
Instruction:				
Regular	\$ 16,042,839	\$ 991,034	\$ 92,950	\$ 0
Special	7,581,149	56,201	618,350	0
Vocational	634,020	0	4,702	0
Student Intervention Services	40,992	66	0	0
Other	119,226	0	0	0
Support Services:				
Pupils	2,992,628	54,566	177,553	0
Instructional Staff	1,388,484	100,057	57,188	0
Board of Education	88,295	119	0	0
Administration	2,774,613	0	10,375	0
Fiscal	1,505,515	0	0	171,380
Business	525,562	14,485	0	0
Operation and Maintenance of Plant	5,390,749	0	12,742	0
Pupil Transportation	3,339,886	0	153,263	0
Central	1,132,658	0	5,400	0
Operation of Non-Instructional Services:				
Food Service Operations	719,976	583,481	182,746	0
Community Services	691,462	0	695,445	250
Extracurricular Activities	1,402,107	149,334	792	0
Debt Service:				
Interest and Fiscal Charges	565,685	0	0	0
<i>Total Governmental Activities</i>	<u>46,935,846</u>	<u>1,949,343</u>	<u>2,011,506</u>	<u>171,630</u>
Business-Type Activities				
Recreation	4,027,044	2,597,394	102,327	0
<i>Total Business-Type Activities</i>	<u>4,027,044</u>	<u>2,597,394</u>	<u>102,327</u>	<u>0</u>
Totals	<u>\$ 50,962,890</u>	<u>\$ 4,546,737</u>	<u>\$ 2,113,833</u>	<u>\$ 171,630</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

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
\$ (14,958,855)	\$ 0	\$ (14,958,855)
(6,906,598)	0	(6,906,598)
(629,318)	0	(629,318)
(40,926)	0	(40,926)
(119,226)	0	(119,226)
(2,760,509)	0	(2,760,509)
(1,231,239)	0	(1,231,239)
(88,176)	0	(88,176)
(2,764,238)	0	(2,764,238)
(1,334,135)	0	(1,334,135)
(511,077)	0	(511,077)
(5,378,007)	0	(5,378,007)
(3,186,623)	0	(3,186,623)
(1,127,258)	0	(1,127,258)
46,251	0	46,251
4,233	0	4,233
(1,251,981)	0	(1,251,981)
(565,685)	0	(565,685)
(42,803,367)	0	(42,803,367)
0	(1,327,323)	(1,327,323)
0	(1,327,323)	(1,327,323)
(42,803,367)	(1,327,323)	(44,130,690)
42,179,082	0	42,179,082
2,333,042	0	2,333,042
855,488	0	855,488
0	861,955	861,955
7,239,786	0	7,239,786
1,024,985	134,261	1,159,246
185,976	116,307	302,283
53,818,359	1,112,523	54,930,882
11,014,992	(214,800)	10,800,192
4,367,416	4,715,179	9,082,595
\$ 15,382,408	\$ 4,500,379	\$ 19,882,787

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 27,123,001	\$ 9,443,467	\$ 2,782,577	\$ 39,349,045
Cash and Investments with Escrow Agent	0	479,731	1,918,923	2,398,654
Materials and Supplies Inventory	83,798	0	0	83,798
Receivables:				
Interfund	18,184	0	0	18,184
Intergovernmental	160,464	0	431,139	591,603
Property Taxes	42,619,149	865,689	2,318,403	45,803,241
<i>Total Assets</i>	<u>\$ 70,004,596</u>	<u>\$ 10,788,887</u>	<u>\$ 7,451,042</u>	<u>\$ 88,244,525</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$ 100,288	\$ 0	\$ 39,695	\$ 139,983
Accrued Wages and Benefits	4,469,763	0	112,671	4,582,434
Contracts Payable	0	739,694	0	739,694
Intergovernmental Payable	735,438	0	16,394	751,832
Retainage Payable	0	66,744	0	66,744
Matured Compensated Absences Payable	49,020	0	0	49,020
Interfund Payable	0	0	18,184	18,184
<i>Total Liabilities</i>	<u>5,354,509</u>	<u>806,438</u>	<u>186,944</u>	<u>6,347,891</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Fiscal Year	33,104,592	668,006	1,780,378	35,552,976
Delinquent Property Taxes	1,675,795	34,061	91,278	1,801,134
Other Unavailable Revenue	0	0	286,417	286,417
<i>Total Deferred Inflows of Resources</i>	<u>34,780,387</u>	<u>702,067</u>	<u>2,158,073</u>	<u>37,640,527</u>
Fund Balances				
Nonspendable	83,798	0	0	83,798
Restricted	0	9,280,382	5,074,640	14,355,022
Committed	1,292,639	0	31,971	1,324,610
Assigned	4,705,602	0	0	4,705,602
Unassigned	23,787,661	0	(586)	23,787,075
<i>Total Fund Balances</i>	<u>29,869,700</u>	<u>9,280,382</u>	<u>5,106,025</u>	<u>44,256,107</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 70,004,596</u>	<u>\$ 10,788,887</u>	<u>\$ 7,451,042</u>	<u>\$ 88,244,525</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, 2019

Total Governmental Fund Balances		\$ 44,256,107
 <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.		50,237,593
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 1,801,134	
Intergovernmental	286,417	2,087,551
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.		1,175,810
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(53,878)
The net pension and OPEB asset/liability is not due and payable in the current period; therefore, the asset/ liability and related deferred inflows/outflows are not reported in governmental funds:		
Net OPEB Asset	3,168,432	
Deferred Outflows - Pension	14,240,669	
Deferred Outflows - OPEB	635,520	
Deferred Inflows - Pension	(6,542,356)	
Deferred Inflows - OPEB	(6,295,553)	
Net Pension Liability	(58,460,128)	
Net OPEB Liability	(7,302,858)	(60,556,274)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Serial Tax Exempt Bonds Refunding	(10,765,000)	
Special Obligation Bonds	(2,670,000)	
Bond Premiums	(1,200,242)	
Energy Conservation Bonds	(1,982,541)	
Capital Leases	(99,632)	
Compensated Absences	(5,047,086)	(21,764,501)
Total		
<i>Net Position of Governmental Activities</i>		\$ 15,382,408

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, 2019

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Local Taxes	\$ 41,947,178	\$ 851,030	\$ 2,321,348	\$ 45,119,556
Intergovernmental	6,954,262	100,760	2,130,020	9,185,042
Investment Earnings	961,266	171,376	82,028	1,214,670
Tuition and Fees	1,104,888	0	0	1,104,888
Extracurricular Activities	116,954	0	113,325	230,279
Rentals	1	0	0	1
Charges for Services	30,695	0	583,481	614,176
Contributions and Donations	2,475	0	808	3,283
Miscellaneous	172,255	0	13,720	185,975
<i>Total Revenues</i>	<u>51,289,974</u>	<u>1,123,166</u>	<u>5,244,730</u>	<u>57,657,870</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,343,316	0	113,538	19,456,854
Special	8,321,461	0	448,159	8,769,620
Vocational	630,812	0	0	630,812
Student Intervention Services	42,011	0	0	42,011
Other	167,954	0	0	167,954
Support Services:				
Pupils	3,481,523	0	163,939	3,645,462
Instructional Staff	1,569,413	0	50,546	1,619,959
Board of Education	91,031	0	0	91,031
Administration	3,868,849	0	14,027	3,882,876
Fiscal	1,508,611	11,635	33,867	1,554,113
Business	544,617	0	0	544,617
Operation and Maintenance of Plant	4,538,629	0	11,095	4,549,724
Pupil Transportation	3,687,687	0	0	3,687,687
Central	1,190,452	0	5,400	1,195,852
Extracurricular Activities	1,293,278	0	285,368	1,578,646
Operation of Non-Instructional Services:				
Food Service Operations	0	0	718,304	718,304
Community Services	30,366	0	670,227	700,593
Capital Outlay	0	3,704,945	0	3,704,945
Debt Service:				
Principal Retirement	97,221	0	2,033,196	2,130,417
Interest and Fiscal Charges	4,816	0	717,661	722,477
<i>Total Expenditures</i>	<u>50,412,047</u>	<u>3,716,580</u>	<u>5,265,327</u>	<u>59,393,954</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>877,927</u>	<u>(2,593,414)</u>	<u>(20,597)</u>	<u>(1,736,084)</u>
Other Financing Sources (Uses):				
Transfers In	0	3,400,000	198,963	3,598,963
Transfers Out	(3,585,000)	0	(13,963)	(3,598,963)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,585,000)</u>	<u>3,400,000</u>	<u>185,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,707,073)	806,586	164,403	(1,736,084)
<i>Fund Balances Beginning of Year</i>	32,576,773	8,473,796	4,941,622	45,992,191
<i>Fund Balances End of Year</i>	<u>\$ 29,869,700</u>	<u>\$ 9,280,382</u>	<u>\$ 5,106,025</u>	<u>\$ 44,256,107</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, 2019*

Net Change in Fund Balances - Total Governmental Funds \$ (1,736,084)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$ 5,348,315	
Current Year Depreciation	(2,818,951)	2,529,364

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

Property Taxes	248,056	
Intergovernmental	44,912	292,968

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	2,033,196	
Capital Lease	97,221	2,130,417

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.

Pension	4,387,057	
OPEB	146,234	4,533,291

Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities

Pension	(3,756,141)	
OPEB	6,920,472	3,164,331

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	6,762	
Amortization of Premium on Bonds	150,030	156,792

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. 180,885

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		(236,972)

Change in Net Position of Governmental Activities \$ 11,014,992

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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 37,634,266	\$ 34,468,612	\$ 38,503,048	\$ 4,034,436
Intergovernmental	6,878,083	6,302,772	6,997,365	694,593
Investment Income	509,748	451,625	706,824	255,199
Tuition and Fees	420,303	403,765	201,146	(202,619)
Rentals	1,000	1,000	1	(999)
Charges for Services	50,000	50,000	30,695	(19,305)
Contributions and Donations	1,000	1,000	0	(1,000)
Miscellaneous	95,751	77,610	150,002	72,392
<i>Total Revenues</i>	<u>45,590,151</u>	<u>41,756,384</u>	<u>46,589,081</u>	<u>4,832,697</u>
Expenditures				
Current:				
Instruction:				
Regular	19,753,246	19,873,102	18,957,649	915,453
Special	8,202,750	8,204,750	8,571,089	(366,339)
Vocational	812,028	812,077	661,629	150,448
Student Intervention Services	631,648	631,648	30,874	600,774
Support Services:				
Pupils	3,425,424	3,425,614	3,507,467	(81,853)
Instructional Staff	1,728,073	1,735,371	1,545,096	190,275
Board of Education	70,297	104,551	95,740	8,811
Administration	3,899,603	4,088,820	4,015,724	73,096
Fiscal	1,397,266	1,397,820	1,601,195	(203,375)
Business	606,885	608,730	586,524	22,206
Operation and Maintenance of Plant	4,967,883	5,010,134	5,022,494	(12,360)
Pupil Transportation	3,987,708	3,992,708	3,917,404	75,304
Central	1,102,404	1,100,823	1,164,412	(63,589)
Extracurricular Activities	1,368,806	1,425,806	1,338,335	87,471
Operation of Non-Instructional Services:				
Community Services	2,500	2,500	35,212	(32,712)
Debt Service:				
Principal Retirement	97,221	97,221	97,221	0
Interest and Fiscal Charges	4,816	4,816	4,816	0
<i>Total Expenditures</i>	<u>52,058,558</u>	<u>52,516,491</u>	<u>51,152,881</u>	<u>1,363,610</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,468,407)</u>	<u>(10,760,107)</u>	<u>(4,563,800)</u>	<u>6,196,307</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	5,000	5,000	0	(5,000)
Refund of Prior Year Expenditures	100,000	100,000	187,446	87,446
Advances In	15,000	15,000	0	(15,000)
Transfers In	2,836,384	2,836,384	2,876,327	39,943
Transfers Out	(2,585,000)	(3,985,000)	(3,985,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>371,384</u>	<u>(1,028,616)</u>	<u>(921,227)</u>	<u>107,389</u>
<i>Net Change in Fund Balance</i>	(6,097,023)	(11,788,723)	(5,485,027)	6,303,696
<i>Fund Balance Beginning of Year</i>	28,698,905	28,698,905	28,698,905	0
Prior Year Encumbrances Appropriated	511,413	511,413	511,413	0
<i>Fund Balance End of Year</i>	<u>\$ 23,113,295</u>	<u>\$ 17,421,595</u>	<u>\$ 23,725,291</u>	<u>\$ 6,303,696</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, 2019

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 4,572,279	\$ 1,262,704
Property Taxes Receivable	868,754	0
<i>Total Current Assets</i>	<u>5,441,033</u>	<u>1,262,704</u>
<i>Non-Current Assets:</i>		
Nondepreciable Capital Assets	24,950	0
Depreciable Capital Assets (Net)	3,348,052	0
<i>Total Assets</i>	<u>8,814,035</u>	<u>1,262,704</u>
Deferred Outflows of Resources		
Pension	676,948	0
OPEB	224,231	0
<i>Total Deferred Outflows of Resources</i>	<u>901,179</u>	<u>0</u>
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	40,881	0
Accrued Wages and Benefits	57,795	0
Contracts Payable	145,220	0
Intergovernmental Payable	27,324	0
Claims Payable	0	86,894
Compensated Absences Payable	8,759	0
<i>Total Current Liabilities</i>	<u>279,979</u>	<u>86,894</u>
<i>Long-Term Liabilities</i>		
Compensated Absences Payable - net of Current Portion	115,813	0
Net Pension Liability	2,666,003	0
Net OPEB Liability	1,288,740	0
<i>Total Long-Term Liabilities</i>	<u>4,070,556</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,350,535</u>	<u>86,894</u>
Deferred Inflows of Resources		
Property Taxes Levied for the Next Fiscal Year	668,398	0
Pension	78,185	0
OPEB	117,717	0
<i>Total Deferred Inflows of Resources</i>	<u>864,300</u>	<u>0</u>
Net Position		
Net Investment in Capital Assets	3,227,782	0
Unrestricted	1,272,597	1,175,810
<i>Total Net Position</i>	<u>\$ 4,500,379</u>	<u>\$ 1,175,810</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, 2019

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
Operating Revenue		
Tuition and Fees	\$ 2,593,890	\$ 0
Sales/Charges for Services	3,504	297,659
Other	116,307	3,393
<i>Total Operating Revenues</i>	<u>2,713,701</u>	<u>301,052</u>
Operating Expenses		
Salaries and Wages	1,821,538	0
Fringe Benefits	890,757	0
Purchased Services	817,514	76,379
Materials and supplies	211,248	0
Depreciation	189,780	0
Claims	0	69,330
Other	96,207	0
<i>Total Operating Expenses</i>	<u>4,027,044</u>	<u>145,709</u>
<i>Operating Income (Loss)</i>	<u>(1,313,343)</u>	<u>155,343</u>
Non-Operating Revenues		
Intergovernmental	102,327	0
Investment Earnings	134,261	25,542
Property Taxes	861,955	0
<i>Total Non-Operating Revenues</i>	<u>1,098,543</u>	<u>25,542</u>
<i>Change in Net Position</i>	(214,800)	180,885
<i>Net Position Beginning of Year</i>	4,715,179	994,925
<i>Net Position End of Year</i>	<u>\$ 4,500,379</u>	<u>\$ 1,175,810</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, 2019

	Business-Type Activities - Recreation Fund	Governmental Activities - Internal Service Fund
Increase (Decrease) in Cash and Investments		
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 2,593,890	\$ 0
Cash Received from Interfund Services Provided	0	297,659
Other Cash Receipts	119,811	3,393
Cash Paid for Personal Services	(2,559,353)	0
Cash Paid for Contractual Services	(666,947)	(76,379)
Cash Paid for Materials and Supplies	(211,248)	0
Cash Paid for Claims	0	(58,054)
Other Cash Payments	(96,207)	0
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(820,054)</u>	<u>166,619</u>
Cash Flows From Non-Capital Financing Activities		
Property Taxes	784,974	0
Grants and Subsidies	102,327	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>887,301</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on Investments	134,261	25,542
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>134,261</u>	<u>25,542</u>
Cash Flows From Capital and Related Activities:		
Payment for Capital Acquisitions	(360,413)	0
<i>Net Increase (Decrease) in Cash and Investments</i>	(158,905)	192,161
<i>Cash and Investments Beginning of Year</i>	4,731,184	1,070,543
<i>Cash and Investments End of Year</i>	<u>\$ 4,572,279</u>	<u>\$ 1,262,704</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities		
Operating Income (Loss)	\$ (1,313,343)	\$ 155,343
Adjustments:		
Depreciation	189,780	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Deferred Outflows of Resources - Pension	(147,827)	0
Deferred Outflows of Resources - OPEB	(148,907)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable	5,347	0
Accrued Wages and Benefits	(38,087)	0
Contracts Payable	145,220	0
Intergovernmental Payable	(4,384)	0
Claims Payable	0	11,276
Mature Compensated Absences Payable	(3,794)	0
Compensated Absences Payable	16,431	0
Deferred Inflows of Resources - Pension	52,827	0
Deferred Inflows of Resources - OPEB	11,467	0
Net Pension Liability	215,823	0
Net OPEB Liability	199,393	0
<i>Total Adjustments</i>	<u>493,289</u>	<u>11,276</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (820,054)</u>	<u>\$ 166,619</u>

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 66,484	\$ 238,916
Cash and Investments in Segregated Accounts	0	19,066,415
<i>Total Assets</i>	66,484	\$ 19,305,331
Liabilities		
Intergovernmental Payable	0	\$ 19,072,345
Undistributed Monies	0	125,970
Due to Students	0	107,016
<i>Total Liabilities</i>	0	\$ 19,305,331
Net Position		
Held in Trust for Scholarships	\$ 66,484	

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, 2019

	Private Purpose Trust
Additions	
Investment Earnings	\$ 1,437
<i>Change in Net Position</i>	1,437
<i>Net Position Beginning of Year</i>	65,047
<i>Net Position End of Year</i>	\$ 66,484

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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 central administrative offices of the School District are located in Pepper Pike, Cuyahoga County, Ohio. The communities served include Hunting Valley, Moreland Hills, Orange Village, Pepper Pike and Woodmere as well as small portions of Bedford Heights, Solon and Warrensville Heights. The School District operates one elementary school (pre-K-5), one middle school (6-8) and a high school (9-12) on a central campus that spans the Village of Moreland Hills and City of Pepper Pike. The School District operates several ancillary facilities, including a transportation center, a maintenance/technology center, a recreation center, an art center and a senior citizens’ center.

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, 2019

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, 2019

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.

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.

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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 and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and other unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 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 grants and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

During fiscal year 2019, investments were limited to Federal Farm Credit Bank (FFCB), 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 and bills, 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 2019, 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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

For the fiscal year 2019, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The School District also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

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 2019 amounted to \$961,266 which includes \$79,949 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.

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
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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 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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
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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 proprietary funds 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 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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, 2019, 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:

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.

Orange City School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense; information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 2019.

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2019, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the School District.

GASB Statement No. 88 establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. These changes were incorporated in the School District's fiscal year 2019 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, 2019:

	<u>Fund Balance</u>
Nonmajor Governmental Funds:	
Title II-A	\$ 586

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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	Permanent Improvement Fund	Other Governmental Funds	Total
Nonspendable for:				
Inventory	\$ 83,798	\$ 0	\$ 0	\$ 83,798
Restricted for:				
Debt Service	0	0	4,399,375	4,399,375
Capital Outlay	0	9,280,382	0	9,280,382
Extracurricular	0	0	111,548	111,548
Non-Public Schools	0	0	71,017	71,017
Special Education	0	0	4,899	4,899
Food Service	0	0	468,088	468,088
Other Purposes	0	0	19,713	19,713
Total Restricted	0	9,280,382	5,074,640	14,355,022
Committed to:				
Termination Benefits	1,292,639	0	0	1,292,639
Other Purposes	0	0	31,971	31,971
Total Committed	1,292,639	0	31,971	1,324,610
Assigned for:				
Public School Support	121,288	0	0	121,288
Encumbrances:				
Instruction	359,645	0	0	359,645
Support Services	912,526	0	0	912,526
Extracurricular	89,041	0	0	89,041
Subsequent Year Appropriations	3,070,111	0	0	3,070,111
Other Purposes	152,991	0	0	152,991
Total Assigned	4,705,602	0	0	4,705,602
Unassigned	23,787,661	0	(586)	23,787,075
Total Fund Balance	<u>\$ 29,869,700</u>	<u>\$ 9,280,382</u>	<u>\$ 5,106,025</u>	<u>\$ 44,256,107</u>

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

Net Change in Fund Balance

	General Fund
GAAP Basis	\$ (2,707,073)
Net Adjustment for Revenue Accruals	(3,477,248)
Net Adjustment for Expenditure Accruals	(1,346,760)
Funds Budgeted Elsewhere **	2,557,468
Adjustment for Encumbrances	(511,414)
Budget Basis	\$ (5,485,027)

** 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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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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 the 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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;

Orange City School District
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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 bankers acceptances for a period not to exceed one hundred and eighty days and commercial papers not to exceed two hundred seventy days from the purchase date in any amount not to exceed 40% 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.

Deposits - At year-end, \$4,433,738 of the School District's bank balance of \$6,743,110 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Cash and Investments with Escrow Agent: At fiscal year-end, \$2,398,654 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).

Cash and Investments in Segregated Accounts: At fiscal year-end, \$19,066,415 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.”

Investments: As of June 30, 2019, the School District had the following investments:

Rating by S & P	Investment	Measurement Amount	Investment Maturities in Years			Percent of Total
			(<1)	(1-3)	(>3)	
Global Ratings						
	Net Asset Value (NAV):					
AAAm	STAROhio	\$ 10,991,644	\$ 10,991,644	\$ 0	\$ 0	18.20%
AAAm	First American Treasury Money Market	627,973	627,973	0	0	1.04%
Fair Value:						
N/A	Negotiable CD's	11,301,954	1,838,900	7,214,117	2,248,937	18.71%
A-1	Commercial Paper	8,976,713	8,976,713	0	0	14.87%
N/A	US Treasury Note	5,060,202	5,060,202	0	0	8.38%
AAA	FHLMC	10,923,545	1,449,167	9,474,378	0	18.09%
AAA	FNMA	5,142,076	1,875,905	3,266,171	0	8.52%
AAA	FFCB	6,482,796	550,014	300,912	5,631,870	10.74%
AAA	FHLB	873,032	562,959	310,073	0	1.45%
		<u>\$ 60,379,935</u>	<u>\$ 31,933,477</u>	<u>\$ 20,565,651</u>	<u>\$ 7,880,807</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, 2019. The School District’s investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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.

Credit Risk: The School District’s investments at June 30, 2019 are rated as shown above by S&P Global Ratings. US Treasury notes and 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.

Orange City School District
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Notes to the Basic Financial Statements
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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, 2019, is 53 days and carries a rating of AAAM by S&P Global Ratings.

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 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, 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 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected in 2019 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, 2019, are available to finance fiscal year 2019 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019, 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.

Orange City School District
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Notes to the Basic Financial Statements
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The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 1,056,876,750	98.83%	\$ 1,107,779,130	98.58%
Public Utility Personal Property	12,565,760	1.17%	15,913,230	1.42%
	\$ 1,069,442,510	100.00%	\$ 1,123,692,360	100.00%
Tax rate per \$1,000 assessed valuation	\$ 91.20		\$ 91.00	

Note 8 - Receivables

Receivables at June 30, 2019, consisted of taxes, 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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Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 9 - Capital Assets

Governmental activities capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance 6/30/18	Additions	Reductions	Balance 6/30/19
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 6,315,782	\$ 0	\$ 0	\$ 6,315,782
Construction In Progress	1,482,519	4,666,793	0	6,149,312
Total Capital Assets, not being depreciated	<u>7,798,301</u>	<u>4,666,793</u>	<u>0</u>	<u>12,465,094</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	11,068,514	15,968	0	11,084,482
Buildings	61,143,936	37,791	0	61,181,727
Equipment	4,690,959	283,561	(413,773)	4,560,747
Vehicles	4,634,690	344,202	(282,848)	4,696,044
Total Capital Assets, being depreciated	<u>81,538,099</u>	<u>681,522</u>	<u>(696,621)</u>	<u>81,523,000</u>
Less Accumulated Depreciation:				
Land Improvements	(8,036,306)	(503,121)	0	(8,539,427)
Buildings	(26,770,040)	(1,773,621)	0	(28,543,661)
Equipment	(3,739,366)	(254,923)	413,773	(3,580,516)
Vehicles	(3,082,459)	(287,286)	282,848	(3,086,897)
Total Accumulated Depreciation	<u>(41,628,171)</u>	<u>(2,818,951)</u>	<u>696,621</u>	<u>(43,750,501)</u>
Total Capital Assets being depreciated, net	<u>39,909,928</u>	<u>(2,137,429)</u>	<u>0</u>	<u>37,772,499</u>
Governmental Activities Capital Assets, Net	<u>\$ 47,708,229</u>	<u>\$ 2,529,364</u>	<u>\$ 0</u>	<u>\$ 50,237,593</u>

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Depreciation expense was charged to governmental functions as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 788,436
Special	205,936
Vocational	17,652
Support Services:	
Instructional Staff	76,491
Administration	78,746
Fiscal	13,668
Business	2,121
Operation and Maintenance of Plant	1,093,823
Pupil Transportation	299,410
Central	1,650
Operation of Non-Instructional Services:	
Food Service Operations	81,908
Community Services	49,798
Extracurricular Activities	109,312
Total Depreciation	\$ 2,818,951

Business-type capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance 6/30/18	Additions	Reductions	Balance 6/30/19
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Construction In Progress	\$ 0	\$ 282,163	\$ (257,213)	\$ 24,950
<i>Capital Assets, being depreciated:</i>				
Land Improvements	168,278	325,113	(30,602)	462,789
Buildings	5,844,389	10,350	0	5,854,739
Equipment	120,522	0	0	120,522
Vehicles	50,147	0	0	50,147
Total Capital Assets, being depreciated	6,183,336	335,463	(30,602)	6,488,197
Less Accumulated Depreciation:				
Land Improvements	(154,574)	(3,662)	30,602	(127,634)
Buildings	(2,681,410)	(183,195)	0	(2,864,605)
Equipment	(94,836)	(2,923)	0	(97,759)
Vehicles	(50,147)	0	0	(50,147)
Total Accumulated Depreciation	(2,980,967)	(189,780)	30,602	(3,140,145)
Total Capital Assets being depreciated, net	3,202,369	145,683	0	3,348,052
Business-Type Activities Capital Assets, Net	\$ 3,202,369	\$ 427,846	\$ (257,213)	\$ 3,373,002

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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 2018, 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 some of the School District's insurance coverage:

Buildings & Contents - Replacement Costs	\$ 93,998,003
Automobile Liability	1,000,000
General Liability:	
Per Occurrence	1,000,000
Aggregate	3,000,000
Umbrella Liability:	
Per Occurrence	9,000,000
Aggregate	9,000,000
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 Matrix Claims Management, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal year 2019, the School District paid administration fees in the amount of \$9,400 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 \$86,894 reported in the basic financial statements at June 30, 2019, 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 2019 and 2018 were as follows:

		Balance July 1		Current Year Claims		Claim Payments		Balance June 30
2018	\$	120,394	\$	27,624	\$	72,400	\$	75,618
2019	\$	75,618	\$	69,330	\$	58,054	\$	86,894

Employee Health Benefits

The School District participates in the Suburban Health Consortium, a shared risk pool (Note 16) to provide employee medical, prescription, dental and vision benefits. Rates are set annually with the assistance of a consultant. The 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 2019, the School District’s Board of Education paid 85 percent of the cost of the monthly medical and prescription premiums for full-time employees and administrators. Additionally, the Board paid 85 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 School District provides life insurance and accidental death and dismemberment insurance to most employees through American United Life in an amount of up to \$100,000 based on collective bargaining agreements for most non-administrative employees. Full-time confidential employees receive \$100,000 in life insurance and administrators receive \$300,000 in coverage.

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 statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor 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 under Employers/Audit Resources.

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Age and service requirements for retirement are as follows:

	Eligible to Retire 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.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of the benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. SERS allocated 0.5 percent of employer contributions to the Health Care Fund for fiscal year 2019.

The School District’s contractually required contribution to SERS was \$1,406,078 for fiscal year 2019. Of this amount, \$38,192 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.

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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. For the DB Plan, from August 1, 2015–July 1, 2017, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 26 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2017–July 1, 2019, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in through 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. Retirement eligibility for reduced benefits will be five years of service credit and age 60, or 30 years of service credit regardless of age.

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. Effective July 1, 2017, employer contributions of 9.53 percent are placed in the investment accounts and the remaining 4.47 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. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying one percent of the member's final average salary by the member's years of service credit. 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 DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50 and termination of employment.

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.

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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, 2019, 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 2019 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$3,191,891 for fiscal year 2019. Of this amount, \$531,739 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2018, 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>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.31029820%	0.19717692%	
Prior Measurement Date	<u>0.31541300%</u>	<u>0.19955955%</u>	
Change in Proportionate Share	<u>-0.00511480%</u>	<u>-0.00238263%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 17,771,353	\$ 43,354,778	\$ 61,126,131
Pension Expense	\$ 1,037,907	\$ 3,049,969	\$ 4,087,876

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, 2019 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 974,645	\$ 1,000,762	\$ 1,975,407
Changes of Assumptions	401,315	7,683,284	8,084,599
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	259,642	0	259,642
School District Contributions Subsequent to the Measurement Date	1,406,078	3,191,891	4,597,969
Total Deferred Outflows of Resources	<u>\$ 3,041,680</u>	<u>\$ 11,875,937</u>	<u>\$ 14,917,617</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 283,132	\$ 283,132
Net Difference between Projected and Actual Earnings on Pension Plan Investments	492,390	2,628,986	3,121,376
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	716,266	2,499,767	3,216,033
Total Deferred Inflows of Resources	<u>\$ 1,208,656</u>	<u>\$ 5,411,885</u>	<u>\$ 6,620,541</u>

\$4,597,969 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ 1,015,290	\$ 2,661,282	\$ 3,676,572
2021	145,876	1,547,747	1,693,623
2022	(583,209)	(285,464)	(868,673)
2023	(151,011)	(651,404)	(802,415)
	<u>\$ 426,946</u>	<u>\$ 3,272,161</u>	<u>\$ 3,699,107</u>

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 terminations). 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.

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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, 2018, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

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 asset allocation, as used in the June 30, 2015 five-year experience study, is summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate 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 that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed 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.

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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 the School District'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	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 25,032,290	\$ 17,771,353	\$ 11,683,542

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Projects Payroll Growth	3.00 percent
Cost-of-Living Adjustments	0.00 percent

Post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016; pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the July 1, 2018 valuation, were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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:

Asset Class	Target Allocation*	Long Term Expected Real Rate of Return**
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

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*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

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, 2018, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 63,313,945	\$ 43,354,778	\$ 26,462,050

Note 13 – Defined Benefit OPEB Plans

Net OPEB Asset/Liability

The net OPEB asset/liability reported on the statement of net position represents an asset or liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB asset/liability represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB asset/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 these estimates 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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

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GASB 75 assumes the asset/liability is solely that of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees, which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset/liability. Resulting adjustments to the net OPEB asset/liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB asset/liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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 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. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$119,963.

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The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$172,040 for fiscal year 2019. Of this amount \$121,377 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

OPEB Assets/Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB asset/liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB asset/liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.30968860%	0.19717692%	
Prior Measurement Date	0.31223590%	0.19955955%	
Change in Proportionate Share	-0.00254730%	-0.00238263%	
Proportionate Share of the Net			
OPEB Liability/(Asset)	\$ 8,591,598	\$ (3,168,432)	\$ 5,423,166
OPEB Expense	\$ 111,355	\$ (6,944,068)	\$ (6,832,713)

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At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 140,245	\$ 370,078	\$ 510,323
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	177,388	0	177,388
School District Contributions Subsequent to the Measurement Date	172,040	0	172,040
Total Deferred Outflows of Resources	\$ 489,673	\$ 370,078	\$ 859,751

Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 184,603	\$ 184,603
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	12,891	361,967	374,858
Changes of Assumptions	771,890	4,317,241	5,089,131
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	391,426	373,252	764,678
Total Deferred Inflows of Resources	\$ 1,176,207	\$ 5,237,063	\$ 6,413,270

\$172,040 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ (410,921)	\$ (876,368)	\$ (1,287,289)
2021	(321,987)	(876,368)	(1,198,355)
2022	(40,362)	(876,370)	(916,732)
2023	(34,877)	(794,161)	(829,038)
2024	(35,768)	(765,331)	(801,099)
Thereafter	(14,659)	(678,387)	(693,046)
	\$ (858,574)	\$ (4,866,985)	\$ (5,725,559)

Actuarial Assumptions - SERS

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions used in the valuation are based on results from the most recent actuarial experience study, which covered the five-year period ending June 30, 2015. The experience study report is dated April 2016. The total OPEB liability used the following assumptions and other inputs:

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Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate	
Measurement Date	3.70 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.63 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Medicare	5.375 percent - 4.75 percent
Pre-Medicare	7.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The long-term expected rate of return on plan factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

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Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e., municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.70 percent) and higher (4.70 percent) than the current discount rate (3.70 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percent lower (6.25 percent decreasing to 3.75 percent) and one percent higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 10,425,229	\$ 8,591,598	\$ 7,139,706
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 6,931,844	\$ 8,591,598	\$ 10,789,411

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Health Care Cost Trend Rates	-5.23 percent to 9.62 percent, initial, 4.00 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

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For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long Term Expected Real Rate of Return**</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2018.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset/Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset/liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset/liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB liability as of June 30, 2018, calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (2,715,643)	\$ (3,168,432)	\$ (3,548,979)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (3,527,497)	\$ (3,168,432)	\$ (2,803,773)

Note 14 - Long - Term Obligations

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

	Balance 6/30/2018	Additions	Reductions	Balance 6/30/2019	Amounts Due in One Year
Governmental Activities:					
Special Obligation Bonds:					
2010 Qualified School Construction Bonds	\$ 2,670,000	\$ 0	\$ 0	\$ 2,670,000	\$ 2,670,000
General Obligation Bonds:					
2017 Serial Tax Exempt Bonds Refunding					
Current Interest Bonds	12,565,000	0	(1,800,000)	10,765,000	1,850,000
Bond Premium	1,350,272	0	(150,030)	1,200,242	0
2017 Energy Conservation Bonds					
Current Interest Bonds	2,215,737	0	(233,196)	1,982,541	236,820
Total General Obligation Bonds	18,801,009	0	(2,183,226)	16,617,783	4,756,820
Direct Borrowings:					
Lease- Purchase Agreement (Apple)	111,446	0	(55,149)	56,297	56,297
Net Pension Liability	63,800,849	0	(5,340,721)	58,460,128	0
Net OPEB Liability	15,076,321	0	(7,773,463)	7,302,858	0
Capital Lease	85,407	0	(42,072)	43,335	43,335
Compensated Absences	4,810,114	596,268	(359,296)	5,047,086	491,337
Total Governmental Activities Long-Term Liabilities	<u>\$ 102,685,146</u>	<u>\$ 596,268</u>	<u>\$ (15,753,927)</u>	<u>\$ 87,527,487</u>	<u>\$ 5,347,789</u>

	Outstanding 6/30/18	Additions	Reductions	Outstanding 6/30/19	Amounts Due in One Year
Business-Type Activities:					
Net Pension Liability (SERS)	\$ 2,450,180	\$ 215,823	\$ 0	\$ 2,666,003	\$ 0
Net OPEB Liability (SERS)	1,089,347	199,393	0	1,288,740	0
Compensated Absences	108,141	21,802	(5,371)	124,572	8,759
Total Business-Type Activities Long-Term Liabilities	<u>\$ 3,647,668</u>	<u>\$ 437,018</u>	<u>\$ (5,371)</u>	<u>\$ 4,079,315</u>	<u>\$ 8,759</u>

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The general and special 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. There is no repayment schedule for the net pension liability and net OPEB liability, however, employer pension and OPEB contributions are primarily made from the general fund and the recreation fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

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 special obligations of the School District payable solely from the permanent improvement levy proceeds. 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.

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 bond retirement fund.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. \$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 is reported as “cash and investments with escrow agent.”

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. At June 30, 2019, \$11,760,000 of the defeased debt is outstanding.

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.

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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.

Lease Purchase Agreement – Apple

On August 6, 2015, the School District entered into a lease purchase agreement in the amount of \$275,860 for 260 Macbook laptops.

Interest payments on the outstanding principal are due annual at the rate of 2.08 percent. The final maturity for the lease is August 6, 2019.

In the event of default, as defined by the lease agreement, the Lessor has the right to exercise all rights and remedies, including the rights to declare all sums due during the School District’s current fiscal period and/or take possession of the computer equipment.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Special Obligation Bonds		General Obligation Bonds		Energy Conservation Bond		Lease-Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,670,000	\$ 63,012	\$ 1,850,000	\$ 443,150	\$ 236,820	\$ 43,528	\$ 56,297	\$ 1,171	\$ 4,813,117	\$ 550,861
2021	0	0	1,930,000	367,550	240,500	39,820	0	0	2,170,500	407,370
2022	0	0	2,030,000	288,350	244,237	36,054	0	0	2,274,237	324,404
2023	0	0	2,115,000	194,875	248,033	32,229	0	0	2,363,033	227,104
2024	0	0	2,025,000	91,375	251,887	26,605	0	0	2,276,887	117,980
2025 - 2027	0	0	815,000	62,375	761,064	34,410	0	0	1,576,064	96,785
Total	<u>\$ 2,670,000</u>	<u>\$ 63,012</u>	<u>\$ 10,765,000</u>	<u>\$ 1,447,675</u>	<u>\$ 1,982,541</u>	<u>\$ 212,646</u>	<u>\$ 56,297</u>	<u>\$ 1,171</u>	<u>\$ 15,473,838</u>	<u>\$ 1,724,504</u>

Note 15 - Capital Lease

In the current and in prior fiscal years, the School District entered into a capitalized lease for copiers. The lease meets 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, 2019, was \$188,730, leaving a current book value of \$20,970.

Principal and interest payments in the 2019 fiscal year totaled \$44,569. These amounts are reported as debt service payments of the general fund.

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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, 2019.

	Amount
Total Minimum Lease Payments	\$ 44,633
Less Amount Representing Interest	1,298
Present Value of Minimum Lease Payments	\$ 43,335

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.

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, and 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 School District contributed \$89,874 to NEOnet.

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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 2019, the School District paid \$4,587 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.

Note 18 – Interfund

Transfers

Transfers for the year ended June 30, 2019, consisted of the following:

Fund	Transfer In	Transfer Out
General Fund	\$ 0	\$ 3,585,000
Permanent Improvement Fund	3,400,000	0
Nonmajor Governmental Funds	198,963	13,963
Total	\$ 3,598,963	\$ 3,598,963

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

General fund transferred \$185,000 to the athletics fund for extracurricular support and \$3,400,000 to the permanent improvement fund for the Orange Middle School construction project. In addition, the building fund transferred \$13,963 to the bond retirement fund as the purpose of the building fund had ended.

Interfund Balances

Interfund balances at June 30, 2019, consisted of the following:

	Interfund Receivable	Interfund Payable	
General Fund	\$ 18,184	\$ 0	
Nonmajor Governmental Fund	0	18,184	
Total	\$ 18,184	\$ 18,184	

The general fund advanced monies to the nonmajor governmental fund of Title VI-B to cover a negative cash balance.

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, 2018	\$ 0
Current Year Set-Aside Requirement	344,258
Current Year Offsets	(880,379)
Total	\$ (536,121)
Balance Carried Forward to Fiscal Year 2020	\$ 0
Set Aside Balance June 30, 2019	\$ 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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019, if applicable, cannot be determined at this time.

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, ODE adjustments for fiscal year 2019 are finalized. As a result, the net impact of the FTE adjustments had no effect on the fiscal year 2019 financial statements 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:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 1,363,298
Permanent Improvement Fund	4,290,218
Nonmajor Governmental Funds	<u>30,935</u>
	<u><u>\$ 5,684,451</u></u>

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Contractual Commitments

At June 30, 2019, the School District had the following outstanding contractual commitments:

	Contractual Commitment	Expended	Balance 6/30/2019
Middle School Renovations	\$ 3,922,822	\$3,602,634	\$ 320,188
Security Upgrade	220,262	139,877	80,385
Roof Repairs	319,600	105,186	214,414
	\$ 4,462,684	\$3,847,697	\$ 614,987

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.

Note 22 – Tax Abatements

The School District and other local governments located within the School District’s boundaries have entered into tax abatement agreements in order to retain or attract new industry, preserve or increase employment and revitalize the local economy. These tax abatements also affect the School District’s revenue stream, as they mean that the School District is foregoing or reducing tax revenue it is otherwise entitled to collect. All agreements are in effect prior to the reduction of taxes and are granted for the purpose of economic assistance or development. The amount of the abatement is a reduction of the taxable assessed valuation thus reducing the recipient’s tax bill. The School District’s fiscal year 2019 taxes abated amounted to \$748,716.

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

	2019	2018	2017	2016	2015	2014
<i>School Employees Retirement System (SERS)</i>						
School District's Proportion of the Net Pension Liability	0.31029820%	0.31541300%	0.32289880%	0.33074570%	0.33313900%	0.33313900%
School District's Proportionate Share of the Net Pension Liability	\$ 17,771,353	\$ 18,845,230	\$ 23,633,213	\$ 18,872,670	\$ 16,859,975	\$ 19,810,707
School District's Covered Payroll	\$ 10,084,363	\$ 9,870,057	\$ 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	176.23%	190.93%	194.75%	178.44%	172.43%	204.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
<i>State Teachers Retirement System (STRS)</i>						
School District's Proportion of the Net Pension Liability	0.19717692%	0.19955955%	0.20710783%	0.21366175%	0.21549502%	0.21549502%
School District's Proportionate Share of the Net Pension Liability	\$ 43,354,778	\$ 47,405,799	\$ 69,325,234	\$ 59,049,858	\$ 52,415,847	\$ 62,437,414
School District's Covered Payroll	\$ 22,593,293	\$ 21,777,157	\$ 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	191.89%	217.69%	302.87%	263.67%	238.06%	279.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

Orange Local School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 1,406,078	\$ 1,361,389	\$ 1,381,808	\$ 1,698,906
Contributions in Relation to the Contractually Required Contribution	<u>(1,406,078)</u>	<u>(1,361,389)</u>	<u>(1,381,808)</u>	<u>(1,698,906)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,415,393	\$ 10,084,363	\$ 9,870,057	\$ 12,135,043
Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 3,191,891	\$ 3,163,061	\$ 3,048,802	\$ 3,204,532
Contributions in Relation to the Contractually Required Contribution	<u>(3,191,891)</u>	<u>(3,163,061)</u>	<u>(3,048,802)</u>	<u>(3,204,532)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 22,799,221	\$ 22,593,293	\$ 21,777,157	\$ 22,889,514
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,394,004	\$ 1,355,251	\$ 1,342,184	\$ 1,292,824	\$ 1,231,533	\$ 1,296,264
<u>(1,394,004)</u>	<u>(1,355,251)</u>	<u>(1,342,184)</u>	<u>(1,292,824)</u>	<u>(1,231,533)</u>	<u>(1,296,264)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 10,576,662	\$ 9,778,146	\$ 9,697,861	\$ 9,612,074	\$ 9,797,399	\$ 9,573,589
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%
\$ 3,135,370	\$ 2,862,293	\$ 2,904,145	\$ 2,940,205	\$ 2,982,666	\$ 2,912,735
<u>(3,135,370)</u>	<u>(2,862,293)</u>	<u>(2,904,145)</u>	<u>(2,940,205)</u>	<u>(2,982,666)</u>	<u>(2,912,735)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 22,395,500	\$ 22,017,638	\$ 22,339,577	\$ 22,616,962	\$ 22,943,585	\$ 22,405,654
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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Orange City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Asset/ Liability
Last Three Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>School Employees Retirement System (SERS)</i>			
School District's Proportion of the Net OPEB Liability	0.30968860%	0.31223590%	0.32289880%
School District's Proportionate Share of the Net OPEB Liability	\$ 8,591,598	\$ 8,379,591	\$ 9,203,810
School District's Covered Payroll	\$ 10,084,363	\$ 9,870,057	\$ 12,135,043
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	85.20%	84.90%	75.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>			
School District's Proportion of the Net OPEB Liability/(Asset)	0.19717692%	0.19955955%	0.20710783%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (3,168,432)	\$ 7,786,077	\$ 11,076,181
School District's Covered Payroll	\$ 22,593,293	\$ 21,777,157	\$ 22,889,514
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.02%	35.75%	48.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Orange City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 172,040	\$ 195,039	\$ 133,933	\$ 163,500
Contributions in Relation to the Contractually Required Contribution	<u>(172,040)</u>	<u>(195,039)</u>	<u>(133,933)</u>	<u>(163,500)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,415,393	\$ 10,084,363	\$ 9,870,057	\$ 12,135,043
Contributions as a Percentage of Covered Payroll (1)	1.65%	1.93%	1.36%	1.35%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 22,799,221	\$ 22,593,293	\$ 21,777,157	\$ 22,889,514
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 81,649	\$ 131,841	\$ 154,606	\$ 195,266	\$ 289,541	\$ 191,425
<u>(81,649)</u>	<u>(131,841)</u>	<u>(154,606)</u>	<u>(195,266)</u>	<u>(289,541)</u>	<u>(191,425)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 10,576,662	\$ 9,778,146	\$ 9,697,861	\$ 9,612,074	\$ 9,797,399	\$ 9,573,589
0.77%	1.35%	1.59%	2.03%	2.96%	2.00%
\$ 0	\$ 220,176	\$ 223,396	\$ 226,170	\$ 229,436	\$ 224,057
<u>0</u>	<u>(220,176)</u>	<u>(223,396)</u>	<u>(226,170)</u>	<u>(229,436)</u>	<u>(224,057)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 22,395,500	\$ 22,017,638	\$ 22,339,577	\$ 22,616,962	\$ 22,943,585	\$ 22,405,654
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

Orange City School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to 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 was updated to 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 was updated to 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.

Changes in Benefit Terms - SERS

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Note 2 - Net OPEB Asset/Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2019 incorporate changes in key methods and assumptions used in calculating the total OPEB liability. The Municipal Bond Index Rate increased from 3.56 percent to 3.62

Orange City School District
Cuyahoga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

percent. Single Equivalent Interest Rate, net of plan investment expense, including price inflation, increased from 3.63 percent to 3.70 percent. The health care cost trend assumptions changed as follows:

Pre-Medicare

Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent

Medicare

Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability. The Municipal Bond Index Rate increased from 2.92 percent to 3.56 percent. Single Equivalent Interest Rate, net of plan investment expense, including price inflation, increased from 2.98 percent to 3.63 percent.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

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Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2019

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

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.

Miscellaneous State Grants Fund – This fund accounts for state monies which support academic and enrichment programs for the student body.

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.

Miscellaneous Federal Grants Fund – This fund accounts for federal monies which support academic and enrichment programs for the student body.

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

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

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

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.

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

Nonmajor Debt Service Fund

The Debt Service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Bond Retirement - This fund is used to account for and report the accumulation of property tax revenues restricted for the retirement of principal and interest on outstanding general obligation bonds.

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, 2019

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Building Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 748,872	\$ 2,033,705	\$ 0	\$ 2,782,577
Cash and Investments with Escrow Agent	0	1,918,923	0	1,918,923
Receivables:				
Intergovernmental	431,139	0	0	431,139
Property Taxes	0	2,318,403	0	2,318,403
<i>Total Assets</i>	<u>\$ 1,180,011</u>	<u>\$ 6,271,031</u>	<u>\$ 0</u>	<u>\$ 7,451,042</u>
Liabilities:				
Accounts Payable	\$ 39,695	\$ 0	\$ 0	\$ 39,695
Accrued Wages and Benefits	112,671	0	0	112,671
Intergovernmental Payable	16,394	0	0	16,394
Interfund Payable	18,184	0	0	18,184
<i>Total Liabilities</i>	<u>186,944</u>	<u>0</u>	<u>0</u>	<u>186,944</u>
Deferred Inflows of Resources:				
Property Taxes Levied for the Next Fiscal Year	0	1,780,378	0	1,780,378
Delinquent Property Taxes	0	91,278	0	91,278
Other Unavailable Revenue	286,417	0	0	286,417
<i>Total Deferred Inflows of Resources</i>	<u>286,417</u>	<u>1,871,656</u>	<u>0</u>	<u>2,158,073</u>
Fund Balances:				
Restricted	675,265	4,399,375	0	5,074,640
Committed	31,971	0	0	31,971
Unassigned	(586)	0	0	(586)
<i>Total Fund Balances (Deficit)</i>	<u>706,650</u>	<u>4,399,375</u>	<u>0</u>	<u>5,106,025</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,180,011</u>	<u>\$ 6,271,031</u>	<u>\$ 0</u>	<u>\$ 7,451,042</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, 2019

	Nonmajor Special Revenue Funds	Bond Retirement Fund	Building Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Local Taxes	\$ 0	\$ 2,321,348	\$ 0	\$ 2,321,348
Intergovernmental	1,673,061	456,959	0	2,130,020
Investment Income	18,059	63,719	250	82,028
Extracurricular Activities	113,325	0	0	113,325
Charges for Services	583,481	0	0	583,481
Contributions and Donations	808	0	0	808
Miscellaneous	13,720	0	0	13,720
<i>Total Revenues</i>	<u>2,402,454</u>	<u>2,842,026</u>	<u>250</u>	<u>5,244,730</u>
Expenditures:				
Current:				
Instruction:				
Regular	113,538	0	0	113,538
Special	448,159	0	0	448,159
Support Services:				
Pupils	163,939	0	0	163,939
Instructional Staff	50,546	0	0	50,546
Administration	14,027	0	0	14,027
Fiscal	0	33,867	0	33,867
Operation and Maintenance of Plant	11,095	0	0	11,095
Central	5,400	0	0	5,400
Extracurricular Activities	285,368	0	0	285,368
Operation of Non-Instructional Services:				
Food Service Operations	718,304	0	0	718,304
Community Services	669,943	0	284	670,227
Debt Service:				
Principal Retirement	0	2,033,196	0	2,033,196
Interest and Fiscal Charges	0	717,661	0	717,661
<i>Total Expenditures</i>	<u>2,480,319</u>	<u>2,784,724</u>	<u>284</u>	<u>5,265,327</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(77,865)	57,302	(34)	(20,597)
Other Financing Sources (Uses):				
Transfers In	185,000	13,963	0	198,963
Transfers Out	0	0	(13,963)	(13,963)
<i>Total Other Financing Sources and (Uses)</i>	<u>185,000</u>	<u>13,963</u>	<u>(13,963)</u>	<u>185,000</u>
<i>Net Change in Fund Balance</i>	107,135	71,265	(13,997)	164,403
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>599,515</u>	<u>4,328,110</u>	<u>13,997</u>	<u>4,941,622</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 706,650</u>	<u>\$ 4,399,375</u>	<u>\$ 0</u>	<u>\$ 5,106,025</u>

Orange City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Local Grants Fund	District Managed Activities Fund	Auxiliary Services Fund	Ohio K-12 Network Connectivity Fund	Miscellaneous State Grants Fund	Title VI-B Fund
Assets:						
Equity in Pooled Cash and Investments	\$ 18,398	\$ 113,805	\$ 91,090	\$ 0	\$ 10,097	\$ 0
Receivables:						
Intergovernmental	0	0	0	0	0	242,927
<i>Total Assets</i>	<u>\$ 18,398</u>	<u>\$ 113,805</u>	<u>\$ 91,090</u>	<u>\$ 0</u>	<u>\$ 10,097</u>	<u>\$ 242,927</u>
Liabilities:						
Accounts Payable	\$ 0	\$ 2,250	\$ 1,275	\$ 0	\$ 10,095	\$ 25,987
Accrued Wages and Benefits	0	0	16,654	0	0	59,939
Intergovernmental Payable	0	7	2,144	0	0	8,855
Interfund Payable	0	0	0	0	0	18,184
<i>Total Liabilities</i>	<u>0</u>	<u>2,257</u>	<u>20,073</u>	<u>0</u>	<u>10,095</u>	<u>112,965</u>
Deferred Inflows of Resources:						
Other Unavailable Revenue	0	0	0	0	0	127,108
Fund Balances:						
Restricted	18,398	111,548	71,017	0	2	2,854
Committed	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>18,398</u>	<u>111,548</u>	<u>71,017</u>	<u>0</u>	<u>2</u>	<u>2,854</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i>	<u>\$ 18,398</u>	<u>\$ 113,805</u>	<u>\$ 91,090</u>	<u>\$ 0</u>	<u>\$ 10,097</u>	<u>\$ 242,927</u>

Title III Fund	Title I Fund	Preschool Disability Fund	Title II-A Fund	Miscellaneous Federal Grants Fund	Food Service Fund	Memorial Fund	Total Nonmajor Special Revenue Funds
\$ 880	\$ 764	\$ 159	\$ 2,194	\$ 0	\$ 479,514	\$ 31,971	\$ 748,872
0	129,109	2,154	25,492	31,457	0	0	431,139
<u>\$ 880</u>	<u>\$ 129,873</u>	<u>\$ 2,313</u>	<u>\$ 27,686</u>	<u>\$ 31,457</u>	<u>\$ 479,514</u>	<u>\$ 31,971</u>	<u>\$ 1,180,011</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 88	\$ 0	\$ 39,695
704	18,083	1,040	6,644	0	9,607	0	112,671
0	2,532	249	876	0	1,731	0	16,394
0	0	0	0	0	0	0	18,184
<u>704</u>	<u>20,615</u>	<u>1,289</u>	<u>7,520</u>	<u>0</u>	<u>11,426</u>	<u>0</u>	<u>186,944</u>
0	107,943	384	20,752	30,230	0	0	286,417
176	1,315	640	0	1,227	468,088	0	675,265
0	0	0	0	0	0	31,971	31,971
0	0	0	(586)	0	0	0	(586)
<u>176</u>	<u>1,315</u>	<u>640</u>	<u>(586)</u>	<u>1,227</u>	<u>468,088</u>	<u>31,971</u>	<u>706,650</u>
<u>\$ 880</u>	<u>\$ 129,873</u>	<u>\$ 2,313</u>	<u>\$ 27,686</u>	<u>\$ 31,457</u>	<u>\$ 479,514</u>	<u>\$ 31,971</u>	<u>\$ 1,180,011</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, 2019

	Local Grants Fund	District Managed Activities Fund	Auxiliary Services Fund	Ohio K-12 Network Connectivity Fund	Miscellaneous State Grants Fund	Title VI-B Fund
Revenues:						
Intergovernmental	\$ 52,299	\$ 0	\$ 667,969	\$ 5,400	\$ 11,097	\$ 543,116
Investment Income	0	0	4,378	0	0	0
Extracurricular Activities	0	113,325	0	0	0	0
Charges for Services	0	0	0	0	0	0
Contributions and Donations	0	808	0	0	0	0
Miscellaneous	0	13,720	0	0	0	0
<i>Total Revenues</i>	<u>52,299</u>	<u>127,853</u>	<u>672,347</u>	<u>5,400</u>	<u>11,097</u>	<u>543,116</u>
Expenditures:						
Current:						
Instruction:						
Regular	64,268	0	0	0	0	0
Special	5,548	0	0	0	0	309,087
Support Services:						
Pupils	4,068	5,935	0	0	0	153,936
Instructional Staff	0	0	0	0	0	39,243
Administration	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	11,095	0
Central	0	0	0	5,400	0	0
Extracurricular Activities	0	285,368	0	0	0	0
Operation of Non-Instructional Services:						
Food Service Operations	0	0	0	0	0	0
Community Services	2,400	0	665,891	0	0	0
<i>Total Expenditures</i>	<u>76,284</u>	<u>291,303</u>	<u>665,891</u>	<u>5,400</u>	<u>11,095</u>	<u>502,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(23,985)	(163,450)	6,456	0	2	40,850
Other Financing Sources (Uses):						
Transfers In	0	185,000	0	0	0	0
<i>Net Change in Fund Balance</i>	(23,985)	21,550	6,456	0	2	40,850
<i>Fund Balances (Deficit) Beginning of Year</i>	42,383	89,998	64,561	0	0	(37,996)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 18,398</u>	<u>\$ 111,548</u>	<u>\$ 71,017</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 2,854</u>

Title III Fund	Title I Fund	Preschool Disability Fund	Title II-A Fund	Miscellaneous Federal Grants Fund	Food Service Fund	Memorial Fund	Total Nonmajor Special Revenue Funds
\$ 4,708	\$ 143,705	\$ 19,664	\$ 54,631	\$ 1,407	\$ 169,065	\$ 0	\$ 1,673,061
0	0	0	0	0	12,989	692	18,059
0	0	0	0	0	0	0	113,325
0	0	0	0	0	583,481	0	583,481
0	0	0	0	0	0	0	808
0	0	0	0	0	0	0	13,720
<u>4,708</u>	<u>143,705</u>	<u>19,664</u>	<u>54,631</u>	<u>1,407</u>	<u>765,535</u>	<u>692</u>	<u>2,402,454</u>
0	0	0	49,270	0	0	0	113,538
4,671	124,033	4,820	0	0	0	0	448,159
0	0	0	0	0	0	0	163,939
0	11,303	0	0	0	0	0	50,546
0	0	14,027	0	0	0	0	14,027
0	0	0	0	0	0	0	11,095
0	0	0	0	0	0	0	5,400
0	0	0	0	0	0	0	285,368
0	0	0	0	0	718,304	0	718,304
0	0	0	1,472	180	0	0	669,943
<u>4,671</u>	<u>135,336</u>	<u>18,847</u>	<u>50,742</u>	<u>180</u>	<u>718,304</u>	<u>0</u>	<u>2,480,319</u>
37	8,369	817	3,889	1,227	47,231	692	(77,865)
0	0	0	0	0	0	0	185,000
37	8,369	817	3,889	1,227	47,231	692	107,135
139	(7,054)	(177)	(4,475)	0	420,857	31,279	599,515
<u>\$ 176</u>	<u>\$ 1,315</u>	<u>\$ 640</u>	<u>\$ (586)</u>	<u>\$ 1,227</u>	<u>\$ 468,088</u>	<u>\$ 31,971</u>	<u>\$ 706,650</u>

***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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues:				
Property and Other Local Taxes	\$ 37,634,266	\$ 34,468,612	\$ 38,503,048	\$ 4,034,436
Intergovernmental	6,878,083	6,302,772	6,997,365	694,593
Investment Income	509,748	451,625	706,824	255,199
Tuition and Fees	420,303	403,765	201,146	(202,619)
Rentals	1,000	1,000	1	(999)
Charges for Services	50,000	50,000	30,695	(19,305)
Contributions and Donations	1,000	1,000	0	(1,000)
Miscellaneous	95,751	77,610	150,002	72,392
<i>Total Revenues</i>	<u>45,590,151</u>	<u>41,756,384</u>	<u>46,589,081</u>	<u>4,832,697</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,575,943	13,514,296	13,317,543	196,753
Fringe Benefits	4,612,718	4,620,446	4,199,155	421,291
Purchased Services	926,723	1,081,219	909,101	172,118
Materials and Supplies	495,527	503,255	423,809	79,446
Capital Outlay	142,335	153,886	108,041	45,845
Total Regular	<u>19,753,246</u>	<u>19,873,102</u>	<u>18,957,649</u>	<u>915,453</u>
Special:				
Salaries and Wages	4,922,514	4,927,514	5,242,341	(314,827)
Fringe Benefits	1,904,662	1,906,662	2,121,542	(214,880)
Purchased Services	1,295,569	1,290,569	1,147,793	142,776
Materials and Supplies	58,505	66,005	52,565	13,440
Capital Outlay	21,500	14,000	6,848	7,152
Total Special	<u>8,202,750</u>	<u>8,204,750</u>	<u>8,571,089</u>	<u>(366,339)</u>
Vocational:				
Salaries and Wages	95,353	95,353	95,353	0
Fringe Benefits	32,675	32,724	36,152	(3,428)
Purchased Services	681,000	681,000	527,186	153,814
Materials and Supplies	3,000	3,000	2,938	62
Total Vocational	<u>812,028</u>	<u>812,077</u>	<u>661,629</u>	<u>150,448</u>
Student Intervention Services:				
Salaries and Wages	547,693	547,693	25,275	522,418
Fringe Benefits	83,955	83,955	5,599	78,356
Total Student Intervention Services	<u>631,648</u>	<u>631,648</u>	<u>30,874</u>	<u>600,774</u>
Total Instruction	<u>29,399,672</u>	<u>29,521,577</u>	<u>28,221,241</u>	<u>1,300,336</u>
Support Services:				
Pupils:				
Salaries and Wages	2,299,591	2,299,591	2,311,954	(12,363)
Fringe Benefits	809,615	810,805	904,873	(94,068)
Purchased Services	294,055	293,055	276,866	16,189
Materials and Supplies	19,163	19,163	13,054	6,109
Capital Outlay	3,000	3,000	720	2,280
Total Pupils	<u>3,425,424</u>	<u>3,425,614</u>	<u>3,507,467</u>	<u>(81,853)</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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Instructional Staff:				
Salaries and Wages	1,086,273	1,086,273	989,971	96,302
Fringe Benefits	485,493	486,047	423,584	62,463
Purchased Services	28,924	29,228	17,938	11,290
Materials and Supplies	118,333	124,773	105,624	19,149
Capital Outlay	9,050	9,050	7,979	1,071
Total Instructional Staff	1,728,073	1,735,371	1,545,096	190,275
Board of Education:				
Salaries and Wages	13,905	13,905	16,500	(2,595)
Fringe Benefits	3,375	3,484	3,826	(342)
Purchased Services	8,017	8,017	4,734	3,283
Materials and Supplies	8,000	8,000	1,850	6,150
Capital Outlay	2,000	2,000	0	2,000
Other	35,000	69,145	68,830	315
Total Board of Education	70,297	104,551	95,740	8,811
Administration:				
Salaries and Wages	1,958,921	1,958,921	1,941,222	17,699
Fringe Benefits	944,901	945,327	995,093	(49,766)
Purchased Services	561,700	547,946	469,855	78,091
Materials and Supplies	34,207	36,757	27,347	9,410
Capital Outlay	8,355	8,205	4,669	3,536
Other	391,519	591,664	577,538	14,126
Total Administration	3,899,603	4,088,820	4,015,724	73,096
Fiscal:				
Salaries and Wages	410,617	410,617	410,419	198
Fringe Benefits	183,955	183,955	487,341	(303,386)
Purchased Services	79,026	90,526	74,466	16,060
Materials and Supplies	5,086	5,086	3,852	1,234
Capital Outlay	20,000	8,500	1,570	6,930
Other	698,582	699,136	623,547	75,589
Total Fiscal	1,397,266	1,397,820	1,601,195	(203,375)
Business:				
Salaries and Wages	209,324	209,324	241,824	(32,500)
Fringe Benefits	126,292	126,292	147,765	(21,473)
Purchased Services	185,409	175,409	122,266	53,143
Materials and Supplies	79,280	89,280	67,824	21,456
Capital Outlay	5,000	5,000	5,000	0
Other	1,580	3,425	1,845	1,580
Total Business	606,885	608,730	586,524	22,206
Operation and Maintenance of Plant:				
Salaries and Wages	1,835,221	1,835,221	1,732,144	103,077
Fringe Benefits	960,466	960,466	996,371	(35,905)
Purchased Services	1,878,083	1,907,334	2,010,663	(103,329)
Materials and Supplies	239,100	263,847	240,044	23,803
Capital Outlay	55,013	23,266	23,266	0
Other	0	20,000	20,006	(6)
Total Operation and Maintenance of Plant	4,967,883	5,010,134	5,022,494	(12,360)

(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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Pupil Transportation:				
Salaries and Wages	2,079,349	2,079,349	2,028,934	50,415
Fringe Benefits	1,076,681	1,076,681	1,112,896	(36,215)
Purchased Services	111,334	136,132	106,665	29,467
Materials and Supplies	354,756	320,756	291,049	29,707
Capital Outlay	365,588	379,790	377,860	1,930
Total Pupil Transportation	<u>3,987,708</u>	<u>3,992,708</u>	<u>3,917,404</u>	<u>75,304</u>
Central:				
Salaries and Wages	427,572	403,626	398,922	4,704
Fringe Benefits	386,936	387,022	472,240	(85,218)
Purchased Services	249,355	277,006	264,025	12,981
Materials and Supplies	31,341	25,969	24,226	1,743
Capital Outlay	7,200	7,200	4,999	2,201
Total Central	<u>1,102,404</u>	<u>1,100,823</u>	<u>1,164,412</u>	<u>(63,589)</u>
Total Support Services	<u>21,185,543</u>	<u>21,464,571</u>	<u>21,456,056</u>	<u>8,515</u>
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	325,000	325,000	293,108	31,892
Fringe Benefits	48,454	48,454	56,619	(8,165)
Materials and Supplies	0	57,000	56,748	252
Total Academic Oriented Activities	<u>373,454</u>	<u>430,454</u>	<u>406,475</u>	<u>23,979</u>
Sport Oriented Activities:				
Salaries and Wages	726,089	726,089	715,515	10,574
Fringe Benefits	168,417	168,417	119,319	49,098
Purchased Services	77,760	77,760	77,760	0
Total Sports Oriented Activities	<u>972,266</u>	<u>972,266</u>	<u>912,594</u>	<u>59,672</u>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	20,074	20,074	16,515	3,559
Fringe Benefits	3,012	3,012	2,751	261
Total School and Public Service Co-Curricular Activities	<u>23,086</u>	<u>23,086</u>	<u>19,266</u>	<u>3,820</u>
Total Extracurricular Activities	<u>1,368,806</u>	<u>1,425,806</u>	<u>1,338,335</u>	<u>87,471</u>
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	2,500	2,500	35,212	(32,712)
Total Operation of Non-Instructional Services	<u>2,500</u>	<u>2,500</u>	<u>35,212</u>	<u>(32,712)</u>
Debt Service:				
Principal Retirement	97,221	97,221	97,221	0
Interest and Fiscal Charges	4,816	4,816	4,816	0
Total Debt Service	<u>102,037</u>	<u>102,037</u>	<u>102,037</u>	<u>0</u>
<i>Total Expenditures</i>	<u>52,058,558</u>	<u>52,516,491</u>	<u>51,152,881</u>	<u>1,363,610</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,468,407)</u>	<u>(10,760,107)</u>	<u>(4,563,800)</u>	<u>6,196,307</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, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	5,000	5,000	0	(5,000)
Refund of Prior Year Expenditures	100,000	100,000	187,446	87,446
Advances In	15,000	15,000	0	(15,000)
Transfers In	2,836,384	2,836,384	2,876,327	39,943
Transfers Out	(2,585,000)	(3,985,000)	(3,985,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>371,384</u>	<u>(1,028,616)</u>	<u>(921,227)</u>	<u>107,389</u>
<i>Net Change in Fund Balance</i>	(6,097,023)	(11,788,723)	(5,485,027)	6,303,696
<i>Fund Balance (Deficit) at Beginning of Year</i>	28,698,905	28,698,905	28,698,905	0
Prior Year Encumbrances Appropriated	<u>511,413</u>	<u>511,413</u>	<u>511,413</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 23,113,295</u>	<u>\$ 17,421,595</u>	<u>\$ 23,725,291</u>	<u>\$ 6,303,696</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 760,000	\$ 779,622	\$ 19,622
Intergovernmental	91,866	100,760	8,894
Investment Income	100,000	131,429	31,429
<i>Total Revenues</i>	<u>951,866</u>	<u>1,011,811</u>	<u>59,945</u>
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Other	13,500	11,635	1,865
Operation and Maintenance of Plant:			
Capital Outlay	20,000	0	20,000
Total Support Services	33,500	11,635	21,865
Capital Outlay:			
Site Improvement Services			
Capital Outlay	480,000	320,472	159,528
Architecture and Engineering Services			
Capital Outlay	364,624	289,464	75,160
Building Acquisition and Construction Services			
Capital Outlay	6,395,378	6,276,171	119,207
Building Improvement Services			
Purchased Services	50,000	41,372	8,628
Capital Outlay	1,730,286	788,806	941,480
Total Building Improvement Services	1,780,286	830,178	950,108
Other Facilities Acquisition and Construction			
Capital Outlay	875,000	355,212	519,788
Total Capital Outlay	9,895,288	8,071,497	1,823,791
<i>Total Expenditures</i>	<u>9,928,788</u>	<u>8,083,132</u>	<u>1,845,656</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,976,922)</u>	<u>(7,071,321)</u>	<u>1,905,601</u>
Other Financing Sources (Uses):			
Transfers In	2,400,000	3,400,000	1,000,000
<i>Net Change in Fund Balance</i>	(6,576,922)	(3,671,321)	2,905,601
<i>Fund Balance (Deficit) at Beginning of Year</i>	5,747,871	5,747,871	0
Prior Year Encumbrances Appropriated	3,000,002	3,000,002	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,170,951</u>	<u>\$ 5,076,552</u>	<u>\$ 2,905,601</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, 2019*

	Final Budget	Actual	Variance
Operating Revenues:			
Tuition and Fees	\$ 1,822,505	\$ 2,593,890	\$ 771,385
Charges for Services	3,000	3,504	504
Other	124,495	116,307	(8,188)
<i>Total Operating Revenues</i>	<u>1,950,000</u>	<u>2,713,701</u>	<u>763,701</u>
Operating Expenses:			
Salaries and Wages	1,836,043	1,844,546	(8,503)
Fringe Benefits	675,059	665,329	9,730
Purchased Services	1,107,542	899,908	207,634
Materials and Supplies	172,787	165,913	6,874
Capital Outlay	481,986	475,522	6,464
Other	95,889	99,451	(3,562)
<i>Total Operating Expenses</i>	<u>4,369,306</u>	<u>4,150,669</u>	<u>218,637</u>
<i>Operating Income (Loss)</i>	<u>(2,419,306)</u>	<u>(1,436,968)</u>	<u>982,338</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	50,000	100,179	50,179
Property Taxes	755,140	784,974	29,834
Grants and Subsidies	99,500	102,327	2,827
<i>Total Non-Operating Revenues (Expenses)</i>	<u>904,640</u>	<u>987,480</u>	<u>82,840</u>
<i>Change in Net Position</i>	(1,514,666)	(449,488)	1,065,178
<i>Net Position (Deficit) at Beginning of Year</i>	4,531,896	4,531,896	0
Prior Year Encumbrances Appropriated	152,663	152,663	0
<i>Net Position (Deficit) at End of Year</i>	<u>\$ 3,169,893</u>	<u>\$ 4,235,071</u>	<u>\$ 1,065,178</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 90,000	\$ 54,919	\$ (35,081)
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	1,850	1,850	0
Materials and Supplies	28,947	21,756	7,191
Capital Outlay	43,119	40,723	2,396
Total Regular	<u>73,916</u>	<u>64,329</u>	<u>9,587</u>
Special:			
Materials and Supplies	<u>6,763</u>	<u>5,548</u>	<u>1,215</u>
Total Instruction	<u>80,679</u>	<u>69,877</u>	<u>10,802</u>
Support Services:			
Pupils:			
Purchased Services	4,000	3,540	460
Materials and Supplies	2,000	528	1,472
Total Support Services	<u>6,000</u>	<u>4,068</u>	<u>1,932</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>2,400</u>	<u>2,400</u>	<u>0</u>
<i>Total Expenditures</i>	<u>89,079</u>	<u>76,345</u>	<u>12,734</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>921</u>	<u>(21,426)</u>	<u>(22,347)</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	<u>(2,620)</u>	<u>(2,620)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,699)	(24,046)	(22,347)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>42,383</u>	<u>42,383</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 40,684</u>	<u>\$ 18,337</u>	<u>\$ (22,347)</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 301,046	\$ 113,325	\$ (187,721)
Contributions and Donations	20,123	808	(19,315)
Miscellaneous	28,831	13,720	(15,111)
<i>Total Revenues</i>	<u>350,000</u>	<u>127,853</u>	<u>(222,147)</u>
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	5,935	5,935	0
Total Support Services	<u>5,935</u>	<u>5,935</u>	<u>0</u>
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	49,183	33,899	15,284
Materials and Supplies	40,327	15,042	25,285
Capital Outlay	1,550	0	1,550
Total Academic Oriented Activities	<u>91,060</u>	<u>48,941</u>	<u>42,119</u>
Sports Oriented Activities:			
Salaries and Wages	22,750	16,187	6,563
Fringe Benefits	2,575	2,698	(123)
Purchased Services	164,907	145,603	19,304
Materials and Supplies	45,206	42,044	3,162
Capital Outlay	31,766	31,766	0
Total Sports Oriented Activities	<u>267,204</u>	<u>238,298</u>	<u>28,906</u>
School and Public Service Co-Curricular Activities:			
Materials and Supplies	135	0	135
Total Extracurricular Activities	<u>358,399</u>	<u>287,239</u>	<u>71,160</u>
<i>Total Expenditures</i>	<u>364,334</u>	<u>293,174</u>	<u>71,160</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(14,334)</u>	<u>(165,321)</u>	<u>(150,987)</u>
Other Financing Sources (Uses):			
Transfers In	0	185,000	185,000
<i>Net Change in Fund Balance</i>	(14,334)	19,679	34,013
<i>Fund Balance (Deficit) at Beginning of Year</i>	77,967	77,967	0
Prior Year Encumbrances Appropriated	13,255	13,255	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 76,888</u>	<u>\$ 110,901</u>	<u>\$ 34,013</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 698,795	\$ 667,969	\$ (30,826)
Investment Income	1,205	3,465	2,260
<i>Total Revenues</i>	<u>700,000</u>	<u>671,434</u>	<u>(28,566)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	83,289	82,118	1,171
Fringe Benefits	29,382	31,795	(2,413)
Purchased Services	360,216	347,784	12,432
Materials and Supplies	146,071	64,691	81,380
Capital Outlay	158,862	140,957	17,905
<i>Total Expenditures</i>	<u>777,820</u>	<u>667,345</u>	<u>110,475</u>
<i>Net Change in Fund Balance</i>	(77,820)	4,089	81,909
<i>Fund Balance (Deficit) at Beginning of Year</i>	84,055	84,055	0
Prior Year Encumbrances Appropriated	353	353	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 6,588</u>	<u>\$ 88,497</u>	<u>\$ 81,909</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 5,400	\$ 5,400	\$ 0
Expenditures:			
Current:			
Support Services:			
Central:			
Purchased Services	5,400	5,400	0
<i>Total Expenditures</i>	5,400	5,400	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
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 11,097	\$ 11,097	\$ 0
Expenditures:			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	11,097	11,095	2
Total Support Services	11,097	11,095	2
<i>Net Change in Fund Balance</i>	0	2	2
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 0	\$ 2	\$ 2

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 669,541	\$ 458,953	\$ (210,588)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	230,776	219,320	11,456
Fringe Benefits	103,669	92,648	11,021
Total Instruction	<u>334,445</u>	<u>311,968</u>	<u>22,477</u>
Support Services:			
Pupils:			
Salaries and Wages	144,048	123,877	20,171
Fringe Benefits	40,330	31,603	8,727
Total Pupils	<u>184,378</u>	<u>155,480</u>	<u>28,898</u>
Instructional Staff:			
Purchased Services	<u>59,533</u>	<u>58,947</u>	<u>586</u>
Pupil Transportation:			
Purchased Services	<u>31,227</u>	<u>0</u>	<u>31,227</u>
Total Support Services	<u>275,138</u>	<u>214,427</u>	<u>60,711</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>46,993</u>	<u>0</u>	<u>46,993</u>
Total Other Operation of Non-Instructional Services	<u>46,993</u>	<u>0</u>	<u>46,993</u>
<i>Total Expenditures</i>	<u>656,576</u>	<u>526,395</u>	<u>130,181</u>
<i>Net Change in Fund Balance</i>	12,965	(67,442)	(80,407)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(428)</u>	<u>(428)</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 12,537</u>	<u>\$ (67,870)</u>	<u>\$ (80,407)</u>

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 10,000	\$ 4,708	\$ (5,292)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	5,221	5,203	18
Fringe Benefits	493	476	17
<i>Total Expenditures</i>	<u>5,714</u>	<u>5,679</u>	<u>35</u>
<i>Net Change in Fund Balance</i>	4,286	(971)	(5,257)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>1,851</u>	<u>1,851</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 6,137</u>	<u>\$ 880</u>	<u>\$ (5,257)</u>

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 309,530	\$ 138,192	\$ (171,338)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	244,121	108,183	135,938
Fringe Benefits	47,347	19,336	28,011
Materials and Supplies	1,000	704	296
Total Instruction	<u>292,468</u>	<u>128,223</u>	<u>164,245</u>
Support Services:			
Instructional Staff:			
Purchased Services	12,309	11,303	1,006
Total Instructional Staff	<u>12,309</u>	<u>11,303</u>	<u>1,006</u>
Pupil Transportation:			
Purchased Services	5,500	0	5,500
Total Support Services	<u>17,809</u>	<u>11,303</u>	<u>6,506</u>
<i>Total Expenditures</i>	<u>310,277</u>	<u>139,526</u>	<u>170,751</u>
<i>Net Change in Fund Balance</i>	(747)	(1,334)	(587)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(7,561)	(7,561)	0
Prior Year Encumbrances Appropriated	8,308	8,308	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ (587)</u>	<u>\$ (587)</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 19,885	\$ 18,269	\$ (1,616)
Expenditures:			
Current:			
Instruction:			
Special:			
Purchased Services	4,820	4,820	0
Total Instruction	4,820	4,820	0
Support Services:			
Instructional Staff:			
Purchased Services	2,025	0	2,025
Administration:			
Salaries and Wages	8,100	8,693	(593)
Fringe Benefits	5,200	4,975	225
Total Administration	13,300	13,668	(368)
Total Support Services	15,325	13,668	1,657
<i>Total Expenditures</i>	20,145	18,488	1,657
<i>Net Change in Fund Balance</i>	(260)	(219)	41
<i>Fund Balance (Deficit) at Beginning of Year</i>	275	275	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 15	\$ 56	\$ 41

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 89,810	\$ 52,451	\$ (37,359)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	37,698	33,759	3,939
Fringe Benefits	12,027	11,868	159
Purchased Services	17,056	3,898	13,158
Total Instruction	<u>66,781</u>	<u>49,525</u>	<u>17,256</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>23,346</u>	<u>1,722</u>	<u>21,624</u>
<i>Total Expenditures</i>	<u>90,127</u>	<u>51,247</u>	<u>38,880</u>
<i>Net Change in Fund Balance</i>	(317)	1,204	1,521
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>317</u>	<u>317</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 1,521</u>	<u>\$ 1,521</u>

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 32,000	\$ 180	\$ (31,820)
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	14,012	0	14,012
Instructional Staff:			
Purchased Services	13,803	0	13,803
Total Support Services	27,815	0	27,815
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,774	180	3,594
<i>Total Expenditures</i>	31,589	180	31,409
<i>Net Change in Fund Balance</i>	411	0	(411)
<i>Fund Balance (Deficit) at Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 411	\$ 0	\$ (411)

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 110,072	\$ 119,827	\$ 9,755
Investment Income	3,622	9,689	6,067
Charges for Services	536,306	583,481	47,175
<i>Total Revenues</i>	<u>650,000</u>	<u>712,997</u>	<u>62,997</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	225,300	220,804	4,496
Fringe Benefits	125,000	114,622	10,378
Purchased Services	5,000	305	4,695
Materials and Supplies	300,395	273,152	27,243
Capital Outlay	76,000	74,943	1,057
<i>Total Expenditures</i>	<u>731,695</u>	<u>683,826</u>	<u>47,869</u>
<i>Net Change in Fund Balance</i>	(81,695)	29,171	110,866
<i>Fund Balance (Deficit) at Beginning of Year</i>	445,164	445,164	0
Prior Year Encumbrances Appropriated	895	895	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 364,364</u>	<u>\$ 475,230</u>	<u>\$ 110,866</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 400	\$ 692	\$ 292
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	440	0	440
Operation of Non-Instructional Services:			
Community Services:			
Other	560	0	560
<i>Total Expenditures</i>	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(600)	692	1,292
<i>Fund Balance (Deficit) at Beginning of Year</i>	31,279	31,279	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 30,679	\$ 31,971	\$ 1,292

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Other	\$ 2,000	\$ 5,450	\$ 3,450
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,000</u>	<u>5,450</u>	<u>3,450</u>
Other Financing Sources (Uses):			
Transfers Out	0	(39,943)	39,943
<i>Net Change in Fund Balance</i>	2,000	(34,493)	(36,493)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>34,493</u>	<u>34,493</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 36,493</u>	<u>\$ 0</u>	<u>\$ (36,493)</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 150,000	\$ 155,430	\$ 5,430
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	32,425	660	31,765
Materials and Supplies	147,757	83,314	64,443
Capital Outlay	575	575	0
Total Instruction	<u>180,757</u>	<u>84,549</u>	<u>96,208</u>
Support Services:			
Business:			
Materials and Supplies	20,000	8,680	11,320
Total Support Services	<u>20,000</u>	<u>8,680</u>	<u>11,320</u>
<i>Total Expenditures</i>	<u>200,757</u>	<u>93,229</u>	<u>107,528</u>
<i>Net Change in Fund Balance</i>	(50,757)	62,201	112,958
<i>Fund Balance (Deficit) at Beginning of Year</i>	90,687	90,687	0
Prior Year Encumbrances Appropriated	<u>12</u>	<u>12</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 39,942</u>	<u>\$ 152,900</u>	<u>\$ 112,958</u>

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, 2019

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 1,883	\$ 4,492	\$ 2,609
Tuition and Fees	648,117	741,879	93,762
<i>Total Revenues</i>	<u>650,000</u>	<u>746,371</u>	<u>96,371</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	586,311	376,308	210,003
Fringe Benefits	0	133,658	(133,658)
Purchased Services	76,738	77,184	(446)
Materials and Supplies	13,506	11,234	2,272
Capital Outlay	3,900	3,109	791
Total Instruction	<u>680,455</u>	<u>601,493</u>	<u>78,962</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	0	36,591	(36,591)
Fringe Benefits	0	45,191	(45,191)
Total Support Services	<u>0</u>	<u>81,782</u>	<u>(81,782)</u>
<i>Total Expenditures</i>	<u>680,455</u>	<u>683,275</u>	<u>(2,820)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(30,455)</u>	<u>63,096</u>	<u>93,551</u>
Other Financing Sources (Uses):			
Transfers Out	(2,836,384)	(2,836,384)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,836,384)</u>	<u>(2,836,384)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,866,839)	(2,773,288)	93,551
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,079,711	3,079,711	0
Prior Year Encumbrances Appropriated	<u>5,444</u>	<u>5,444</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 218,316</u>	<u>\$ 311,867</u>	<u>\$ 93,551</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 6,739	\$ 6,433	\$ (306)
Extracurricular Activities	126,969	116,954	(10,015)
Contributions and Donations	12,957	2,475	(10,482)
Miscellaneous	3,335	3,086	(249)
<i>Total Revenues</i>	<u>150,000</u>	<u>128,948</u>	<u>(21,052)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,000	13,775	(6,775)
Fringe Benefits	1,155	2,250	(1,095)
Total Regular	<u>8,155</u>	<u>16,025</u>	<u>(7,870)</u>
Special:			
Purchased Services	16,000	10,340	5,660
Materials and Supplies	7,434	5,616	1,818
Capital Outlay	160	160	0
Total Special	<u>23,594</u>	<u>16,116</u>	<u>7,478</u>
Student Intervention Services:			
Purchased Services	2,500	67	2,433
Materials and Supplies	500	0	500
Total Other	<u>3,000</u>	<u>67</u>	<u>2,933</u>
Total Instruction	<u>34,749</u>	<u>32,208</u>	<u>2,541</u>
Support Services:			
Pupils:			
Purchased Services	65,225	49,571	15,654
Materials and Supplies	4,050	2,320	1,730
Capital Outlay	2,500	1,032	1,468
Other	600	400	200
Total Pupils	<u>72,375</u>	<u>53,323</u>	<u>19,052</u>
Instructional Staff:			
Purchased Services	3,800	37	3,763
Materials and Supplies	7,125	2,938	4,187
Capital Outlay	500	0	500
Total Instructional Staff	<u>11,425</u>	<u>2,975</u>	<u>8,450</u>
Board of Education:			
Purchased Services	50	11	39
Materials and Supplies	141	200	(59)
Total Board of Education	<u>191</u>	<u>211</u>	<u>(20)</u>
Total Support Services	<u>83,991</u>	<u>56,509</u>	<u>27,482</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, 2019

	Final Budget	Actual	Variance
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Purchased Services	39,569	32,562	7,007
Materials and Supplies	24,629	11,041	13,588
Capital Outlay	2,500	0	2,500
Total Extracurricular Activities	<u>66,698</u>	<u>43,603</u>	<u>23,095</u>
<i>Total Expenditures</i>	<u>185,438</u>	<u>132,320</u>	<u>53,118</u>
<i>Net Change in Fund Balance</i>	(35,438)	(3,372)	32,066
<i>Fund Balance (Deficit) at Beginning of Year</i>	117,818	117,818	0
Prior Year Encumbrances Appropriated	<u>4,847</u>	<u>4,847</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 87,227</u>	<u>\$ 119,293</u>	<u>\$ 32,066</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, 2019

	Final Budget	Actual	Variance
Expenditures:			
Current:			
Instruction:			
Other:			
Salaries and Wages	\$ 200,000	\$ 165,235	\$ 34,765
Fringe Benefits	15,000	2,719	12,281
Total Instruction	<u>215,000</u>	<u>167,954</u>	<u>47,046</u>
Support Services:			
Central:			
Salaries and Wages	100,000	53,439	46,561
Fringe Benefits	31,000	965	30,035
Total Support Services	<u>131,000</u>	<u>54,404</u>	<u>76,596</u>
<i>Total Expenditures</i>	<u>346,000</u>	<u>222,358</u>	<u>123,642</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(346,000)</u>	<u>(222,358)</u>	<u>123,642</u>
Other Financing Sources (Uses):			
Transfers Out	<u>400,000</u>	<u>400,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	54,000	177,642	123,642
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>1,114,997</u>	<u>1,114,997</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,168,997</u>	<u>\$ 1,292,639</u>	<u>\$ 123,642</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, 2019

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 2,029,367	\$ 2,137,967	\$ 108,600
Intergovernmental	390,000	456,959	66,959
Investment Income	28,000	50,082	22,082
<i>Total Revenues</i>	<u>2,447,367</u>	<u>2,645,008</u>	<u>197,641</u>
Expenditures:			
Current:			
Support Services:			
Fiscal:			
Other	40,000	33,867	6,133
Debt Service			
Principal	2,355,820	2,300,196	55,624
Interest	619,691	680,355	(60,664)
<i>Total Debt Service</i>	<u>2,975,511</u>	<u>2,980,551</u>	<u>(5,040)</u>
<i>Total Expenditures</i>	<u>3,015,511</u>	<u>3,014,418</u>	<u>1,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(568,144)</u>	<u>(369,410)</u>	<u>198,734</u>
Other Financing Sources (Uses):			
Transfers Out	0	13,963	13,963
<i>Net Change in Fund Balance</i>	(568,144)	(355,447)	212,697
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>2,389,734</u>	<u>2,389,734</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 1,821,590</u>	<u>\$ 2,034,287</u>	<u>\$ 212,697</u>

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, 2019

	Final Budget	Actual	Variance
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay	\$ 283	\$ 283	\$ 0
<i>Total Expenditures</i>	<u>283</u>	<u>283</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(283)</u>	<u>(283)</u>	<u>0</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(13,963)</u>	<u>(13,963)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(14,246)	(14,246)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>14,246</u>	<u>14,246</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Internal Service and Fiduciary Funds

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.

Athletic Tournaments Fund – The fund accounts for the OHSAA tournament monies.

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, 2019

	Final Budget	Actual	Variance
Operating Revenues:			
Charges for Services	\$ 300,000	\$ 297,659	\$ (2,341)
Other	40,000	3,393	(36,607)
<i>Total Operating Revenues</i>	<u>340,000</u>	<u>301,052</u>	<u>(38,948)</u>
Operating Expenses:			
Purchased Services	100,000	76,379	23,621
Claims	100,000	58,054	41,946
<i>Total Operating Expenses</i>	<u>200,000</u>	<u>134,433</u>	<u>65,567</u>
<i>Operating Income (Loss)</i>	<u>140,000</u>	<u>166,619</u>	<u>26,619</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	10,000	25,542	15,542
<i>Change in Net Position</i>	150,000	192,161	42,161
<i>Net Position (Deficit) at Beginning of Year</i>	<u>1,070,647</u>	<u>1,070,647</u>	<u>0</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>\$ 1,220,647</u></u>	<u><u>\$ 1,262,808</u></u>	<u><u>\$ 42,161</u></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, 2019

	Final Budget	Actual	Variance
Operating Expenses:			
Payments in Accordance with Trust Agreements	\$ 1,500	\$ 0	\$ 1,500
<i>Operating Income (Loss)</i>	<u>(1,500)</u>	<u>0</u>	<u>1,500</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	1,100	1,437	337
<i>Change in Net Position</i>	(400)	1,437	1,837
<i>Net Position (Deficit) at Beginning of Year</i>	<u>65,048</u>	<u>65,048</u>	<u>0</u>
<i>Net Position (Deficit) at End of Year</i>	<u>\$ 64,648</u>	<u>\$ 66,485</u>	<u>\$ 1,837</u>

Orange City School District
Cuyahoga County, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019

	Beginning Balance 7/1/18	Additions	Deductions	Ending Balance 6/30/19
District Agency				
Assets				
Equity in Pooled Cash and Investments	\$ 4,051	\$ 42,574	\$ 46,625	\$ 0
Liabilities				
Intergovernmental Payable	\$ 0	\$ 5,930	\$ 0	\$ 5,930
Undistributed Monies	4,051	36,644	46,625	(5,930)
	<u>\$ 4,051</u>	<u>\$ 42,574</u>	<u>\$ 46,625</u>	<u>\$ 0</u>
Employee Health Benefits				
Assets				
Equity in Pooled Cash and Investments	\$ 877	\$ 974,027	\$ 846,810	\$ 128,094
Liabilities				
Undistributed Monies	\$ 877	\$ 974,027	\$ 846,810	\$ 128,094
Student Managed Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 95,293	\$ 114,610	\$ 102,887	\$ 107,016
Liabilities				
Due to Students	\$ 95,293	\$ 114,610	\$ 102,887	\$ 107,016
Suburban Health Consortium				
Assets				
Cash and Investments in Segregated Accounts	\$ 12,214,607	\$ 96,676,565	\$ 89,824,757	\$ 19,066,415
Liabilities				
Intergovernmental Payable	\$ 12,214,607	\$ 96,676,565	\$ 89,824,757	\$ 19,066,415
Athletic Tournaments				
Assets				
Equity in Pooled Cash and Investments	\$ (245)	\$ 4,250	\$ 199	\$ 3,806
Liabilities				
Undistributed Monies	\$ (245)	\$ 4,250	\$ 199	\$ 3,806
Total				
Assets				
Equity in Pooled Cash and Investments	\$ 99,976	\$ 1,135,461	\$ 996,521	\$ 238,916
Cash and Investments in Segregated Accounts	12,214,607	96,676,565	89,824,757	19,066,415
<i>Total Assets</i>	<u>\$ 12,314,583</u>	<u>\$ 97,812,026</u>	<u>\$ 90,821,278</u>	<u>\$ 19,305,331</u>
Liabilities				
Intergovernmental Payable	\$ 12,214,607	\$ 96,682,495	\$ 89,824,757	\$ 19,072,345
Undistributed Monies	4,683	1,014,921	893,634	125,970
Due to Students	95,293	114,610	102,887	107,016
<i>Total Liabilities</i>	<u>\$ 12,314,583</u>	<u>\$ 97,812,026</u>	<u>\$ 90,821,278</u>	<u>\$ 19,305,331</u>

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2019

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Statistical Section

**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>2019</u>	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 36,768,291	\$ 30,733,210	\$ 25,808,673	\$ 26,693,356
Restricted	15,207,672	14,443,463	13,113,976	11,101,270
Unrestricted	<u>(36,593,555)</u>	<u>(40,809,257)</u>	<u>(65,236,368)</u>	<u>(41,069,437)</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 15,382,408</u>	<u>\$ 4,367,416</u>	<u>\$ (26,313,719)</u>	<u>\$ (3,274,811)</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 3,227,782	\$ 3,202,368	\$ 3,187,220	\$ 3,009,827
Unrestricted	<u>1,272,597</u>	<u>1,512,811</u>	<u>946,661</u>	<u>2,214,061</u>
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 4,500,379</u>	<u>\$ 4,715,179</u>	<u>\$ 4,133,881</u>	<u>\$ 5,223,888</u>
Primary Government:				
Net Investment in Capital Assets	\$ 39,996,073	\$ 33,935,578	\$ 28,995,893	\$ 29,703,183
Restricted	15,207,672	14,443,463	13,113,976	11,101,270
Unrestricted	<u>(35,320,958)</u>	<u>(39,296,446)</u>	<u>(64,289,707)</u>	<u>(38,855,376)</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ 19,882,787</u>	<u>\$ 9,082,595</u>	<u>\$ (22,179,838)</u>	<u>\$ 1,949,077</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.
- (3) Amounts have been restated to reflect a restatement related to GASB Statement No. 75.

2015	2014 (2)	2013	2012 (1)	2011	2010
\$ 23,758,405 8,999,104 <u>(43,935,452)</u>	\$ 21,803,232 8,712,389 <u>(45,773,604)</u>	\$ 20,334,609 7,851,186 <u>28,750,345</u>	\$ 20,295,850 9,537,894 <u>24,358,710</u>	\$ 19,204,562 9,821,326 <u>24,726,686</u>	\$ 19,302,630 9,431,851 <u>25,162,121</u>
<u>\$ (11,177,943)</u>	<u>\$ (15,257,983)</u>	<u>\$ 56,936,140</u>	<u>\$ 54,192,454</u>	<u>\$ 53,752,574</u>	<u>\$ 53,896,602</u>
\$ 3,176,249 2,447,906 <u>5,624,155</u>	\$ 3,342,225 1,354,179 <u>4,696,404</u>	\$ 3,512,524 4,070,807 <u>7,583,331</u>	\$ 3,687,280 3,625,114 <u>7,312,394</u>	\$ 3,822,784 4,003,097 <u>7,825,881</u>	\$ 2,629,480 4,893,793 <u>7,523,273</u>
\$ 26,934,654 8,999,104 <u>(41,487,546)</u>	\$ 25,145,457 8,712,389 <u>(44,419,425)</u>	\$ 23,847,133 7,851,186 <u>32,821,152</u>	\$ 23,983,130 9,537,894 <u>27,983,824</u>	\$ 23,027,346 9,821,326 <u>28,729,783</u>	\$ 21,932,110 9,431,851 <u>30,055,914</u>
<u>\$ (5,553,788)</u>	<u>\$ (10,561,579)</u>	<u>\$ 64,519,471</u>	<u>\$ 61,504,848</u>	<u>\$ 61,578,455</u>	<u>\$ 61,419,875</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 16,042,839	\$ 9,392,159	\$ 21,425,874	\$ 19,720,913
Special Instruction	7,581,149	5,419,725	6,264,668	9,733,035
Vocational Instruction	634,020	856,421	534,567	502,362
Student Intervention Services	40,992	(290,660)	2,424,644	0
Other Instruction	119,226	31,273	1,169,197	47,040
Pupil Support	2,992,628	1,911,333	3,635,896	3,300,850
Instructional Staff Support	1,388,484	1,238,417	1,841,194	1,547,022
Board of Education	88,295	123,916	87,250	90,284
Administration	2,774,613	2,255,249	3,970,852	3,698,123
Fiscal	1,505,515	(5,384,262)	1,647,527	1,336,285
Business	525,562	464,520	583,436	536,906
Operations and Maintenance of Plant	5,390,749	5,753,117	5,628,873	5,206,403
Pupil Transportation	3,339,886	3,510,647	3,855,852	3,603,081
Central	1,132,658	865,907	1,298,934	912,408
Operation of Non-Instructional Services:				
Food Service Operations	719,976	718,502	672,600	654,314
Other Non-Instructional Services	691,462	657,500	678,637	593,244
Extracurricular Activities	1,402,107	(1,440,928)	1,810,145	1,852,014
Interest and Fiscal Charges	565,685	692,096	1,109,603	978,827
<i>Total Governmental Activities Expenses</i>	<u>46,935,846</u>	<u>26,774,932</u>	<u>58,639,749</u>	<u>54,313,111</u>
Business-Type Activities:				
Recreation	4,027,044	2,817,170	3,187,167	2,866,308
Total Business-Type Activities Expenses	<u>4,027,044</u>	<u>2,817,170</u>	<u>3,187,167</u>	<u>2,866,308</u>
Total Primary Government Expenses	<u>\$ 50,962,890</u>	<u>\$ 29,592,102</u>	<u>\$ 61,826,916</u>	<u>\$ 57,179,419</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Instruction:				
Regular Instruction	\$ 991,034	\$ 861,338	\$ 3,148,233	\$ 923,079
Special Instruction	56,201	83,451	374,851	3,310,095
Vocational Instruction	0	0	0	111,163
Student Intervention Services	66	0	0	0
Support Services:				
Pupil Support	54,566	0	108,184	63,478
Instructional Staff	100,057	0	0	2,729
Board of Education	119	0	0	0
Fiscal	0	0	0	0
Business	14,485	0	0	0
Operation and Maintenance of Plant	0	81,841	0	115
Pupil Transportation	0	126,603	0	0
Operation of Non-Instructional Services:				
Food Service Operations	583,481	559,648	520,731	519,625
Community Services	0	0	0	0
Extracurricular Activities	149,334	204,586	205,144	192,663
Operating Grants, Contributions and Interest:				
Regular Instruction	92,950	85,775	883,364	110,583
Special Instruction	618,350	587,611	806,667	612,770
Vocational Instruction	4,702	4,571	3,346	2,438
Pupil Support	177,553	135,848	5,602	177,106
Instructional Staff	57,188	33,445	0	4,552
Administration	10,375	9,264	19,155	15,791
Fiscal	0	0	0	0
Operation and Maintenance of Plant	12,742	0	0	0
Pupil Transportation	153,263	111,242	109,667	134,665
Central	5,400	5,400	5,400	5,400

	2015	2014	2013	2012 (1)	2011	2010
\$	19,785,171	\$ 20,311,007	\$ 18,837,598	\$ 19,743,967	\$ 20,300,444	\$ 19,466,209
	9,565,638	10,248,934	6,493,403	6,766,002	6,615,112	6,583,687
	290,087	287,690	365,421	449,711	373,396	286,099
	0	0	0	0	0	0
	764,597	208,427	683,802	0	0	0
	3,686,794	3,601,927	3,598,659	3,754,396	3,816,962	3,769,072
	1,534,005	976,339	4,003,460	4,010,079	4,202,438	4,210,809
	89,820	78,226	69,029	78,336	167,112	82,545
	3,600,621	3,665,874	3,428,020	3,483,041	3,070,697	3,163,324
	1,416,262	1,327,247	1,344,401	1,359,152	1,217,573	1,266,752
	634,654	605,040	625,460	597,555	630,083	579,625
	5,374,524	5,088,454	5,256,521	4,628,231	4,941,387	5,384,475
	3,573,419	3,786,870	3,641,934	3,696,464	3,668,804	3,885,576
	1,054,215	954,363	992,787	1,073,422	1,201,191	1,358,741
	632,532	683,835	737,225	742,646	692,679	654,881
	714,736	625,874	575,953	702,122	755,071	590,397
	1,731,632	1,954,690	1,665,913	1,674,468	1,737,345	1,838,362
	1,087,519	1,186,489	1,277,694	1,573,604	1,350,545	1,263,512
	<u>55,536,226</u>	<u>55,591,286</u>	<u>53,597,280</u>	<u>54,333,196</u>	<u>54,740,839</u>	<u>54,384,066</u>
	1,585,233	2,462,120	2,493,790	2,423,611	2,274,813	2,314,252
	<u>1,585,233</u>	<u>2,462,120</u>	<u>2,493,790</u>	<u>2,423,611</u>	<u>2,274,813</u>	<u>2,314,252</u>
\$	<u>57,121,459</u>	<u>58,053,406</u>	<u>56,091,070</u>	<u>56,756,807</u>	<u>57,015,652</u>	<u>56,698,318</u>
\$	660,462	\$ 710,686	\$ 591,176	\$ 608,650	\$ 730,204	\$ 635,837
	3,800,609	2,920,085	2,704,572	2,499,386	3,340,595	2,575,470
	64,148	128,762	190,208	166,943	154,053	177,370
	0	0	0	0	0	0
	50,531	49,955	55,420	47,882	47,202	45,594
	1,944	3,088	3,600	4,888	1,536	1,260
	0	0	0	0	0	0
	568	0	0	0	0	0
	0	0	0	0	0	0
	9,031	15,290	3,120	5,540	7,760	7,210
	53,983	0	0	0	0	0
	481,023	505,523	498,277	546,196	534,975	524,298
	0	0	0	540	0	0
	184,219	375,754	191,692	170,086	194,293	284,534
	127,558	107,175	97,238	104,438	195,350	104,413
	561,187	602,465	273,940	486,835	520,430	519,558
	2,483	1,978	0	0	936	0
	213,225	204,407	142,994	135,002	127,222	150,968
	6,968	18,568	227,874	179,819	259,985	265,488
	16,252	14,693	13,337	0	135,610	182,261
	60	0	0	0	0	0
	0	0	0	26,354	0	0
	107,313	115,512	97,242	143,695	120,584	133,796
	5,400	9,000	9,000	25,176	122,906	102,294

(continued)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operation of Non-Instructional Services:				
Food Service Operations	182,746	154,272	139,628	157,840
Community Services	695,445	561,237	650,824	589,782
Extracurricular Activities	792	23,380	29,993	55,567
Interest and Fiscal Charges	0	0	0	117,454
Capital Grants and Contributions:				
Regular Instruction	0	0	0	0
Fiscal	171,380	0	100,120	0
Operations and Maintenance of Plant	0	99,670	0	420,213
Operation of non-instructional services:				
Community Services	250	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>4,132,479</u>	<u>3,729,182</u>	<u>7,110,909</u>	<u>7,527,108</u>
Business-Type Activities:				
Recreation				
Charges for Services	2,597,394	2,097,832	2,145,492	1,993,171
Operating Grants and Contributions	102,327	101,225	101,686	111,527
<i>Total Business-Type Activities Program Revenues</i>	<u>2,699,721</u>	<u>2,199,057</u>	<u>2,247,178</u>	<u>2,104,698</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 6,832,200</u>	<u>\$ 5,928,239</u>	<u>\$ 9,358,087</u>	<u>\$ 9,631,806</u>
Net (Expense)/Revenue:				
Governmental Activities	(42,803,367)	(23,045,750)	(51,528,840)	(46,786,003)
Business-Type Activities	<u>(1,327,323)</u>	<u>(618,113)</u>	<u>(939,989)</u>	<u>(761,610)</u>
<i>Total Primary Government Net Expense</i>	<u>\$ (44,130,690)</u>	<u>\$ (23,663,863)</u>	<u>\$ (52,468,829)</u>	<u>\$ (47,547,613)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	\$ 42,179,082	\$ 42,459,983	\$ 36,367,697	\$ 42,712,795
Debt Service	2,333,042	2,444,683	2,091,374	2,455,397
Capital Projects	855,488	867,527	739,281	877,465
Grants and Entitlements not Restricted to Specific Programs	7,239,786	7,350,589	7,795,687	7,690,101
Investment Earnings	1,024,985	467,969	247,922	289,285
Miscellaneous	185,976	136,134	356,409	64,092
Transfers	0	0	(33,533)	600,000
<i>Total Governmental Activities</i>	<u>53,818,359</u>	<u>53,726,885</u>	<u>47,564,837</u>	<u>54,689,135</u>
Business-Type Activities:				
Property Taxes Levied For:				
Recreation	861,955	874,840	744,714	905,455
Investment Earnings	134,261	47,982	25,961	42,418
Miscellaneous	116,307	276,589	116,927	13,470
Transfers	0	0	33,533	(600,000)
<i>Total Business-Type Activities</i>	<u>1,112,523</u>	<u>1,199,411</u>	<u>921,135</u>	<u>361,343</u>
<i>Total Primary Government</i>	<u>\$ 54,930,882</u>	<u>\$ 54,926,296</u>	<u>\$ 48,485,972</u>	<u>\$ 55,050,478</u>
Change in Net Position				
Governmental Activities	11,014,992	30,681,135	(3,964,003)	7,903,132
Business-Type Activities	<u>(214,800)</u>	<u>581,298</u>	<u>(18,854)</u>	<u>(400,267)</u>
<i>Total Primary Government</i>	<u>\$ 10,800,192</u>	<u>\$ 31,262,433</u>	<u>\$ (3,982,857)</u>	<u>\$ 7,502,865</u>

Source: School District financial records.

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>
156,693	154,474	131,722	156,140	136,717	108,903
646,236	557,650	563,376	532,455	575,340	633,821
81,985	64,566	66,235	30,266	19,033	31,064
116,824	116,937	120,542	126,024	94,518	0
0	14,598	0	0	0	0
0	0	20,060	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>7,348,702</u>	<u>6,691,166</u>	<u>6,001,625</u>	<u>5,996,315</u>	<u>7,319,249</u>	<u>6,484,139</u>
1,769,740	1,831,696	1,761,216	1,566,267	1,549,601	1,474,411
117,529	117,952	120,128	129,180	138,208	147,076
<u>1,887,269</u>	<u>1,949,648</u>	<u>1,881,344</u>	<u>1,695,447</u>	<u>1,687,809</u>	<u>1,621,487</u>
<u>\$ 9,235,971</u>	<u>\$ 8,640,814</u>	<u>\$ 7,882,969</u>	<u>\$ 7,691,762</u>	<u>\$ 9,007,058</u>	<u>\$ 8,105,626</u>
(48,187,524)	(48,900,120)	(47,595,655)	(48,336,881)	(47,421,590)	(47,899,927)
302,036	(512,472)	(612,446)	(728,164)	(587,004)	(692,765)
<u>\$ (47,885,488)</u>	<u>\$ (49,412,592)</u>	<u>\$ (48,208,101)</u>	<u>\$ (49,065,045)</u>	<u>\$ (48,008,594)</u>	<u>\$ (48,592,692)</u>
\$ 40,643,066	\$ 39,749,378	\$ 39,691,542	\$ 37,410,095	\$ 34,734,232	\$ 34,226,326
2,242,313	2,301,562	2,359,811	2,178,259	2,339,709	2,064,534
779,788	655,556	608,515	707,148	620,845	791,373
8,022,976	7,941,897	7,707,534	8,146,313	9,217,121	9,169,178
257,364	510,822	(74,145)	317,792	296,638	557,239
45,558	65,853	46,084	17,154	69,017	129,491
276,499	0	0	0	0	0
<u>52,267,564</u>	<u>51,225,068</u>	<u>50,339,341</u>	<u>48,776,761</u>	<u>47,277,562</u>	<u>46,938,141</u>
825,947	825,721	824,640	795,490	805,392	856,473
27,407	52,006	(10,286)	25,620	20,859	59,677
48,860	39,148	69,029	70,110	63,361	67,993
(276,499)	0	0	0	0	0
<u>625,715</u>	<u>916,875</u>	<u>883,383</u>	<u>891,220</u>	<u>889,612</u>	<u>984,143</u>
<u>\$ 52,893,279</u>	<u>\$ 52,141,943</u>	<u>\$ 51,222,724</u>	<u>\$ 49,667,981</u>	<u>\$ 48,167,174</u>	<u>\$ 47,922,284</u>
4,080,040	2,324,948	2,743,686	439,880	(144,028)	(961,786)
927,751	404,403	270,937	163,056	302,608	291,378
<u>\$ 5,007,791</u>	<u>\$ 2,729,351</u>	<u>\$ 3,014,623</u>	<u>\$ 602,936</u>	<u>\$ 158,580</u>	<u>\$ (670,408)</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 83,798	\$ 114,370	\$ 146,910	\$ 121,344
Committed	1,292,639	1,114,997	1,078,635	785,113
Assigned	4,705,602	13,293,840	4,087,736	3,100,147
Unassigned	23,787,661	18,053,566	28,484,619	30,488,645
Reserved	0	0	0	0
Unreserved	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total General Fund</i>	<u>29,869,700</u>	<u>32,576,773</u>	<u>33,797,900</u>	<u>34,495,249</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	14,355,022	13,433,841	12,548,456	11,314,568
Committed	31,971	31,279	30,760	1,761,524
Unassigned (Deficit)	(586)	(49,702)	(24,889)	0
Reserved	0	0	0	0
Unreserved, Reported in:				
Special Revenue Funds	0	0	0	0
Capital Projects Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>14,386,407</u>	<u>13,415,418</u>	<u>12,554,327</u>	<u>13,076,092</u>
<i>Total Governmental Funds</i>	<u>\$ 44,256,107</u>	<u>\$ 45,992,191</u>	<u>\$ 46,352,227</u>	<u>\$ 47,571,341</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.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010 (1)</u>
\$ 115,461	\$ 115,562	\$ 137,957	\$ 139,411	\$ 226,453	\$ 0
432,153	881,426	683,619	0	0	0
953,807	2,515,877	3,851,512	3,405,003	2,870,700	0
26,445,365	25,950,263	24,805,537	25,694,026	24,606,148	0
0	0	0	0	0	4,509,530
0	0	0	0	0	23,818,349
<u>27,946,786</u>	<u>29,463,128</u>	<u>29,478,625</u>	<u>29,238,440</u>	<u>27,703,301</u>	<u>28,327,879</u>
1,691	0	0	5,572	6,646	0
10,553,119	9,986,832	9,700,263	9,505,152	10,923,564	0
4,862,100	2,110,726	1,728,501	51,446	61,668	0
0	(745)	0	(63,290)	(815)	0
0	0	0	0	0	5,355,107
0	0	0	0	0	386,082
0	0	0	0	0	3,147,047
<u>15,416,910</u>	<u>12,096,813</u>	<u>11,428,764</u>	<u>9,498,880</u>	<u>10,991,063</u>	<u>8,888,236</u>
<u>\$ 43,363,696</u>	<u>\$ 41,559,941</u>	<u>\$ 40,907,389</u>	<u>\$ 38,737,320</u>	<u>\$ 38,694,364</u>	<u>\$ 37,216,115</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:				
Property Taxes	\$ 45,119,556	\$ 46,035,009	\$ 39,067,015	\$ 46,170,273
Intergovernmental	9,185,042	9,096,990	10,365,257	9,731,326
Investment Earnings	1,214,670	467,969	242,973	424,439
Tuition and Fees	1,104,888	1,058,556	4,456,253	4,407,392
Extracurricular	230,279	261,845	309,392	253,743
Rental Income	1	495	0	115
Charges for Services	614,176	597,066	569,968	556,231
Contributions and Donations	3,283	25,748	40,620	357,936
Miscellaneous	185,975	135,639	351,384	68,307
<i>Total Revenues</i>	<u>57,657,870</u>	<u>57,679,317</u>	<u>55,402,862</u>	<u>61,969,762</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,456,854	20,010,217	19,675,308	18,779,228
Special	8,769,620	8,606,694	5,937,057	9,634,823
Vocational	630,812	794,401	502,313	459,480
Student Intervention Services	42,011	44,088	2,408,530	0
Other	167,954	230,512	752,604	47,040
Support Services:				
Pupil	3,645,462	3,485,095	3,358,929	3,373,974
Instructional Staff	1,619,959	1,786,330	1,734,819	1,567,081
Board of Education	91,031	111,139	85,307	92,969
Administration	3,882,876	3,518,149	3,643,028	3,741,499
Fiscal	1,554,113	1,415,007	1,437,105	1,333,807
Business	544,617	435,040	539,768	575,979
Operations and Maintenance	4,549,724	4,563,602	4,472,373	4,405,344
Pupil Transportation	3,687,687	3,644,464	3,758,536	3,406,636
Central	1,195,852	857,501	1,226,904	917,092
Operation of Non-Instructional Services:				
Food Service Operations	718,304	693,543	596,651	596,921
Other Non-Instructional Services	700,593	603,128	651,678	589,501
Extracurricular Activities	1,578,646	1,619,304	1,670,821	1,800,901
Capital Outlay	3,704,945	2,489,345	4,009,124	3,979,504
Debt Service:				
Principal Retirement	2,130,417	2,262,111	999,040	1,057,830
Interest and Fiscal Charges	722,477	869,683	1,790,296	1,678,765
<i>Total Expenditures</i>	<u>59,393,954</u>	<u>58,039,353</u>	<u>59,250,191</u>	<u>58,038,374</u>
<i>Excess Revenues</i>				
<i>Over (Under) Expenditures</i>	(1,736,084)	(360,036)	(3,847,329)	3,931,388

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 44,079,060	\$ 42,706,426	\$ 42,765,503	\$ 40,698,349	\$ 37,568,424	\$ 36,258,491
9,998,159	9,776,606	9,373,306	10,081,139	11,607,573	11,222,623
275,632	550,868	(115,043)	343,606	323,414	650,832
4,020,296	3,665,733	3,500,985	3,777,544	4,063,652	3,791,794
238,123	427,478	248,088	221,695	242,272	334,765
9,031	15,290	3,120	5,540	7,760	7,210
535,006	546,973	526,038	587,011	576,596	568,207
56,271	58,435	67,021	18,886	7,389	14,643
76,975	93,855	74,430	33,558	85,049	153,446
<u>59,288,553</u>	<u>57,841,664</u>	<u>56,443,448</u>	<u>55,767,328</u>	<u>54,482,129</u>	<u>53,002,011</u>
18,953,256	18,561,146	17,961,767	18,675,485	19,391,253	18,440,370
9,219,036	9,678,921	6,305,746	6,300,173	6,510,388	6,402,902
257,428	254,227	337,679	420,324	343,264	262,377
0	0	0	0	0	0
756,683	207,366	685,834	0	0	0
3,565,742	3,465,007	3,545,909	3,702,792	3,708,056	3,691,059
1,500,935	1,184,272	3,988,800	3,989,498	4,124,229	4,194,566
87,062	78,372	69,126	78,336	167,112	82,545
3,562,187	3,458,087	3,332,557	3,359,159	2,988,770	2,992,936
1,405,752	1,312,083	1,338,823	1,357,424	1,214,690	1,232,620
637,673	589,603	593,970	545,458	581,137	547,326
4,663,263	4,576,331	4,522,117	4,347,981	4,634,784	4,755,829
3,590,541	3,664,747	3,714,548	3,637,659	3,679,320	3,897,232
1,017,146	930,580	1,034,998	1,033,121	1,166,158	1,317,455
584,234	624,186	675,203	682,617	660,242	638,399
610,355	618,650	462,770	640,367	686,326	528,768
1,617,961	1,820,502	1,556,513	1,566,991	1,626,184	1,734,254
3,141,259	3,661,442	1,622,291	2,491,781	1,770,222	2,351,391
1,767,470	1,626,488	1,633,920	1,536,508	1,401,117	1,331,956
847,437	882,357	895,174	936,879	1,020,628	931,582
<u>57,785,420</u>	<u>57,194,367</u>	<u>54,277,745</u>	<u>55,302,553</u>	<u>55,673,880</u>	<u>55,333,567</u>
1,503,133	647,297	2,165,703	464,775	(1,191,751)	(2,331,556)

(continued)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Other Financing Sources (Uses):				
Issuance of Bonds	\$ 0	\$ 0	\$ 2,442,977	\$ 0
Transfers In	3,598,963	2,641,257	141,918	110,000
Transfers Out	(3,598,963)	(2,641,257)	(141,918)	(110,000)
Sale of Assets	0	0	0	397
Inception of Capital Lease	0	0	0	275,860
Sale of Refunding Bonds	0	0	14,505,000	0
Premium on Refunding Bonds Sold	0	0	1,500,302	0
Payment to Refunded Bond Escrow Agent	0	0	(15,830,067)	0
Premium on Bonds	0	0	10,003	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>2,628,215</u>	<u>276,257</u>
<i>Net Change in Fund Balances</i>	<u>\$ (1,736,084)</u>	<u>\$ (360,036)</u>	<u>\$ (1,219,114)</u>	<u>\$ 4,207,645</u>
Capital Expenditures	\$ 5,348,315	\$ 2,881,677	\$ 4,271,326	\$ 4,445,125
Debt Service as a Percentage of Total Noncapital Expenditures	5.28%	5.68%	5.07%	5.11%

Source: School District financial records.

2015	2014	2013	2012	2011	2010
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,670,000	\$ 0
5,176,000	3,410,000	2,610,000	110,000	110,000	2,115,000
(5,176,000)	(3,410,000)	(2,610,000)	(531,819)	(110,000)	(2,115,000)
1,119	5,255	4,366	0	0	924
299,503	0	0	0	0	30,255
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>300,622</u>	<u>5,255</u>	<u>4,366</u>	<u>(421,819)</u>	<u>2,670,000</u>	<u>31,179</u>
<u>\$ 1,803,755</u>	<u>\$ 652,552</u>	<u>\$ 2,170,069</u>	<u>\$ 42,956</u>	<u>\$ 1,478,249</u>	<u>\$ (2,300,377)</u>
\$ 2,809,831	\$ 2,950,324	\$ 1,792,403	\$ 2,928,806	\$ 2,172,785	\$ 2,384,310
4.76%	4.63%	4.82%	4.72%	4.53%	4.27%

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
2019	\$ 1,107,779,130	\$ 3,165,083,229	\$ 0	\$ 0	\$ 15,913,230	\$ 18,083,216
2018	1,056,876,750	3,019,647,857	0	0	12,565,760	14,279,273
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

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.

Total

Assessed Value	Estimated Actual Value	Percentage of Assessed Value to Estimated Actual Value	Total Direct Rate (4)
\$ 1,123,692,360	\$ 3,183,166,444	35.30%	\$ 91.00
1,069,442,510	3,033,927,130	35.25%	91.20
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

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	
2018/2019	\$ 21.43	\$ 7.00	\$ 2.50	\$ 81.55	\$ 2.30	\$ 1.00	\$ 0.95	\$ 5.20	\$ 91.00
2017/2018	20.93	7.10	2.50	81.55	2.50	1.00	0.95	5.20	91.20
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

Source: Cuyahoga County Fiscal Officer's Office

Orange City School District
Cuyahoga County, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2018 and December 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail L.L.C.	\$ 22,353,280	1	2.02%
Pinecrest Project Partners Ltd.	20,089,790	2	1.81%
Village Chagrin Partners	6,722,840	3	0.61%
The Landerwood Consolidated Cos, LLC	6,569,720	4	0.59%
30050 Chagrin Blvd., LLC	5,215,110	5	0.47%
CY Beachwood Owner LLC	4,196,370	6	0.38%
Saw Properties, LLC	3,240,130	7	0.29%
Raintree Holdings LLC	3,222,950	8	0.29%
Country Club, Inc.	3,205,380	9	0.29%
HV Holdings, Inc.	3,044,450	10	0.27%
Total	<u>\$ 77,860,020</u>		<u>7.02%</u>
Total Assessed Values	<u>\$ 1,107,779,130</u>		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail L.L.C.	\$ 19,855,890	1	2.00%
HRP NOM L.P.	6,996,090	2	0.71%
Village Chagrin Partners	6,372,310	3	0.64%
Gotham King Fee Owner, L.L.C.	4,137,740	4	0.42%
Olympic Steel	3,814,130	5	0.38%
AM Castle and Company	3,675,010	6	0.37%
Harp Midam Beachwood Hotel	3,403,680	7	0.34%
Lander Circle Company	3,219,380	8	0.32%
Lowe's Home Center, Inc.	3,079,130	9	0.31%
Beechmont, Inc.	3,073,920	10	0.31%
Total	<u>\$ 57,627,280</u>		<u>5.80%</u>
Total Assessed Values	<u>\$ 992,089,220</u>		

Source: Cuyahoga County Fiscal Officer's Office

Orange City School District
Cuyahoga County, Ohio
Principal Taxpayers
Public Utility Tax
December 31, 2018 and December 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 12,073,180	1	75.87%
American Transmission	2,793,780	2	17.56%
Total	\$ 14,866,960		93.43%
Total Assessed Values	\$ 15,913,230		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 6,706,230	1	83.52%
East Ohio Gas	751,130	2	9.36%
American Transmission	571,740	3	7.12%
Total	\$ 8,029,100		100.00%
Total Assessed Values	\$ 8,029,100		

Source: Cuyahoga County Fiscal Officer's Office

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

Tax Year/ Collection Year	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection (2)	Total Collection	Total Collection As a Percent of Total Levy (2)	Outstanding Delinquent Taxes (1)	Total Delinquent Taxes As a Percent of Total Levy
2018/2019	\$ 51,829,021	\$ 50,342,836	97.13%	\$ 1,141,453	\$ 51,484,289	99.33%	\$ 1,365,445	2.63%
2017/2018	50,967,544	49,859,372	97.83%	1,246,926	51,106,298	100.27%	1,582,798	3.11%
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%

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

Fiscal Year	Governmental Activities			(1) Total Primary Government	(2) Per Capita	(2) Per Enrollment	(2) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Direct Borrowings	Capital Leases				
2019	\$ 15,417,541 *	\$ 56,297 **	\$ 43,335	\$ 15,517,173	(3)	\$ 7,621	(3)
2018	17,450,737 *	0	196,853	17,647,590	1,217	8,428	0.86%
2017	21,128,282	0	291,724	21,420,006	1,485	10,630	1.19%
2016	20,359,366	0	414,204	20,773,570	1,448	10,050	1.01%
2015	22,010,509	0	267,763	22,278,272	1,550	10,262	1.14%
2014	23,530,963	0	5,730	23,536,693	1,638	10,588	1.48%
2013	24,877,957	0	12,218	24,890,175	1,748	11,197	0.86%
2012	26,117,290	0	56,138	26,173,428	1,838	11,659	1.69%
2011	27,228,004	0	127,646	27,355,650	1,928	11,946	1.87%
2010	25,578,611	0	193,763	25,772,374	1,814	11,394	2.16%

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.

* Does not include amortized bond premium, prior years not updated

** GASB 88 was implemented in 2019 which moved Direct Borrowings (ex Lease Purchase Agreement) out of the Capital Lease column

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		
2019	\$ 15,417,541 *	\$ 4,439,028	\$ 10,978,513	0.34%	(2)
2018	17,450,737 *	4,351,503	13,099,234	0.43%	904
2017	21,128,282	4,504,651	16,623,631	0.55%	1,152
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

(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 2018 was not readily available.

* Does not include amortized bond premium, prior years not updated.

Orange City School District
Cuyahoga County, Ohio
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 15,517,173	100.00%	\$ 15,517,173
<i>Total Direct Debt</i>	<u>15,517,173</u>		<u>15,517,173</u>
Overlapping Debt:			
Cuyahoga County	144,850,000	3.84%	5,562,240
Village Of Orange	799,000	96.15%	768,239
Village Of Moreland Hills	1,036,000	80.24%	831,286
City Of Pepper Pike	1,966,380	98.94%	1,945,536
City Of Warrensville Heights	8,635,000	3.71%	320,359
Village Of Woodmere	1,180,000	100.00%	1,180,000
<i>Total Overlapping Debt</i>	<u>158,466,380</u>		<u>10,607,660</u>
 <i>Total Direct And Overlapping Debt</i>	 <u>\$ 173,983,553</u>		 <u>\$ 26,124,833</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 2017 collection year.

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

Fiscal Year	Assessed Value (2)	Voted Debt Limit (1)	Total Debt Applicable to Limit (3)	Debt Service Available Balance	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit	Unvoted Legal Debt Margin (1)
2019	\$ 1,123,692,360	\$ 101,132,312	\$ 15,417,541	\$ 4,439,028	\$ 90,153,799	10.86%	\$ 1,123,692
2018	1,069,442,510	96,249,826	17,450,737	4,351,503	83,150,592	13.61%	1,069,443
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

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 and bond premium.

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
2019	(2)	(2)	(2)	(2)	(2)	2,036	4.9%	4.0%	3.7%
2018	14,496	\$ 293,562	\$ 2,060,220,869	\$ 142,123	48.6	2,094	6.4%	4.5%	4.0%
2017	14,426	\$ 256,564	\$ 1,804,159,618	\$ 125,063	49.2	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%

Sources:

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

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

(3) Obtained from 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, 2018 And Nine Years Ago

<u>December 31, 2018</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
Ursuline College	605	1
Orange City School District (1)	453	2
Country Club, Inc.	296	3
Beechmont, Inc.	249	4
Whole Foods Market Group Inc.	244	5
Red Lobster Restaurants, LLC	236	6
Meyers, Roman, Friedberg & Lewis	181	7
Apple, Inc,	180	8
Heinen's Inc.	146	9
Trader Joes East, Inc.	135	10
Total	<u>2,725</u>	

<u>12/31/2009 (2)</u>		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
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.
- (2) Information per 2009 Orange City School District CAFR

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

Type	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Professional Staff:										
Teaching Staff:										
Elementary	78.2	78.0	77.3	77.1	82.3	82.3	82.3	82.3	85.8	85.0
Middle	49.9	49.1	48.4	49.3	49.5	49.5	49.5	47.9	50.9	50.9
High	59.8	59.6	66.1	67.5	69.6	69.6	67.6	67.0	68.0	67.0
Others	7.1	7.1	6.0	19.1	19.3	19.3	18.9	17.9	18.9	18.7
Administration:										
District	21.0	20.0	20.0	19.0	20.0	20.0	21.0	20.0	21.0	21.0
Auxiliary Positions:										
Counselors	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	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	4.6	4.6	5.3	5.3	5.3	5.3	5.3	5.3
Mental Health Specialists	3.8	3.8	3.8	4.0	3.6	3.6	3.6	3.6	3.6	3.6
Others	7.6	7.6	7.6	6.6	8.6	8.6	8.6	8.6	9.6	9.6
Support Staff:										
Supervisors	7.0	7.0	8.0	9.0	10.0	10.0	10.0	11.0	11.0	11.0
Secretarial	29.6	31.7	32.0	33.0	33.0	33.0	33.4	33.4	33.4	32.5
Aides	47.4	49.4	48.4	56.5	60.0	59.0	59.0	58.0	60.0	60.0
Technical	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Cooks	8.0	8.0	8.0	8.2	8.1	8.1	8.1	8.1	8.1	8.1
Custodial	26.5	26.5	26.2	26.1	26.0	26.0	26.0	26.0	25.3	25.3
Maintenance	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Bus Driver	31.8	31.8	31.8	31.2	31.6	31.6	31.6	31.6	32.9	32.9
Bus Aides	6.0	6.0	6.0	2.0	2.0	2.0	2.0	2.0	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
Total	412.3	414.2	417.2	436.2	451.9	450.9	449.9	445.7	460.8	457.9
Function										
Instruction:										
Regular	152.0	151.8	153.6	152.9	158.2	159.2	156.8	154.6	161.6	161.1
Special	42.7	41.7	45.0	54.0	51.6	50.6	50.6	49.6	51.1	49.6
Vocational	1.0	1.0	1.0	1.0	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	25.4	27.5	28.5	28.2	36.9	36.9	36.9	35.9	36.4	36.4
Instructional staff	57.3	59.3	60.6	68.0	65.0	64.0	64.0	64.0	67.0	67.0
Administration	23.0	22.0	21.0	21.0	22.0	22.0	23.0	22.0	23.0	23.0
Fiscal	5.6	5.6	5.8	5.8	5.6	5.6	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	39.5	39.5	39.0	43.1	44.0	44.0	44.0	45.0	45.3	45.3
Pupil transportation	43.8	43.8	40.7	39.6	39.1	39.1	39.1	39.1	40.9	40.9
Central	7.0	7.0	7.0	7.0	10.9	10.9	10.9	10.9	10.9	10.0
Food Service Operations	9.0	9.0	9.0	8.7	9.1	9.1	9.1	9.1	9.1	9.1
Extracurricular activities	2.0	2.0	2.0	2.9	3.9	3.9	3.9	3.9	3.9	3.9
Total Governmental Activities	412.3	414.2	417.2	436.2	451.9	450.9	449.9	445.7	460.8	457.9

Source: School District records

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

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:										
Regular and Special Enrollment (Students)	2,036	2,094	2,015	2,067	2,171	2,216	2,223	2,245	2,290	2,199
Graduates	161	173	182	161	159	185	190	181	172	150
Support Services:										
Board of Education										
Regular Meetings per Year	21	23	23	16	21	18	23	22	22	21
Special Meetings per Year	7	13	8	20	17	20	16	12	12	17
Administration										
Student Attendance Rate	95.1%	95.3%	95.6%	95.8%	95.6%	95.0%	95.6%	95.6%	95.7%	95.8%
Fiscal										
Nonpayroll Checks										
Issued	4,975	5,111	5,111	5,278	5,589	5,511	5,538	5,389	6,018	6,636
Operations and Maintenance										
Work Orders Completed	564	454	223	411	397	390	573	438	629	416
Square Footage Maintained										
	548,700	548,700	548,700	548,700	548,700	548,700	548,700	548,700	534,881	534,881
Pupil Transportation										
Avg. Students Transported Daily (1)										
	1,474	1,541	1,488	1,293	1,382	1,391	1,391	1,381	1,525	1,440
Food Service Operations										
Meals Served to Students	195,886	206,296	178,166	186,851	168,969	182,556	182,590	184,677	170,930	195,915
Number of Students With Free or Reduced Lunches	236	226	268	257	284	278	251	282	203	224

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

	Governmental Activities			
	2019	2018	2017	2016
Land	\$ 6,315,782	\$ 6,315,782	\$ 6,315,782	\$ 6,315,782
Construction in Progress	6,149,312	1,482,519	2,944,444	0
Land Improvements	2,545,055	3,032,208	3,462,975	3,669,484
Buildings	32,638,066	34,373,896	32,288,278	33,663,785
Equipment	980,231	951,593	1,107,522	1,068,447
Vehicles	1,609,147	1,552,231	1,495,750	1,356,142
Total Governmental Activities				
Capital Assets, Net	<u>\$ 50,237,593</u>	<u>\$ 47,708,229</u>	<u>\$ 47,614,751</u>	<u>\$ 46,073,640</u>

	Business-Type Activities			
	2019	2018	2017	2016
Construction in Progress	\$ 24,950	\$ 0	\$ 322,313	\$ 0
Land Improvements	335,155	13,704	16,517	19,330
Buildings	2,990,134	3,162,979	2,891,956	2,984,180
Equipment	22,763	25,686	28,608	6,317
Vehicles	0	0	0	0
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 3,373,002</u>	<u>\$ 3,202,369</u>	<u>\$ 3,259,394</u>	<u>\$ 3,009,827</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2015	2014	2013	2012	2011	2010
\$ 6,315,782	\$ 6,315,782	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
645,323	1,148,798	330,459	80,263	1,724,343	1,431,742
4,021,647	4,379,666	3,881,682	4,138,845	4,052,380	4,338,252
30,289,257	28,916,233	29,429,013	30,349,086	28,014,968	27,973,225
1,309,712	1,233,820	1,390,872	914,936	927,018	1,005,328
1,607,377	1,545,465	1,580,642	1,665,297	1,723,068	1,714,578
<u>\$ 44,189,098</u>	<u>\$ 43,539,764</u>	<u>\$ 42,982,818</u>	<u>\$ 43,518,577</u>	<u>\$ 42,811,927</u>	<u>\$ 42,833,275</u>

2015	2014	2013	2012	2011	2010
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 631,180
22,143	24,956	27,769	30,582	33,395	36,632
3,149,210	3,317,269	3,484,755	3,654,394	3,783,272	1,949,230
4,896	0	0	2,304	3,610	4,916
0	0	0	0	2,507	7,522
<u>\$ 3,176,249</u>	<u>\$ 3,342,225</u>	<u>\$ 3,512,524</u>	<u>\$ 3,687,280</u>	<u>\$ 3,822,784</u>	<u>\$ 2,629,480</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</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	681
Brady Middle School (1965)				
Square feet	99,760	99,760	99,760	99,760
Capacity (All)	720	720	720	720
Enrollment	500	500	500	500
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	883
Gund School (1978) *				
Square feet	0	0	0	6,000
Capacity (All)	0	0	0	84
Enrollment	0	0	0	81
New Directions (1989)				
Square feet	26,400	26,400	26,400	26,400
Capacity (All)	38	38	38	38
Enrollment	26	26	26	26

Source: School District records

* Property sold in 2016

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

2015	2014	2013	2012	2011	2010
215,886	215,886	215,886	215,886	215,886	215,886
960	960	960	960	960	960
681	698	712	701	765	719
99,760	99,760	99,760	99,760	86,138	86,138
720	720	720	720	720	720
500	498	473	516	484	496
124,875	124,875	124,875	124,875	124,875	124,875
1,440	1,440	1,440	1,440	1,440	1,440
883	917	943	947	957	881
6,000	6,000	6,000	6,000	6,000	6,000
84	84	84	84	84	84
81	70	67	60	58	68
26,400	26,400	26,400	26,400	26,400	26,400
38	38	38	38	38	38
26	33	28	21	26	35

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		
2019	\$ 56,541,060	\$ 27,771	\$ 46,370,161	\$ 22,775	2,036	-2.77%
2018	54,907,559	26,221	26,082,836	12,456	2,094	3.92%
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%

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.

Note: The significant decrease in expenses from 2017 to 2018 is related to a decrease in net pension liability and net OPEB liability

Teaching Staff (3)	Pupil/Teacher Ratio	Student Attendance Percentage
195.0	10.44	95.1%
193.8	10.80	95.3%
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%

Orange City School District
Cuyahoga County, Ohio
Teacher Statistics
June 30, 2019

Degree	Number of Teachers	Percentage of Total	Pay Range
Associate's Degree	(1)	n/a	(1)
Bachelor's Degree	15.00	8.10%	\$46,209 - \$88,980
Master's Degree	205.00	91.10%	\$51,267 - \$109,496
Ph.D.	2.00	0.80%	\$54,267 - \$110,496
	<u>222.00</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	19.00	8.56%
6 - 10	36.00	16.22%
11 and over	167.00	75.22%
	<u>222.00</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.

OHIO AUDITOR OF STATE KEITH FABER



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 2, 2020**