

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO



**Auditor of State
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|----------------------------------|---------------------------|-------------------------|------------------------|-------------------------|---------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Nutrition Cluster: | | | | | | |
| Food Distribution Program | N/A | 10.550 | | \$22,840 | | \$21,727 |
| National School Lunch Program | N/A | 10.555 | 30,744 | | 30,744 | |
| Total U.S. Department of Agriculture - Nutrition Cluster | | | <u>30,744</u> | <u>22,840</u> | <u>30,744</u> | <u>21,727</u> |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Special Education Cluster: | | | | | | |
| Special Education Grants to States | 046581-6B-SF-99 | 84.027 | (1,011) | | 0 | |
| | 046581-6B-SF-01P | | (1,742) | | 29,215 | |
| | 046581-6B-SF-02P | | 84,744 | | 80,367 | |
| Total Special Education Grants to States | | | <u>81,991</u> | | <u>109,582</u> | |
| Special Education - Preschool Grant | 046581-PG-S1-01P | 84.173 | (1,957) | | 1,570 | |
| | 046581-PG-S1-02P | | 15,775 | | 11,208 | |
| Total Special Education - Preschool Grant | | | <u>13,818</u> | | <u>12,778</u> | |
| Total Special Education Cluster | | | <u>95,809</u> | | <u>122,360</u> | |
| Title I - Grants to Local Educational Agencies | 046581-C1-S1-00 | 84.010 | (9) | | 0 | |
| | 046581-C1-S1-01 | | 0 | | 10,433 | |
| | 046581-C1-S1-02 | | 100,319 | | 75,851 | |
| Total Title I - Grants to Local Educational Agencies | | | <u>100,310</u> | | <u>86,284</u> | |
| Safe and Drug-Free Schools Grant | 046581-DR-S1-00 | 84.186 | 0 | | 3 | |
| | 046581-DR-S1-01 | | 4,738 | | 8,605 | |
| | 046581-DR-S1-02 | | 5,957 | | 2,621 | |
| Total Safe and Drug-Free Schools Grant | | | <u>10,695</u> | | <u>11,229</u> | |
| Eisenhower Professional Development Grant | 046581-MS-S1-00 | 84.281 | (5,009) | | 0 | |
| | 046581-MS-S1-01 | | 0 | | 1,733 | |
| | 046581-MS-S1-02 | | 7,498 | | 37 | |
| Total Eisenhower Professional Development Grant | | | <u>2,489</u> | | <u>1,770</u> | |
| Innovative Education Program Strategies Grant | 046581-C2-S1-00 | 84.298 | 1,868 | | 6,867 | |
| | 046581-C2-S1-01 | | 7,351 | | 6,614 | |
| | 046581-C2-S1-02 | | 4,238 | | 5,075 | |
| Total Innovative Education Program Strategies Grant | | | <u>13,457</u> | | <u>18,556</u> | |
| Class Size Reduction Grant | 046581-CR-S1-01 | 84.340 | 0 | | 5,352 | |
| | 046581-CR-S1-02 | | 28,585 | | 19,484 | |
| Total Class Size Reduction Grant | | | <u>28,585</u> | | <u>24,836</u> | |
| Technology Literacy Challenge Grant | 046581-TF-VL-00 | 84.318 | 8,972 | | 8,972 | |
| Total Department of Education | | | <u>260,317</u> | <u>0</u> | <u>274,007</u> | <u>0</u> |
| Total | | | <u><u>\$291,061</u></u> | <u><u>\$22,840</u></u> | <u><u>\$304,751</u></u> | <u><u>\$21,727</u></u> |

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
FISCAL YEAR ENDED JUNE 30, 2002**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

CFDA – Catalog of Federal Domestic Assistance

N/A – Not Applicable



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 27, 2002, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis- for State and Local Governments* and restated the Recreation Enterprise Fund capital assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 27, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 27, 2002.

Orange City School District
Cuyahoga County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of the Audit Committee, management, Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

December 27, 2002



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS
MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Orange City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance


The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 27, 2002.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 27, 2002, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis- for State and Local Governments* and restated the Recreation Enterprise Fund capital assets. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Audit Committee, management, Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Jim Petro
Auditor of State

December 27, 2002

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2002**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|---|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under § .510? | No |
| (d)(1)(vii) | Major Programs (list): | Special Education Cluster/84.027/84.173 Title I - Grants to Local Educational Agencies/ 84.010 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | No |

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

ORANGE CITY SCHOOL DISTRICT
PEPPER PIKE, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Issued By:
Treasurer's Office
L. Gregory Slemons
Treasurer/Director of Budget Services

Orange City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002
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December 27, 2002

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

We are pleased to submit to you the Orange City School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 2002. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles as applicable to governmental entities.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Orange City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District, GFOA Certificate of Achievement and ASBO Certificate of Excellence.
2. The Financial Section, which begins with the Report of Independent Accountants and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Orange City School District.

The School District

History

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

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

Since 1939, Orange has been a member of the North Central Association of Colleges and Secondary Schools. It has continuously held a high rating among schools certified by the State Board of Education.

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange School District. In 1994, the school was inducted into the Blue Ribbon Hall of Fame as a Hall of Fame School by the Ohio Association of Elementary School Administrators. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school.

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

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

Ballard Brady Middle School opened in 1965. It was named for Dr. Ballard Brady, superintendent from 1951 to 1967. Brady Middle School educated children in grades 5-7 during the 2001 school year. For the 2002 school year, the school was reconfigured to educate children in grades 6 - 8. Grade 5 children attended the new Moreland Hills Elementary School in the 2002 school year.

Orange High School was remodeled and expanded many times with the last two renovations taking place in 1973 and 2001. In the 1991 school year, Orange High School was recognized as a Blue Ribbon School of Excellence by the United States Department of Education. Throughout Orange City School District's history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

Present

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

The School District's 2,361 students are bused daily to the campus consisting of three main school buildings and an administration building. The original Moreland Hills Elementary School (K-2 for 2001, no longer used for K-2 education in 2002) was replaced by the new Moreland Hills Elementary School (K-5 for 2002). The other two buildings include Brady Middle School (5-7 in 2001 reconfigured to 6-8 in 2002), and Orange High School (8-12 in 2001 reconfigured to 9-12 in 2002). The Orange School District also manages the Orange Community Education and Recreation Department, which includes preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The recreation department utilizes all School District facilities in concert with the school system. The Orange City School District includes 80 students who attend the Gund School, which adjoins the School District's campus and serves as a residential facility for students with special needs.

The population within the School District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 20 percent of the student population in the School District. Orange parents are generally college-educated and involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. More than 95 percent of Orange graduates pursue higher education. Over the past 20 years, residents have passed all school operating levies placed on the ballot for their approval. The last general operating levy, which was on the ballot in November 2000, was approved by 59 percent of the voters. A 36.5 million-dollar bond issue was approved in November 1998 by 68 percent of the voters. The Orange School District is fortunate to have residents who believe in and are willing to support with tax dollars, a high quality of education for all children.

Organizational Structure

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

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

The Treasurer/Director of Budget Services is the Chief Financial Officer of the School District and is responsible for maintaining records of all financial matters, issuing warrants and paying liabilities incurred by the School District. The Treasurer also serves as custodian of all School District funds with the responsibility for the investment of funds as specified by law. The Treasurer of the Orange City School 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 School District. The Board adopts the annual operating budget and approves all expenditures of the School District's monies.

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

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

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Orange City School District (the primary government) and its potential component units.

The School District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations include the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Boards Association Workers' Compensation Group Rating Program, the Ohio School Plan and the Suburban Health Consortium. These organizations are presented in Notes 17 and 18 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaged Students

The Orange Schools will authentically engage students in a positive, supportive, nurturing and safe environment in order to develop critical-thinking and civic-minded students 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, Orange City School District has a responsibility to provide programs and an environment to stimulate student engagement and growth.
- While the primary focus of the Orange City School District is K-12 education, community participation and involvement is encouraged. This involvement enhances K-12 education, provides better use of facilities and fosters continued learning for all residents.
- High expectations promote high performance. All students and staff are expected to work to their highest potential.
- Given the current state of public education funding, financial support from the entire community, both business and personal, is vital to a successful program.
- The Orange City School District will maintain excellence through a continuous improvement process.

The educational plan for the School District consists of the following:

1. Educational Programs. In order to develop students who will think critically to solve problems, acquire and apply knowledge, communicate effectively, utilize new technologies and are civic-minded, the Orange City School 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 which focuses on designing, engaging and satisfying work for students. This includes, but is not limited to Teachers' Academy, staff development days and Standard Bearer efforts.
 - Create an environment which supports the work of the School District in designing work for students that engages them in learning that which we know they need to learn in order to be well educated.
 - Design the schedule in each building to maximize available instructional time and to enhance student achievement.
 - Incorporate at each grade level curricular experiences which involve students and teachers in using instructional technology.
 - Maintain, improve and create programs which involve students from all grade levels in citizenship and school/community service programs.
 - Encourage student selection of electives, co-curricular and extra-curricular offerings which will contribute to the development of a well-qualified and well-rounded graduate.
 - Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
 - Value the contributions of all employees while establishing an atmosphere that enhances continuous improvement of both the individual and the system.
 - Establish a complementary and/or extended curriculum through courses offered by the Orange Community Education and Recreation Department.
 - Analyze, plan, implement and evaluate strategies which demonstrate a commitment to excellence as measured by student test scores, college admissions, artistic and athletic accomplishments and other indicators of success.
 - Encourage all parents to participate in the continuous improvement process.
 - Plan and articulate a curriculum which is consistent and sequential.
 - Improve the current parent/teacher communication process regarding student welfare.
2. Fiscal Management. To enhance the efficiency of the business/finance operations, the School District will:
- Improve communications and efficiencies regarding financial operations through detailed spending and revenue plans, financial forecasts, strong internal controls, useful and timely financial reporting in accordance with recognized standards and the use of available technology.
 - Pursue appropriate non-traditional school funding sources.

- Provide a clear accounting of the revenues and expenditures from school operation and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act prior to October 1 of each year.
3. Community Relations. To improve interaction with the community, the School 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 School District.
 - Keep the community well-informed by frequently and routinely providing news about the School District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondences, School District web site, local media and letters to the community
 - Identify and communicate with Orange Alumni.
4. Business Services. To maintain and improve buildings and facilities, transportation and food service, the School 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.
5. Board of Education Operations. To foster greater effectiveness in Board/Administrative operations, the Board of Education will:
- Maintain a long-range strategic plan including financial, programmatic, personnel and facility components.
 - Develop an appropriate plan to increase the Board of Education's visibility and knowledge.
 - Explain with more regularity and intensity the realities of Ohio school finance in general and the finances of the Orange City School District in particular.
 - Re-design the system by which the Board of Education sets agendas, tracks issues and completes its annual evaluation.
 - Increase public attendance at Board of Education meetings.

Major Initiatives for School Year 2001 - 2002

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

During the 2002 school year, the Orange City School District substantially completed the final phase of the Orange School Master Plan as a result of the successful passage of the 36.5 million dollar bond issue in November of 1998.

During fiscal year 2002, construction on a new elementary school to house K-5 students of the Orange City School District was completed. The site of the new school, which will be named Moreland Hills School, is located on the school campus behind Brady Middle School. This new elementary school was planned to hold 900 elementary students and was ready for student use starting in August of 2001 for the 2002 school year. DeJong & Associates, Educational Planners of Dublin, Ohio developed educational specifications for the design and construction of this new elementary school.

Renovations to Brady Middle School, Orange High School, Pepper Pike School (renamed the Pepper Pike Learning Center), and the old Moreland Hills School (now used as the School District's maintenance and storage facility) and improvements for the entire campus are now substantially completed. The only items from the bond project that are in the process of completion as of the date of this letter were minor alterations or punch list-type items.

Future Projects

The Board of Education engaged and retained the firm of the Albert M. Higley Company to assist the School District in preparing a complete facility analysis in order to anticipate future physical plant replacement and maintenance needs. This plan will be the starting point for the School District's ongoing assessment of plant and operational needs in order to provide the Orange City School District's students with the best possible environment in which to learn. During fiscal year 2003, the School District will commence with several small capital improvement projects, including regular maintenance of the School District's new facilities. Many of these projects will be paid from the School District's permanent improvement capital projects fund, which is legally restricted for these types of expenditures.

The School District will continue with a district-wide improvement process by continuing its participation with the Center for Leadership and School Reform (CLSR). The Board of Education and School District Administration believe that this process will enable the School District to evolve into a Standard Bearer School District, which will greatly enhance the students' learning process. This School District is currently in year two of a process that is expected to take about three years to complete. Successful completion of this project will require the cooperation of all employees, including administrators, building principals, teachers and support staff.

Student Accomplishments and Achievements

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

- 1) A graduation rate of 99 percent with 95 percent of graduates continuing their education at an institution of higher learning.
- 2) 302 advanced placement exams taken with 92 percent of all scores being a 3 or better, placing Orange students in the top 1 percent of all test takers in the Country.

- 3) 46 students at OHS have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations. This number represents 30 percent of students taking advanced placement exams.
- 4) Orange High School was recognized by Newsweek for ranking 53rd in the nations' top 100 high schools for advanced placement testing. Orange was one of only four schools recognized in the State of Ohio.
- 5) 17 national merit scholarship winners, six finalists, nine commended students and two National Hispanic Scholars, representing 9 percent of the graduating class.
- 6) Orange High School students who took the SAT exam in the 2002 school year scored an average of 10 percent above the national average for both the verbal and math portions of the exam.

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

Seventy nine percent of the School District's valuation is comprised of residential property, which proves the School District is an ideal suburban setting. The property valuation has almost doubled since fiscal year 1988. The homes in the School District continue to increase in market value. During the same period of time, the industrial base has increased approximately 50 percent. The current economic trend in the nation of keeping and attracting businesses has had its effect on the School District through some local tax abatement for businesses.

Property taxes and related state entitlements made up approximately 84 percent of the School District's total revenue in fiscal year 2002. Therefore, the School District relies heavily upon the continued support of its residents through the passage of tax levies.

The School Districts' enrollment has increased along with the growth of the five municipalities. The 2002 enrollment of 2,361 compared with the 1986 enrollment of 1,886 reflects an increase of 475 students, or 25 percent, over the 17 year period. Enrollment is projected to remain relatively flat over the next five years.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, districts throughout Ohio must place funding issues on the ballot to receive significant revenue growth. Ohio House Bill 94 is the most recent attempt by the Ohio State Legislature to address fundamental funding changes required by the Derolph II decision handed down by the Ohio Supreme Court in 1999. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed 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..."

The School District is currently unable to determine what affect, if any, this decision will have on its future State funding and on its financial operations.

The School District passed a 9.5 mill general operating levy and a .95 mill recreation levy in November 2000. These levies generate approximately \$7.2 million annually for the general fund and \$650,000 for the recreation program. These levies are projected to provide the funds needed to maintain current program levels through fiscal year 2004. The issues passed with a 59 percent vote of confidence. A 36.5 million-dollar bond issue was also passed with a 68 percent vote of confidence back in November 1998.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. 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 incurred. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, a permanent appropriation measure must be adopted upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates, which is usually within three months after the start of the fiscal year.

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

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

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

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

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

Financial Reporting

For the fiscal year ending June 30, 2002, the School District has decided to early-implement the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments". This pronouncement significantly changes the way the School District reports its financial condition and results of operations as compared to previous years. The new basic financial statements for reporting on the School 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 School 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.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion appears after the Report of Independent Accountants in the financial section of this report. The Management Discussion and Analysis provides an assessment of the School District's finances for 2002.

Cash Management

The Board of Education has an aggressive cash management program which consists of the expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government and STAR Ohio as well as other investments allowed by state law and the School District's own investment policy. The School District retained the services of Productive Portfolios, Inc., a registered investment advisory firm, during fiscal year 2002 to assist the School District in its investing strategy and to obtain even greater returns on investments while adhering to the principals of principal preservation and liquidity. The total amount of interest earned on a fund basis was \$598,427 for the fiscal year ended June 30, 2002, with \$234,129 being credited directly to the general fund.

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

Risk Management

All employees of the Orange City School District are covered by a blanket bond while certain positions in decision/policy making roles are covered by separate, higher bond coverage.

The School District contracts for general liability insurance with Hartford Insurance. The limits of coverage are \$1,000,000 per occurrence and \$3,000,000 in aggregate with no deductible. The Orange Schools has insurance contracts for buildings, vehicle insurance and crime protection. The School District participates in the Ohio Schools Board Association Workers' Compensation Group Rating Plan.

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 Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. 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 which 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.

In addition, the School District will submit its CAFR to the Association of School Business Officials International.

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2001, to the Orange City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2002, will conform to ASBO's principles and standards.

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for 1981.

Acknowledgments

The publication of this report significantly increases the accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the School District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully,



Dr. Daniel W. Lukich
Superintendent



L. Greg Slemons, CPA
Treasurer/Director of Budget Services

**Orange City School District
List of Principal Officials
June 30, 2002**

Board of Education

| | |
|-----------------------|----------------|
| Mrs. Cynthia Eickhoff | President |
| Mr. Chuck Jarrett | Vice President |
| Mr. Tom Bonda | Member |
| Mrs. Cathy Keith | Member |
| Mr. Peter Billington | Member |

Treasurer/Director of Budget Services

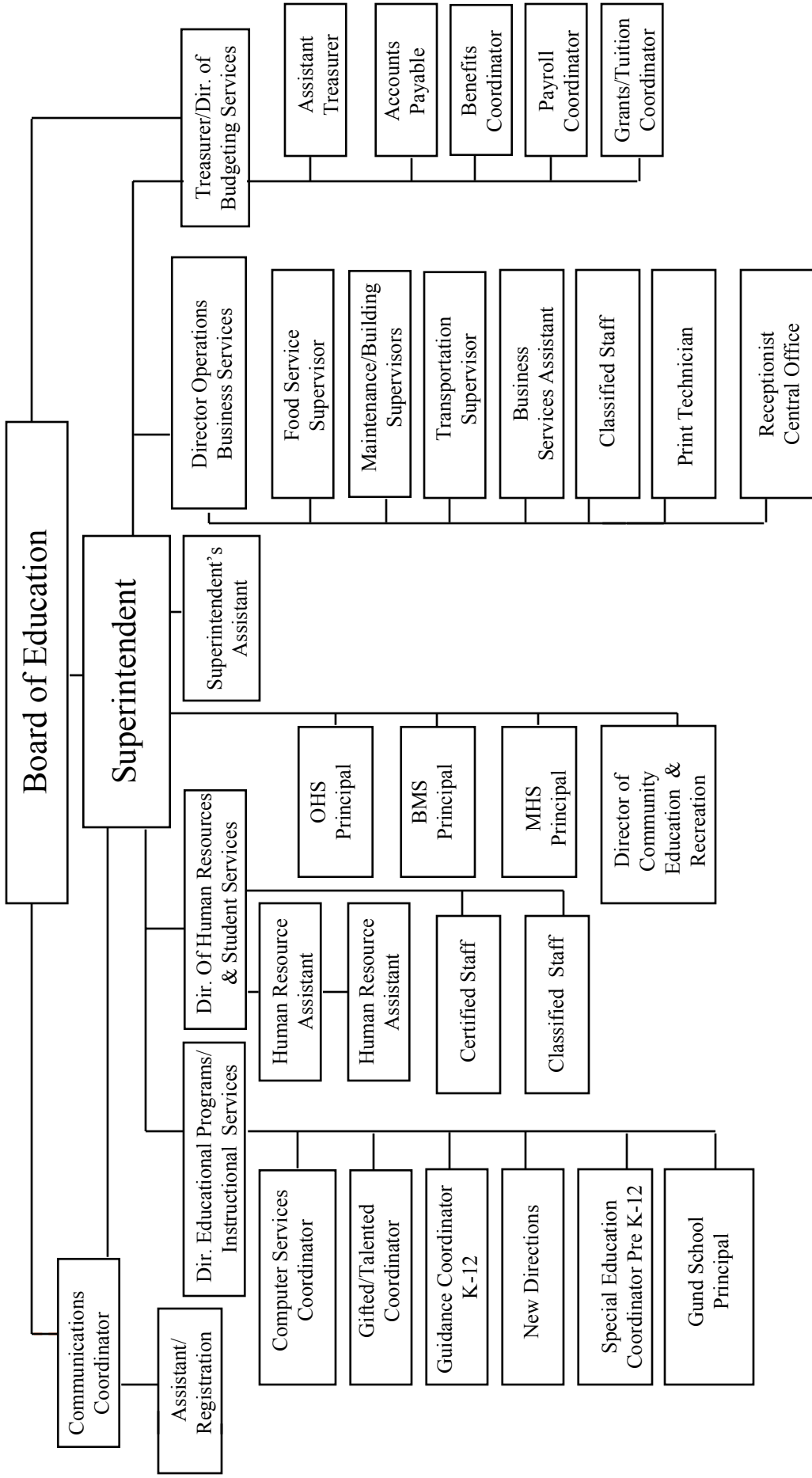
Mr. L. Greg Slemons, CPA

Administration

| | |
|------------------------|---|
| Dr. Daniel W. Lukich | Superintendent |
| Dr. Joe Webb | Director of Human Resources/Student Services |
| Dr. Nancy Wingenbach | Director of Educational Programs and Instructional Services |
| Ms. April Siegel-Green | Coordinator of Special Education |
| Mr. Lou DeVincentis | Coordinator of Communications |
| Ms. Laura Guentner | Director of Recreation |
| Mr. Kurt Bernardo | Coordinator of Computer Services |
| Mr. Greg Markus, CPA | Assistant Treasurer |
| Ms. Joan Hill | Supervisor of Transportation Services |
| Ms. Sharlyne Berger | Supervisor of Food Services |
| Mr. Phil Dickinson | Director of Operations and Business Services |
| Mr. Jim Taylor | Campus Supervisor |

Orange Schools Administrative Position Chart

2001-2002



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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy Druce
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ORANGE CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Clark J. Skidell

President

Ernest W. Nelson

Executive Director

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of June 30, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2002, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. Also, the District restated the Recreation Enterprise Fund capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 27, 2002

Orange City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The Discussion and analysis of Orange City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements and the notes to those respective statements to enhance their understanding of the School district's financial performance.

Financial Highlights

Key financial highlights for 2002 are as follows:

- Total net assets equaled \$33,610,192 as of June 30, 2002.
- Revenue for governmental activities totaled \$51,018,556 in 2002. Of this total, 88.34 percent consisted of general revenues while program revenues accounted for the balance of 11.66 percent.
- Program expenses for governmental activities totaled \$39,446,296. Instructional expenses made up 53.78 percent of this total while support services accounted for 37.90 percent. Other expenses rounded out the balance of 8.32 percent.
- Outstanding general obligation bonded debt decreased to \$26,843,221 from \$27,763,221 in fiscal year 2002.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about activities of the whole School District excluding fiduciary activities, 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 and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Orange City School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 13. While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. These statements include all assets and liabilities using accrual basis of accounting, this accounting method is similar to that used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Orange City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

These two statements report the School District's net assets and the changes in those assets. The change in net assets 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 result of many factors, some financial, some not. Non-financial factors may include, but are not limited to, the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions or needs, required educational programs and other factors.

In the Statement of Net Assets 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 and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's recreation program is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Retirement Fund and Building 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*, 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 difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the School District as a whole. The School District accounts for its recreation program as a proprietary fund.

Orange City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The School District as a Whole

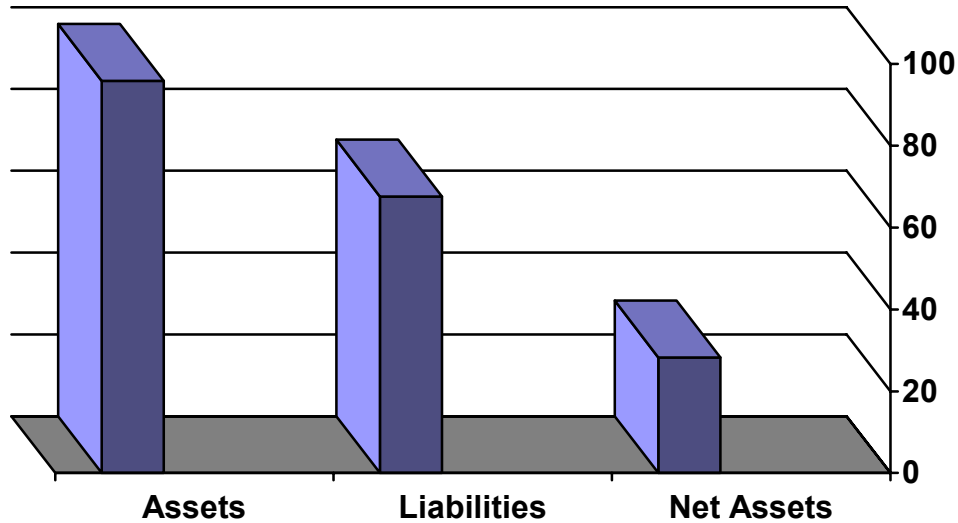
As you may recall, the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets as of June 30, 2002 and 2001.

Table 1
Net Assets
Governmental Activities

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Assets | | | | | | |
| Current and Other Assets | \$51,963,794 | \$55,696,936 | \$3,500,446 | \$3,611,138 | \$55,464,240 | \$59,308,074 |
| Capital Assets, Net | 43,933,132 | 38,761,209 | 1,892,421 | 1,420,325 | 45,825,553 | 40,181,534 |
| <i>Total Assets</i> | <u>95,896,926</u> | <u>94,458,145</u> | <u>5,392,867</u> | <u>5,031,463</u> | <u>101,289,793</u> | <u>99,489,608</u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | 31,294,377 | 41,154,650 | 235,541 | 174,731 | 31,529,918 | 41,329,381 |
| Long Term Liabilities: | | | | | | |
| Due Within One Year | 6,782,508 | 7,243,277 | 0 | 0 | 6,782,508 | 7,243,277 |
| Due in More than One Year | 29,363,233 | 29,175,670 | 3,942 | 3,639 | 29,367,175 | 29,179,309 |
| <i>Total Liabilities</i> | <u>67,440,118</u> | <u>77,573,597</u> | <u>239,483</u> | <u>178,370</u> | <u>67,679,601</u> | <u>77,751,967</u> |
| Net Assets | | | | | | |
| Invested in Capital Assets | | | | | | |
| Net of Related Debt | 11,202,586 | 4,537,386 | 1,892,421 | 1,420,325 | 13,095,007 | 5,957,711 |
| Restricted: | | | | | | |
| Capital Projects | 2,212,379 | 8,102,464 | 0 | 0 | 2,212,379 | 8,102,464 |
| Debt Service | 1,523,174 | 949,095 | 0 | 0 | 1,523,174 | 949,095 |
| Set Asides | 162,370 | 212,964 | 0 | 0 | 162,370 | 212,964 |
| Other Purposes | 453,846 | 374,854 | 0 | 0 | 453,846 | 374,854 |
| Unrestricted | 12,902,453 | 2,707,785 | 3,260,963 | 3,432,768 | 16,163,416 | 6,140,553 |
| <i>Total Net Assets</i> | <u>\$28,456,808</u> | <u>\$16,884,548</u> | <u>\$5,153,384</u> | <u>\$4,853,093</u> | <u>\$33,610,192</u> | <u>\$21,737,641</u> |

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Graph 1
 Net Assets
 Governmental Activities
 June 30, 2002
 (In millions)



Taxes receivable contributed to 36.51 percent or \$35,014,743 of total assets. Of this amount \$27,191,840 is offset as deferred revenue, revenue to be used in future periods. In November of 2000 a 9.5 mill levy was passed yielding \$7.25 million annually, with full collection not occurring until fiscal year 2002. Liabilities for Governmental Activities totaled \$67,440,118; of this amount \$36,145,741 million or 53.60 percent is Long Term Liabilities. By comparing assets and liabilities, one can see the overall position of the School District is good. The vast majority of revenue supporting all Governmental Activities is General revenue. General revenue totaled \$45,068,025 or 88.34 percent of total revenue. The most significant portion of the General revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to \$5,950,531 million or 11.66 percent of total revenue.

Table 2 shows the changes in net assets for fiscal year 2002. Since this is the first year the School District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2001 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

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Table 2
 Changes in Net Assets

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|---------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$5,189,739 | \$1,184,354 | \$6,374,093 |
| Operating Grants and Contributions | 732,912 | 151,672 | 884,584 |
| Capital Grants and Contributions | 27,880 | 0 | 27,880 |
| <i>Total Program Revenues</i> | <u>5,950,531</u> | <u>1,336,026</u> | <u>7,286,557</u> |
| General Revenues: | | | |
| Property Taxes | 38,727,621 | 651,353 | 39,378,974 |
| Grant and Entitlements not Restricted to Specific Programs | 5,717,812 | 0 | 5,717,812 |
| Investment Earnings | 543,836 | 53,226 | 597,062 |
| Miscellaneous | 78,756 | 44,846 | 123,602 |
| Total General Revenues | <u>45,068,025</u> | <u>749,425</u> | <u>45,817,450</u> |
| <i>Total Revenues</i> | <u>51,018,556</u> | <u>2,085,451</u> | <u>53,104,007</u> |
| Program Expenses | | | |
| Instruction: | | | |
| Regular | 14,568,032 | 0 | 14,568,032 |
| Special | 6,402,994 | 0 | 6,402,994 |
| Vocational | 230,331 | 0 | 230,331 |
| Support Services: | | | 0 |
| Pupils | 2,179,425 | 0 | 2,179,425 |
| Instructional Staff | 1,460,404 | 0 | 1,460,404 |
| Board of Education | 55,562 | 0 | 55,562 |
| Administration | 2,398,794 | 0 | 2,398,794 |
| Fiscal | 1,024,004 | 0 | 1,024,004 |
| Business | 385,116 | 0 | 385,116 |
| Operation and Maintenance of Plant | 3,763,576 | 0 | 3,763,576 |
| Pupil Transportation | 2,733,130 | 0 | 2,733,130 |
| Central | 721,406 | 0 | 721,406 |
| Operation of Non-Instructional Services | 243,162 | 0 | 243,162 |
| Food Service Operations | 484,331 | 0 | 484,331 |
| Extracurricular Activities | 1,360,754 | 0 | 1,360,754 |
| Interest and Fiscal Charges | 1,435,275 | 0 | 1,435,275 |
| Recreation | 0 | 1,785,160 | 1,785,160 |
| <i>Total Expenses</i> | <u>39,446,296</u> | <u>1,785,160</u> | <u>41,231,456</u> |
| <i>Increase in Net Assets</i> | <u>\$11,572,260</u> | <u>\$300,291</u> | <u>\$11,872,551</u> |

Governmental Activities

The School District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past twenty-five years, residents of the School District have, without exception, supported all operating levies placed on the ballot. In November of 2000, the School District

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successfully passed a 9.5 mill operating levy that generates \$7.25 million dollars in revenue per year. Collections on this new levy began the second half of fiscal year 2001 with full collection of this levy realized in fiscal year 2002. The additional income was dedicated to fund the day-to-day operations of the School District (e.g., salaries, utilities, textbooks transportation) and is expected to cover four years of operation.

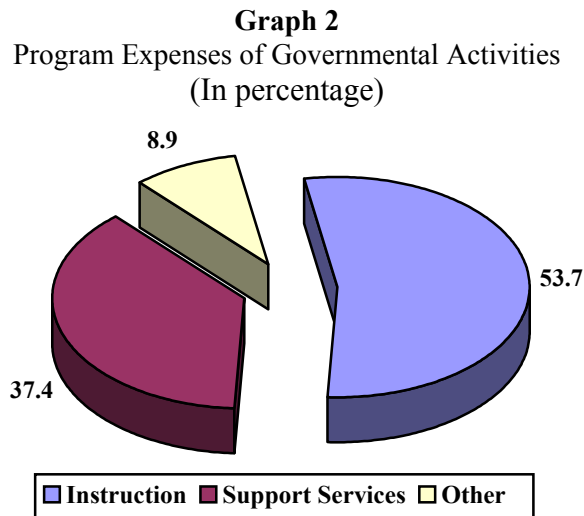
Ohio House Bill 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This House Bill also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes made up 75.90 percent of revenues for governmental activities for Orange City Schools in fiscal year 2002.

Approximately 53.7 percent of the School District's expenses are used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 37.4 percent. The remaining amount of program expenses, roughly 8.9 percent, is expended to facilitate other obligations of the School District such as interest and fiscal charges, food services operations and extracurricular activities.

The School District reflected an increase of net assets in 2002 of \$11,572,260. The increase was primarily due to a full year collection of the 9.5 mill levy that was passed by the Orange City School voters in November 2000.

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



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Table 3
 Governmental Activities

| Programs | Total Cost of Services 2002 | Net Cost of Services 2002 |
|---|-----------------------------------|---------------------------------|
| Instruction: | | |
| Regular | \$14,568,032 | \$9,860,895 |
| Special | 6,402,994 | 6,240,685 |
| Vocational | 230,331 | 229,930 |
| Support Services: | | |
| Pupils | 2,179,425 | 2,075,228 |
| Instructional Staff | 1,460,404 | 1,442,243 |
| Board of Education | 55,562 | 55,562 |
| Administration | 2,398,794 | 2,389,058 |
| Fiscal | 1,024,004 | 1,024,004 |
| Business | 385,116 | 385,116 |
| Operation and Maintenance of Plant | 3,763,576 | 3,759,018 |
| Pupil Transportation | 2,733,130 | 2,705,250 |
| Central | 721,406 | 712,627 |
| Operation of Non-Instructional Services | 243,162 | (23,328) |
| Food Service Operations | 484,331 | 30,427 |
| Extracurricular | 1,360,754 | 1,173,775 |
| Interest and Fiscal Charges | 1,435,275 | 1,435,275 |
| Total | <u>\$39,446,296</u> | <u>\$33,495,765</u> |

The reliance upon local tax revenues for governmental activities is crucial at Orange City Schools. More than 90.6 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs, investments and other miscellaneous types of revenues support the remaining activity costs. Program revenues account for 15.09 percent of all governmental expenses.

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

School District's Funds

Information pertaining to the School District's major funds can be found on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$50,321,927 and expenditures of \$50,707,644. The net change in fund balance for the year was most significant in the General Fund with an increase of \$10,731,105.

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 General Fund is the most significant fund to be budgeted in the main operating fund of the School District.

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During the course of the 2002 fiscal year, the School District amended its general fund only twice, none significant. The School District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses but provide flexibility for site based decision-making by management.

The General Fund's budget basis actual revenue totaled \$40,602,194; this was below the original budget estimates of \$40,778,416. The budget basis actual expenditures totaled \$34,462,694 compared to original estimates of \$36,264,706.

The School District's ending unencumbered cash balance totaled \$9,757,759, which was \$1,291,176 lower than that originally budgeted.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2002, the School District had \$43,933,132 in net capital assets for governmental activities. Table 4 shows fiscal year 2002 values compared to 2001.

Table 4
 Capital Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2002 | 2001 | 2002 | 2001 | 2002 | 2001 |
| Land | \$6,370,150 | \$6,370,150 | \$0 | \$0 | \$6,370,150 | \$6,370,150 |
| Land Improvements | 6,360,172 | 112,333 | 17,146 | 18,817 | 6,377,318 | 131,150 |
| Buildings and Improvements | 29,246,102 | 1,022,364 | 1,797,673 | 1,389,509 | 31,043,775 | 2,411,873 |
| Furniture and Equipment | 991,639 | 753,858 | 29,962 | 11,999 | 1,021,601 | 765,857 |
| Vehicles | 965,069 | 837,776 | 47,640 | 0 | 1,012,709 | 837,776 |
| Construction In Progress | 0 | 29,664,728 | 0 | 0 | 0 | 29,664,728 |
| Total | \$43,933,132 | \$38,761,209 | \$1,892,421 | \$1,420,325 | \$45,825,553 | \$40,181,534 |

All capital assets, except land, are reported net of depreciation. As one can see, the increase in capital assets during the fiscal year occurred in the categories of Building and Improvements, Land Improvements, Equipment and Vehicles. The increase in Building and Improvements and Equipment was primarily due to the completion of the \$36.5 million bond project that built and equipped a new elementary school, remodeled and added to the high school, remodeled and refurbished the middle school, refurbished the pepper pike learning center and the construction of a new maintenance storage building. The increase in land improvements was due to the completion of the \$36.5 million bond project as well. Also adding to the increase in the equipment category was a School District wide upgrade of technology including wiring and security enhancements. Vehicles increase was mainly due to the replacement of four school buses. For more information on the School District's capital assets, see Note 9 to the basic financial statements.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Debt

At June 30 2002 the School District had \$26,843,221 in bonds outstanding, and \$5,750,000 in notes outstanding. Table 5 below summarizes the School District's bonds and notes outstanding.

Table 5
Outstanding Debt

| | Governmental Activities | |
|---|-------------------------|--------------|
| | 2002 | 2001 |
| School Improvement General Obligation Bonds | \$26,843,221 | \$27,763,221 |
| School Improvement Notes | 5,750,000 | 6,250,000 |
| Total Outstanding Debt | \$32,593,221 | \$34,013,221 |

In an election held on November 3, 1998 the electors of the School District approved the issuance of bonds for the purpose of acquiring improved and additional educational technology, installing computer stations in school buildings, renovating school libraries (media centers), reconstructing and equipping of science and technology laboratories, constructing, furnishing and equipping a new elementary school, and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites. These bonds will be fully repaid in calendar year 2023.

The School District's overall debt margin was \$48,199,905 with an unvoted debt margin of \$879,431. The School District maintains an Aa1 bond rating. For more information on the School District's debt, see Note 15 to the basic financial statements.

School District Outlook

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

Orange City Schools has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the district continues to perform at the highest level determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent state report card shows Orange district students achieving a perfect 27 out of 27.

As the preceding information shows, the School District heavily depends on its property taxpayers. Our communities' support was recently measured by two most outstanding accomplishments, in the fall of 1998 the community passed a \$36.5 million bond issue and in November of 2000 they passed a 9.5 mill-operating levy. The support of these two issues demonstrate 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.

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

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed additional revenue growth toward the support of School Districts with little property tax wealth. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's school-funding decision 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..."

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

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

The Orange City School District has committed itself to financial and educational excellence for many years. The School District has received the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 1996. This report represents early implementation of the Government Standards Board's new financial reporting model under Statement 34. Orange City School District is committed to continuous improvement in financial reporting to our communities.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and 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 questions about this report or need additional financial information contact L. Greg Slemons, CPA, Treasurer at Orange City School District, 32000 Chagrin Blvd, Pepper Pike, Ohio 44124-5974. Or e-mail at LGSlemons@orange.k12.oh.us.

Orange City School District*Statement of Net Assets**June 30, 2002*

| | Governmental Activities | Business-Type Activity | Total |
|---|----------------------------|---------------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$14,459,571 | \$2,783,984 | \$17,243,555 |
| Accounts Receivable | 1,285 | 0 | 1,285 |
| Accrued Interest Receivable | 51,218 | 10,143 | 61,361 |
| Intergovernmental Receivable | 2,080,873 | 0 | 2,080,873 |
| Inventory Held for Resale | 34,313 | 0 | 34,313 |
| Materials and Supplies Inventory | 282,070 | 9,820 | 291,890 |
| Prepaid Items | 39,721 | 0 | 39,721 |
| Taxes Receivable | 35,014,743 | 696,499 | 35,711,242 |
| Nondepreciable Capital Assets | 6,370,150 | 0 | 6,370,150 |
| Depreciable Capital Assets, Net | 37,562,982 | 1,892,421 | 39,455,403 |
| <i>Total Assets</i> | <u>95,896,926</u> | <u>5,392,867</u> | <u>101,289,793</u> |
| Liabilities | | | |
| Accounts Payable | 27,282 | 137 | 27,419 |
| Accrued Wages Payable | 2,865,594 | 61,587 | 2,927,181 |
| Intergovernmental Payable | 941,533 | 173,817 | 1,115,350 |
| Deferred Revenue | 27,191,840 | 0 | 27,191,840 |
| Undistributed Monies | 5,487 | 0 | 5,487 |
| Accrued Interest Payable | 262,641 | 0 | 262,641 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 6,782,508 | 0 | 6,782,508 |
| Due In More Than One Year | 29,363,233 | 3,942 | 29,367,175 |
| <i>Total Liabilities</i> | <u>67,440,118</u> | <u>239,483</u> | <u>67,679,601</u> |
| Net Assets | | | |
| Invested in Capital Assets, Net of Related Debt | 11,202,586 | 1,892,421 | 13,095,007 |
| Restricted for: | | | |
| Capital Projects | 2,212,379 | 0 | 2,212,379 |
| Debt Service | 1,523,174 | 0 | 1,523,174 |
| Set Asides | 162,370 | 0 | 162,370 |
| Other Purposes | 453,846 | 0 | 453,846 |
| Unrestricted | 12,902,453 | 3,260,963 | 16,163,416 |
| <i>Total Net Assets</i> | <u>\$28,456,808</u> | <u>\$5,153,384</u> | <u>\$33,610,192</u> |

See accompanying notes to the basic financial statements

Orange City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

| | Program Revenues | | | |
|---|---------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| Instruction: | | | | |
| Regular | \$14,568,032 | \$4,604,407 | \$102,730 | \$0 |
| Special | 6,402,994 | 0 | 162,309 | 0 |
| Vocational | 230,331 | 0 | 401 | 0 |
| Support Services: | | | | |
| Pupils | 2,179,425 | 0 | 104,197 | 0 |
| Instructional Staff | 1,460,404 | 0 | 18,161 | 0 |
| Board of Education | 55,562 | 0 | 0 | 0 |
| Administration | 2,398,794 | 0 | 9,736 | 0 |
| Fiscal | 1,024,004 | 0 | 0 | 0 |
| Business | 385,116 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 3,763,576 | 0 | 4,558 | 0 |
| Pupil Transportation | 2,733,130 | 0 | 0 | 27,880 |
| Central | 721,406 | 0 | 8,779 | 0 |
| Operation of Non-Instructional Services | 243,162 | 0 | 266,490 | 0 |
| Food Service Operations | 484,331 | 399,190 | 54,714 | 0 |
| Extracurricular Activities | 1,360,754 | 186,142 | 837 | 0 |
| Interest and Fiscal Charges | 1,435,275 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | 39,446,296 | 5,189,739 | 732,912 | 27,880 |
| Business-Type Activity | | | | |
| Recreation | 1,785,160 | 1,184,354 | 151,672 | 0 |
| <i>Totals</i> | <u>\$41,231,456</u> | <u>\$6,374,093</u> | <u>\$884,584</u> | <u>\$27,880</u> |

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Recreation

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - See Note 3

Net Assets End of Year

See accompanying notes to the basic financial statements

| Net (Expense) Revenue and Changes in Net Assets | | |
|---|---------------------------|---------------|
| Governmental Activities | Business-Type Activity | Total |
| (\$9,860,895) | \$0 | (\$9,860,895) |
| (6,240,685) | 0 | (6,240,685) |
| (229,930) | 0 | (229,930) |
| (2,075,228) | 0 | (2,075,228) |
| (1,442,243) | 0 | (1,442,243) |
| (55,562) | 0 | (55,562) |
| (2,389,058) | 0 | (2,389,058) |
| (1,024,004) | 0 | (1,024,004) |
| (385,116) | 0 | (385,116) |
| (3,759,018) | 0 | (3,759,018) |
| (2,705,250) | 0 | (2,705,250) |
| (712,627) | 0 | (712,627) |
| 23,328 | 0 | 23,328 |
| (30,427) | 0 | (30,427) |
| (1,173,775) | 0 | (1,173,775) |
| (1,435,275) | 0 | (1,435,275) |
| (33,495,765) | 0 | (33,495,765) |
| 0 | (449,134) | (449,134) |
| (33,495,765) | (449,134) | (33,944,899) |
| 35,669,489 | 0 | 35,669,489 |
| 3,058,132 | 0 | 3,058,132 |
| 0 | 651,353 | 651,353 |
| 5,717,812 | 0 | 5,717,812 |
| 543,836 | 53,226 | 597,062 |
| 78,756 | 44,846 | 123,602 |
| 45,068,025 | 749,425 | 45,817,450 |
| 11,572,260 | 300,291 | 11,872,551 |
| 16,884,548 | 4,853,093 | 21,737,641 |
| \$28,456,808 | \$5,153,384 | \$33,610,192 |

Orange City School District*Balance Sheet**Governmental Funds**June 30, 2002*

| | General | Bond Retirement | Building Improvement |
|--|---------------------|--------------------|----------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$10,054,094 | \$1,167,345 | \$1,366,871 |
| Restricted Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | 162,370 | 0 | 0 |
| Accounts Receivable | 1,285 | 0 | 0 |
| Accrued Interest Receivable | 37,194 | 4,253 | 4,892 |
| Intergovernmental Receivable | 2,001,775 | 0 | 0 |
| Interfund Receivable | 1,252 | 0 | 0 |
| Prepaid Items | 39,721 | 0 | 0 |
| Taxes Receivable | 32,227,585 | 2,787,158 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 |
| Materials and Supplies Inventory | 280,983 | 0 | 0 |
| <i>Total Assets</i> | <u>\$44,806,259</u> | <u>\$3,958,756</u> | <u>\$1,371,763</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$14,639 | \$0 | \$0 |
| Accrued Wages Payable | 2,823,748 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 |
| Intergovernmental Payable | 645,635 | 0 | 0 |
| Deferred Revenue | 28,549,721 | 2,314,416 | 0 |
| Undistributed Monies | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>32,033,743</u> | <u>2,314,416</u> | <u>0</u> |
| Fund Balances | | | |
| Reserved for Encumbrances | 458,705 | 0 | 588,157 |
| Reserved for Property Taxes | 5,399,825 | 465,337 | 0 |
| Reserved for Budget Stabilization | 162,370 | 0 | 0 |
| Unreserved: | | | |
| Undesignated, Reported in: | | | |
| General Fund | 6,751,616 | 0 | 0 |
| Special Revenue Funds | 0 | 0 | 0 |
| Debt Service Fund | 0 | 1,179,003 | 0 |
| Capital Projects Funds | 0 | 0 | 783,606 |
| <i>Total Fund Balances</i> | <u>12,772,516</u> | <u>1,644,340</u> | <u>1,371,763</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$44,806,259</u> | <u>\$3,958,756</u> | <u>\$1,371,763</u> |

See accompanying notes to the basic financial statements

Orange City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2002*

| Other Governmental Funds | Total Governmental Funds | | |
|--------------------------------|--------------------------------|---|----------------------------|
| | | Total Governmental Funds Balances | \$17,526,122 |
| | | <i>Amounts reported for governmental activities in the statement of net assets are different because</i> | |
| \$1,708,891 | \$14,297,201 | Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 43,933,132 |
| 0 | 162,370 | Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes and intergovernmental receivable. | |
| 0 | 1,285 | Property Taxes | 1,783,171 |
| 4,879 | 51,218 | Intergovernmental | <u>1,907,343</u> |
| 79,098 | 2,080,873 | | |
| 0 | 1,252 | | |
| 0 | 39,721 | | |
| 0 | 35,014,743 | | |
| 34,313 | 34,313 | Total | 3,690,514 |
| 1,087 | 282,070 | | |
| <u>\$1,828,268</u> | <u>\$51,965,046</u> | Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. | (284,578) |
| | | In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | (262,641) |
| \$12,643 | \$27,282 | Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| 41,846 | 2,865,594 | Compensated Absences | (3,030,140) |
| 1,252 | 1,252 | General Obligation Bonds | (26,843,221) |
| 11,320 | 656,955 | Notes Payable | (5,750,000) |
| 18,217 | 30,882,354 | Capital Leases Payable | (137,325) |
| 5,487 | 5,487 | Arbitrage Payable | <u>(385,055)</u> |
| <u>90,765</u> | <u>34,438,924</u> | Total | <u>(36,145,741)</u> |
| | | <i>Net Assets of Governmental Activities</i> | <u><u>\$28,456,808</u></u> |
| 751 | 1,047,613 | | |
| 0 | 5,865,162 | | |
| 0 | 162,370 | | |
| 0 | 6,751,616 | | |
| 511,081 | 511,081 | | |
| 0 | 1,179,003 | | |
| <u>1,225,671</u> | <u>2,009,277</u> | | |
| <u>1,737,503</u> | <u>17,526,122</u> | | |
| <u>\$1,828,268</u> | <u>\$51,965,046</u> | | |

Orange City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

| | General | Bond Retirement | Building Improvement |
|--|---------------------|--------------------|-------------------------|
| Revenues | | | |
| Property and Other Local Taxes | \$34,951,676 | \$2,996,273 | \$0 |
| Intergovernmental | 5,508,836 | 338,116 | 0 |
| Interest | 234,129 | 23,128 | 262,745 |
| Tuition and Fees | 4,362,668 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 |
| Contributions and Donations | 2,000 | 0 | 0 |
| Charges for Services | 90,809 | 0 | 0 |
| Rentals | 64,031 | 0 | 0 |
| Miscellaneous | 59,759 | 0 | 0 |
| <i>Total Revenues</i> | <u>45,273,908</u> | <u>3,357,517</u> | <u>262,745</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 13,277,318 | 0 | 0 |
| Special | 5,917,147 | 0 | 0 |
| Vocational | 201,633 | 0 | 0 |
| Support Services: | | | |
| Pupils | 1,958,000 | 0 | 0 |
| Instructional Staff | 1,246,938 | 0 | 0 |
| Board of Education | 55,528 | 0 | 0 |
| Administration | 2,183,396 | 0 | 0 |
| Fiscal | 1,001,996 | 0 | 0 |
| Business | 371,377 | 0 | 0 |
| Operation and Maintenance of Plant | 3,555,913 | 0 | 0 |
| Pupil Transportation | 2,648,412 | 0 | 0 |
| Central | 616,609 | 0 | 0 |
| Operation of Non-Instructional Services | 2,538 | 0 | 0 |
| Food Service Operations | 0 | 0 | 0 |
| Extracurricular Activities | 947,162 | 0 | 0 |
| Capital Outlay | 29,000 | 0 | 6,362,432 |
| Debt Service: | | | |
| Principal Retirement | 13,073 | 7,170,000 | 60,204 |
| Interest and Fiscal Charges | 1,763 | 1,544,404 | 8,215 |
| <i>Total Expenditures</i> | <u>34,027,803</u> | <u>8,714,404</u> | <u>6,430,851</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>11,246,105</u> | <u>(5,356,887)</u> | <u>(6,168,106)</u> |
| Other Financing Sources (Uses) | | | |
| Notes Issued | 0 | 5,750,000 | 0 |
| Transfers In | 0 | 0 | 0 |
| Transfers Out | (515,000) | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(515,000)</u> | <u>5,750,000</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | 10,731,105 | 393,113 | (6,168,106) |
| <i>Fund Balances Beginning of Year - Restated</i> <i>(See Note 3)</i> | <u>2,041,411</u> | <u>1,251,227</u> | <u>7,539,869</u> |
| <i>Fund Balances End of Year</i> | <u>\$12,772,516</u> | <u>\$1,644,340</u> | <u>\$1,371,763</u> |

See accompanying notes to the basic financial statements

Orange City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2002*

| Other Governmental Funds | Total Governmental Funds | | |
|--------------------------------|--------------------------------|--|----------------------------|
| | | Net Change in Fund Balances - Total Governmental Funds | \$5,364,283 |
| | | <i>Amounts reported for governmental activities in the statement of activities are different because</i> | |
| \$0 | \$37,947,949 | Governmental funds report capital outlays as expenditures. | |
| 712,695 | 6,559,647 | However, in the statement of activities, the cost of those | |
| 23,834 | 543,836 | assets is allocated over their estimated useful lives as | |
| 0 | 4,362,668 | depreciation expense. This is the amount by which capital | |
| 186,142 | 186,142 | outlays exceeded depreciation in the current period. | |
| 0 | 2,000 | Capital Outlay | 6,710,236 |
| 486,089 | 576,898 | Depreciation | <u>(1,538,313)</u> |
| 0 | 64,031 | | |
| 18,997 | 78,756 | Total | 5,171,923 |
| <u>1,427,757</u> | <u>50,321,927</u> | Revenues in the statement of activities that do not provide | |
| | | current financial resources are not reported as revenues | |
| | | in the funds. | |
| | | Property Taxes | 779,672 |
| 170,626 | 13,447,944 | Intergovernmental | <u>(83,043)</u> |
| 148,819 | 6,065,966 | Total | 696,629 |
| 1,171 | 202,804 | Repayment of bond and capital lease principal is an expenditure | |
| 92,681 | 2,050,681 | in the governmental funds, but the repayment reduces long-term | |
| 30,225 | 1,277,163 | liabilities in the statement of net assets. | 7,243,277 |
| 0 | 55,528 | In the statement of activities interest is accrued on | |
| 8,921 | 2,192,317 | outstanding bonds, whereas in governmental funds, | |
| 0 | 1,001,996 | interest is expensed when due. | 119,107 |
| 0 | 371,377 | Some expenses reported in the statement of activities do not | |
| 2,286 | 3,558,199 | require the use of current financial resources and therefore | |
| 0 | 2,648,412 | are not reported as expenditures in governmental funds. | |
| 8,417 | 625,026 | Compensated Absences | (1,220,071) |
| 241,005 | 243,543 | Pension Obligation | <u>(52,888)</u> |
| 395,688 | 395,688 | Total | (1,272,959) |
| 292,434 | 1,239,596 | Other financing sources in the governmental funds such as | |
| 142,313 | 6,533,745 | proceeds of notes increase liabilities in the statement of | |
| 0 | 7,243,277 | net assets. | <u>(5,750,000)</u> |
| 0 | 1,554,382 | <i>Change in Net Assets of Governmental Activities</i> | <u><u>\$11,572,260</u></u> |
| <u>1,534,586</u> | <u>50,707,644</u> | | |
| <u>(106,829)</u> | <u>(385,717)</u> | | |
| 0 | 5,750,000 | | |
| 515,000 | 515,000 | | |
| 0 | (515,000) | | |
| <u>515,000</u> | <u>5,750,000</u> | | |
| 408,171 | 5,364,283 | | |
| <u>1,329,332</u> | <u>12,161,839</u> | | |
| <u>\$1,737,503</u> | <u>\$17,526,122</u> | | |

Orange City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|--------------|--------------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Property and Other Local Taxes | \$30,799,984 | \$30,347,574 | \$30,301,001 | (\$46,573) |
| Intergovernmental | 5,606,876 | 5,524,519 | 5,478,093 | (46,426) |
| Interest | 304,472 | 300,000 | 243,833 | (56,167) |
| Tuition and Fees | 3,824,521 | 3,768,344 | 4,362,668 | 594,324 |
| Contributions and Donations | 2,030 | 2,000 | 2,000 | 0 |
| Charges for Services | 101,783 | 100,330 | 90,809 | (9,521) |
| Rentals | 71,769 | 70,745 | 64,031 | (6,714) |
| Miscellaneous | 66,981 | 66,025 | 59,759 | (6,266) |
| <i>Total Revenues</i> | 40,778,416 | 40,179,537 | 40,602,194 | 422,657 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 13,799,474 | 13,817,591 | 13,314,892 | 502,699 |
| Special | 6,266,069 | 6,267,928 | 6,010,660 | 257,268 |
| Vocational | 243,108 | 243,167 | 221,324 | 21,843 |
| Support Services: | | | | |
| Pupils | 2,119,224 | 2,119,873 | 1,944,612 | 175,261 |
| Instructional Staff | 1,530,257 | 1,530,726 | 1,285,780 | 244,946 |
| Board of Education | 70,060 | 70,081 | 53,666 | 16,415 |
| Administration | 2,285,632 | 2,286,331 | 2,193,322 | 93,009 |
| Fiscal | 1,018,477 | 1,018,789 | 1,002,068 | 16,721 |
| Business | 413,269 | 413,396 | 368,615 | 44,781 |
| Operation and Maintenance of Plant | 3,998,818 | 4,000,042 | 3,819,272 | 180,770 |
| Pupil Transportation | 2,720,724 | 2,721,555 | 2,665,115 | 56,440 |
| Central | 717,959 | 718,175 | 624,475 | 93,700 |
| Operation of Non-Instructional Services | 12,378 | 12,382 | 2,123 | 10,259 |
| Extracurricular Activities | 1,040,265 | 1,040,583 | 927,770 | 112,813 |
| Capital Outlay | 28,992 | 29,000 | 29,000 | 0 |
| <i>Total Expenditures</i> | 36,264,706 | 36,289,619 | 34,462,694 | 1,826,925 |
| <i>Excess of Revenues Over Expenditures</i> | 4,513,710 | 3,889,918 | 6,139,500 | 2,249,582 |
| Other Financing Sources (Uses) | | | | |
| Advances In | 0 | 1,487,970 | 87,970 | (1,400,000) |
| Advances Out | 0 | 0 | (1,000) | (1,000) |
| Transfers Out | (523,000) | (523,000) | (515,000) | 8,000 |
| <i>Total Other Financing Sources (Uses)</i> | (523,000) | 964,970 | (428,030) | (1,393,000) |
| <i>Net Change in Fund Balances</i> | 3,990,710 | 4,854,888 | 5,711,470 | 856,582 |
| <i>Fund Balance Beginning of Year</i> | 3,791,513 | 3,791,513 | 3,791,513 | 0 |
| Prior Year Encumbrances Appropriated | 254,776 | 254,776 | 254,776 | 0 |
| <i>Fund Balance End of Year</i> | \$8,036,999 | \$8,901,177 | \$9,757,759 | \$856,582 |

See accompanying notes to the basic financial statements

Orange City School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2002

| | Recreation |
|--|-------------|
| Assets | |
| <i>Current Assets</i> | |
| Equity in Pooled Cash and Cash Equivalents | \$2,783,984 |
| Accrued Interest Receivable | 10,143 |
| Taxes Receivable | 696,499 |
| Materials and Supplies Inventory | 9,820 |
| <i>Total Current Assets</i> | 3,500,446 |
| <i>Noncurrent Assets</i> | |
| Capital Assets, Net | 1,892,421 |
| <i>Total Assets</i> | 5,392,867 |
| Liabilities | |
| <i>Current Liabilities</i> | |
| Accounts Payable | 137 |
| Accrued Wages Payable | 61,587 |
| Intergovernmental Payable | 173,817 |
| <i>Total Current Liabilities</i> | 235,541 |
| <i>Long-Term Liabilities</i> | |
| Compensated Absences Payable | 3,942 |
| <i>Total Liabilities</i> | 239,483 |
| Net Assets | |
| Invested in Capital Assets | 1,892,421 |
| Unrestricted | 3,260,963 |
| <i>Total Net Assets</i> | \$5,153,384 |

See accompanying notes to the basic financial statements

Orange City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2002*

| | Recreation |
|---|-------------|
| Operating Revenues | |
| Tuition and Fees | \$1,175,261 |
| Sales | 9,093 |
| Miscellaneous | 44,846 |
| <i>Total Operating Revenues</i> | 1,229,200 |
| Operating Expenses | |
| Salaries | 1,073,162 |
| Fringe Benefits | 164,387 |
| Purchased Services | 362,206 |
| Materials and Supplies | 105,573 |
| Cost of Sales | 3,168 |
| Depreciation | 66,824 |
| Other | 9,840 |
| <i>Total Operating Expenses</i> | 1,785,160 |
| <i>Operating Loss</i> | (555,960) |
| Non-Operating Revenues | |
| Interest | 53,226 |
| Property Taxes | 651,353 |
| Operating Grants | 151,672 |
| <i>Total Non-Operating Revenues</i> | 856,251 |
| <i>Change in Net Assets</i> | 300,291 |
| <i>Net Assets Beginning of Year - Restated (See Note 3)</i> | 4,853,093 |
| <i>Net Assets End of Year</i> | \$5,153,384 |

See accompanying notes to the basic financial statements

Orange City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Recreation</u> |
|---|---------------------------|
| <i>Increase (Decrease) in Cash and Cash Equivalents</i> | |
| Cash Flows from Operating Activities | |
| Cash Received from Customers | \$1,184,354 |
| Cash Received from Other Operating Revenues | 44,843 |
| Cash Payments to Suppliers for Goods and Services | (475,480) |
| Cash Payments to Employees for Services | (907,978) |
| Cash Payments for Employee Benefits | (267,753) |
| Cash Payments for Other Operating Expenses | <u>(9,840)</u> |
| <i>Net Cash Used for Operating Activities</i> | <u>(431,854)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Property Taxes | 650,296 |
| Operating Grants Received | <u>151,672</u> |
| <i>Net Cash Provided by Noncapital Financing Activities</i> | <u>801,968</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Payments for Capital Acquisitions | <u>(538,920)</u> |
| Cash Flows from Investing Activities | |
| Interest on Investments | <u>75,578</u> |
| <i>Net Decrease in Cash and Cash Equivalents</i> | (93,228) |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>2,877,212</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u><u>\$2,783,984</u></u> |

(continued)

Orange City School District
Statement of Cash Flows
Proprietary Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | <u>Recreation</u> |
|---|---------------------------|
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities | |
| <i>Operating Loss</i> | <u>(\$555,960)</u> |
| <i>Adjustments:</i> | |
| Depreciation | 66,824 |
| Increase in Materials and Supplies Inventory | (3,831) |
| Increase/(Decrease) in Liabilities: | |
| Accounts Payable | (405) |
| Accrued Wages and Benefits | 36,040 |
| Compensated Absences Payable | 140 |
| Intergovernmental Payable | <u>25,338</u> |
| <i>Total Adjustments</i> | <u>124,106</u> |
| <i>Net Cash Used for Operating Activities</i> | <u><u>(\$431,854)</u></u> |

See accompanying notes to the basic financial statements

Orange City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

| | Private-Purpose Trust | |
|--|--------------------------|-----------|
| | Scholarship | Agency |
| Assets | | |
| Equity Pooled in Cash and Cash Equivalents | \$75,079 | \$105,808 |
| Accrued Interest Receivable | 274 | 0 |
| <i>Total Assets</i> | 75,353 | \$105,808 |
| Liabilities | | |
| Undistributed Monies | 0 | \$31,616 |
| Due to Students | 0 | 74,192 |
| <i>Total Liabilities</i> | 0 | \$105,808 |
| Net Assets | | |
| Held in Trust | \$75,353 | |

See accompanying notes to the basic financial statements

Orange City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2002

| | Private-Purpose Trust |
|-------------------------------------|--------------------------|
| | Scholarship |
| Additions | |
| Interest | \$1,365 |
| Contributions and Donations | 2,000 |
| | 3,365 |
| <i>Total Additions</i> | <i>3,365</i> |
| Deductions | |
| Other | 3,000 |
| | 365 |
| <i>Change in Net Assets</i> | <i>365</i> |
| <i>Net Assets Beginning of Year</i> | <i>74,988</i> |
| <i>Net Assets End of Year</i> | <i>\$75,353</i> |

See accompanying notes to the basic financial statements

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 1 - Description of The School District

The Orange City School District (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 staffed by 163 classified employees, 225 certified teaching personnel, and 29 administrators/supervisors who provide services to 2,361 students and other community members.

The School District is located in Pepper Pike, Ohio, Cuyahoga County. The School District operates one elementary school (K-5), one middle school (6-8) and a high school (9-12).

Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Orange City School District, this includes general operations, food service, recreation and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. 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 their debt or the levying of their taxes. The School District has no component units.

The School District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Boards Association Workers' Compensation Group Rating Program, the Ohio School Plan and the Suburban Health Consortium. These organizations are discussed in Notes 17 and 18 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The most significant of the School District's accounting policies are described below.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type.

The statement of net assets presents the financial condition of the governmental and business-type activities of the 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. Fiduciary funds are reported by type.

B. 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 and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Bond Retirement Fund The bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, school improvement notes and general obligation bonds used for the construction of a new middle school and an addition to the intermediate school.

Building Improvement Fund The building improvement capital projects fund accounts for interest used for the acquisition, construction, or improvement of major capital facilities other than those financed by the proprietary fund.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

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

Enterprise Fund The 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 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 individuals living within the community.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust and agency funds. Trust funds are used to account for assets held by the 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 School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds are district agency, employee benefits, and student managed activities.

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary fund activities.

The trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education.

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

F. Cash and Cash Equivalents

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 cash equivalents" on the balance sheet.

During fiscal year 2002, investments were limited to federal national mortgage association notes, federal home loan mortgage company notes, federal home loan bank notes, federal farm credit bank notes, repurchase agreements and STAROhio, the State Treasurer's Investment Pool.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment

Orange City School District
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For the Fiscal Year Ended June 30, 2002

Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the building improvement capital projects fund during fiscal year 2002 amounted to \$262,745, of which \$211,336 was assigned from other funds.

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.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

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

I. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 20 for additional information regarding set asides.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activity column of the government-wide statement of net assets and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of two thousand dollars. 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.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

| Description | Governmental Activities Estimated Lives | Business-Type Activities Estimated Lives |
|-------------------|---|--|
| Land 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 |

K. Interfund Balances

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

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

M. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds, notes, arbitrage and capital leases are recognized as a liability on the fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

O. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are tuition for classes and sales. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The School District had no extraordinary or special items during 2002.

S. Estimates

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

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 3 - Change in Accounting Principle and Restatement of Fund Balances/Net Assets

Changes in Accounting Principles For fiscal year 2002, the School District has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures” and GASB Interpretation No. 6 “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statement No. 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

On the government-wide financial statements, the beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2001, caused by the reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting. The beginning net asset amount for the business-type activity was also affected by the reclassification of funds as well as adjustments for capital assets and compensated absences.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management’s Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

Restatement of Fund Balance It was determined that funds previously reported as enterprise funds should be reclassified and reported as special revenue funds. These restatements had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

| | General | Bond Retirement | Building Improvement | Nonmajor | Total |
|---|--------------------|--------------------|-------------------------|--------------------|---------------------|
| Fund Balances, June 30, 2001 | \$2,022,410 | \$1,251,227 | \$7,539,869 | \$1,272,741 | \$12,086,247 |
| Fund Reclassification | 19,001 | 0 | 0 | 56,591 | 75,592 |
| Adjusted Fund Balance, June 30, 2001 | <u>\$2,041,411</u> | <u>\$1,251,227</u> | <u>\$7,539,869</u> | <u>\$1,329,332</u> | 12,161,839 |
| GASB 34 Adjustments: | | | | | |
| Capital Assets | | | | | 38,761,209 |
| Long-Term Liabilities | | | | | |
| Compensated Absences Payable | | | | | (1,810,069) |
| Intergovernmental Payable | | | | | (231,690) |
| General Obligation Bonds Payable | | | | | (27,763,221) |
| Notes Payable | | | | | (6,250,000) |
| Accrued Interest Payable | | | | | (381,748) |
| Arbitrage Payable | | | | | (385,055) |
| Capital Leases Payable | | | | | (210,602) |
| Long-Term (Deferred) Assets | | | | | <u>2,993,885</u> |
| Governmental Activities Net Assets, June 30, 2001 | | | | | <u>\$16,884,548</u> |

At June 30, 2001, capital assets and compensated absences were understated in the Recreation fund. This restatement had the following effect on fund equity as it was previously reported:

| | Food Service | Uniform School Supplies | Recreation | Business Type Activities |
|------------------------------------|-----------------|-------------------------------|--------------------|--------------------------------|
| Fund Equity, June 30, 2001 | \$18,712 | \$40,845 | \$3,452,634 | \$3,512,191 |
| Fund Reclassification | (18,712) | (40,845) | 0 | (59,557) |
| Compensated Absences | 0 | 0 | (3,639) | (3,639) |
| Capital Asset Adjustment | 0 | 0 | 1,404,098 | 1,404,098 |
| Adjusted Net Assets, June 30, 2001 | <u>\$0</u> | <u>\$0</u> | <u>\$4,853,093</u> | <u>\$4,853,093</u> |

Note 4 – Accountability and Compliance

A. Fund Deficits

The learn and serve special revenue fund had a deficit fund balance of \$54 at June 30, 2002. The deficit balance resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

B. Accountability

As of January 31, 2002, the drug free school grant special revenue fund had a negative cash fund balance of \$743, contrary to Ohio Revised Code Section 5705.10. This negative cash fund balance was corrected as of June 30, 2002.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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 | |
|---|---------------------------|
| GAAP Basis | \$10,731,105 |
| Net Adjustment for Revenue Accruals | (4,671,714) |
| Advances In | 87,970 |
| Net Adjustment for Expenditure Accruals | 23,814 |
| Advances Out | (1,000) |
| Adjustment for Encumbrances | <u>(458,705)</u> |
| Budget Basis | <u><u>\$5,711,470</u></u> |

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.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

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

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

Interim monies 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;
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 (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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.

Cash on Hand At year end, the School District had \$4,150 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$10,812,040 and the bank balance was \$11,983,788. Of the bank balance:

1. \$504,885 of the bank balance was covered by depository insurance; and
2. \$900,000 was collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.
3. \$10,578,903 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

| | Category 3 | Fair Value |
|---|---------------|---------------|
| Federal National Mortgage Association Notes | \$995,287 | \$995,287 |
| Federal Home Loan Mortgage Company Notes | 1,518,154 | 1,518,154 |
| Federal Home Loan Bank Notes | 500,000 | 500,000 |
| Federal Farm Credit Bank Notes | 504,293 | 504,293 |
| Repurchase Agreements | 686,785 | 686,785 |
| STAROhio | 0 | 2,403,753 |
| Total Investments | \$4,204,519 | \$6,608,272 |

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

A reconciliation between the classifications of cash and investments on the financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

| | Cash and Cash Equivalents | Investments |
|--|------------------------------|-------------|
| GASB Statement No. 9 | \$17,424,442 | \$0 |
| Cash on Hand | (4,150) | 0 |
| Investments which are part of the Cash Management Pool: | | |
| Federal National Mortgage Association Notes | (995,287) | 995,287 |
| Federal Home Loan Mortgage Company Notes | (1,518,154) | 1,518,154 |
| Federal Home Loan Bank Notes | (500,000) | 500,000 |
| Federal Farm Credit Bank Notes | (504,293) | 504,293 |
| Repurchase Agreements | (686,765) | 686,765 |
| STAROhio | (2,403,753) | 2,403,753 |
| GASB Statement No. 3 | \$10,812,040 | \$6,608,252 |

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, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of the prior January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The assessed values upon which the fiscal year 2002 taxes were collected are:

| | 2001 Second- Half Collections | | 2002 First- Half Collections | |
|---|----------------------------------|----------------|---------------------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$806,821,810 | 93.49% | \$827,980,640 | 94.15% |
| Public Utility Property | 18,440,740 | 2.14 | 8,213,920 | 0.93 |
| Tangible Personal Property | 37,696,353 | 4.37 | 43,236,393 | 4.92 |
| Total | \$862,958,903 | 100.00% | \$879,430,953 | 100.00% |
| Tax rate per \$1,000 of assessed valuation | \$81.10 | | \$81.10 | |

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2002 tangible personal property tax settlement was not received until July of 2002.

The School District receives property taxes from Cuyahoga County. The County Auditor 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, 2002, are available to finance fiscal year 2002 or 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance for governmental funds at June 30, 2002, was \$5,865,162 and is recognized as revenue. \$5,399,825 was available to the general fund and \$465,337 was available to the bond retirement debt service fund. The amount available as an advance at June 30, 2001 was \$995,278. \$916,315 was available to the general fund and \$78,963 was available to the bond retirement fund. The increase was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June than in past years. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 8 - Receivables

Receivables at June 30, 2002, consisted of taxes, accounts (rent and student fees), interfund, accrued interest and intergovernmental grants. 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 are expected to be collected within one year.

Intergovernmental receivables are as follows:

| | Amount |
|--------------------------------|-------------|
| Governmental Activities | |
| Tuition | \$2,001,775 |
| Title VI-B Grant | 56,496 |
| Title VI Grant | 10,377 |
| Drug Free Schools Grant | 5,133 |
| Title VI-R Grant | 4,178 |
| Eisenhower Grant | 2,881 |
| Title I Grant | 33 |
| Total | \$2,080,873 |

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

| | Balance 6/30/01 | Additions | Deductions | Balance 6/30/02 |
|---|--------------------|---------------|--------------|--------------------|
| Governmental Activities | | | | |
| <i>Capital Assets, not being depreciated:</i> | | | | |
| Land | \$6,370,150 | \$0 | \$0 | \$6,370,150 |
| Construction in Progress | 29,664,728 | 5,942,534 | 35,607,262 | 0 |
| <i>Total Capital Assets, not being Depreciated</i> | 36,034,878 | 5,942,534 | 35,607,262 | 6,370,150 |
| <i>Capital Assets, being Depreciated</i> | | | | |
| Land Improvements | 1,133,668 | 6,553,807 | 0 | 7,687,475 |
| Buildings | 8,565,707 | 29,053,455 | 0 | 37,619,162 |
| Equipment | 2,026,430 | 493,863 | 0 | 2,520,293 |
| Vehicles | 2,664,838 | 273,839 | (121,349) | 2,817,328 |
| <i>Total Capital Assets, being Depreciated</i> | 14,390,643 | 36,374,964 | (121,349) | 50,644,258 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Land Improvements | (1,021,335) | (305,968) | 0 | (1,327,303) |
| Buildings | (7,543,343) | (829,717) | 0 | (8,373,060) |
| Equipment | (1,272,572) | (256,082) | 0 | (1,528,654) |
| Vehicles | (1,827,062) | (146,546) | 121,349 | (1,852,259) |
| <i>Total Accumulated Depreciation</i> | (11,664,312) | (1,538,313) * | 121,349 | (13,081,276) |
| <i>Total Capital Assets, being Depreciated, net</i> | 2,726,331 | 34,836,651 | 0 | 37,562,982 |
| <i>Governmental Activities Capital Assets, Net</i> | \$38,761,209 | \$40,779,185 | \$35,607,262 | \$43,933,132 |

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

| | Balance 6/30/01 | Additions | Deductions | Balance 6/30/02 |
|---|--------------------|------------------|------------|--------------------|
| Business-Type Activities | | | | |
| <i>Capital Assets, being Depreciated</i> | | | | |
| Land Improvements | \$115,596 | \$0 | \$0 | \$115,596 |
| Buildings | 1,988,305 | 464,873 | 0 | 2,453,178 |
| Equipment | 115,878 | 23,900 | 0 | 139,778 |
| Vehicles | 0 | 50,147 | 0 | 50,147 |
| <i>Total Capital Assets, being Depreciated</i> | <u>2,219,779</u> | <u>538,920</u> | <u>0</u> | <u>2,758,699</u> |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (96,779) | (1,671) | 0 | (98,450) |
| Buildings | (598,796) | (56,709) | 0 | (655,505) |
| Equipment | (103,879) | (5,937) | 0 | (109,816) |
| Vehicles | 0 | (2,507) | 0 | (2,507) |
| <i>Total Accumulated Depreciation</i> | <u>(799,454)</u> | <u>(66,824)</u> | <u>0</u> | <u>(866,278)</u> |
| <i>Business-Type Activities Capital Assets, Net</i> | <u>\$1,420,325</u> | <u>\$472,096</u> | <u>\$0</u> | <u>\$1,892,421</u> |

* Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------|--------------------|
| Instruction: | |
| Regular | \$547,587 |
| Special | 125,845 |
| Vocational | 21,939 |
| Support Services: | |
| Pupils | 54,826 |
| Instructional Staff | 128,238 |
| Administration | 97,646 |
| Operation and Maintenance of Plant | 199,779 |
| Pupil Transportation | 148,659 |
| Central | 82,237 |
| Food Service Operations | 43,501 |
| Extracurricular | 88,056 |
| Total | <u>\$1,538,313</u> |

Note 10 - Interfund Transfers

Transfers made during fiscal year 2002 were \$400,000 to the permanent improvements capital projects fund and \$90,000 to the district managed activity and \$25,000 to the food service special revenue funds from the general fund. These transfers are made to move unrestricted balances to support programs and projects accounted for in other funds.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 11 - Risk Management

A. 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 2002, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP (Note 18). Coverages provided through the Ohio School Plan are as follows:

| | |
|--|--------------|
| Nationwide Insurance: | |
| Building and Contents - Replacement Cost | \$58,476,900 |
| Hartford Insurance: | |
| Automobile Liability | 1,000,000 |
| General Liability: | |
| Per Occurance | 1,000,000 |
| Total per Year | 3,000,000 |
| Employer's Liability | 1,000,000 |

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

B. Workers' Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. Employee Health Benefits

The School District participates in the Suburban Health Consortium, a shared risk pool (Note 18) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The School District's Board of Education pays the entire cost of a monthly premium.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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 until all expenses and claims have been settled.

Note 12 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn twelve to twenty-two days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators employed to work 210 through 227 days per year receive 22 days of vacation annually. Classified employees and administrators who receive vacation are not paid for accumulated unused vacation time upon termination of employment. All employees earn sick leave at the rate of one and one-fourth days per month. There is no limit as to the amount of sick leave that may be accumulated, except classified employees are limited to 270 days. Upon retirement, employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 270 days for classified and up to 320 days for administrators and certified employees.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company sponsored by Medical Mutual of Ohio, in the amount of \$100,000 for all certified and union exempt employees, \$200,000 for all administrators, the treasurer and the superintendent, \$50,000 for all bus drivers and hourly employees and \$50,000 for non-certified support staff employees. Non-union classified employees receive insurance that is double their salary, not to exceed \$100,000.

Note 13- Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

fiscal years ended June 30, 2002, 2001 and 2000 were \$371,036 \$260,448 and \$328,845 respectively; 55.15 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$166,425 represents the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,467,600, \$1,407,593 and \$870,981, respectively; 87.12 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$189,090 represents the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

Note 14 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependants are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$695,179 during the 2002 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1,

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$670,323.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS had approximately 50,000 participants currently receiving health care benefits.

Note 15 - Long - Term Obligations

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

| | Principal Outstanding 6/30/01 | Additions | Deletions | Principal Outstanding 6/30/02 | Amounts Due in One Year |
|--------------------------------|-------------------------------------|--------------------|----------------------|-------------------------------------|-------------------------------|
| Governmental Activities | | | | | |
| 1999 General Obligation Bonds | | | | | |
| \$29,500,000 3.30 - 5.10% | \$27,763,221 | \$0 | (\$920,000) | \$26,843,221 | \$955,000 |
| Notes Payable | 6,250,000 | 5,750,000 | (6,250,000) | 5,750,000 | 5,750,000 |
| Compensated Absences | 1,810,069 | 1,220,071 | 0 | 3,030,140 | 0 |
| Capital Leases | 210,602 | 0 | (73,277) | 137,325 | 77,508 |
| Arbitrage | 385,055 | 0 | 0 | 385,055 | 0 |
| Total Governmental Activities | | | | | |
| Long-Term Obligations | <u>36,418,947</u> | <u>6,970,071</u> | <u>(7,243,277)</u> | <u>36,145,741</u> | <u>6,782,508</u> |
| Business-Type Activity | | | | | |
| Compensated Absences | <u>3,639</u> | <u>303</u> | <u>0</u> | <u>3,942</u> | <u>0</u> |
| Total Long-Term Obligations | <u>\$36,422,586</u> | <u>\$6,970,374</u> | <u>(\$7,243,277)</u> | <u>\$36,149,683</u> | <u>\$6,782,508</u> |

The general obligation bonds will be paid with property tax revenue from the debt service fund. Compensated absences will be paid from the general fund, food service, auxiliary services, educational management information systems and Title I special revenue funds, and the recreation enterprise fund. Capital lease obligations were paid from the general and building improvement funds because they utilize the assets.

The \$6,250,000 school improvement note issued at 4.60 percent and outstanding at June 30, 2001 was rolled over into the \$5,750,000 school improvement 2.89 percent note. This note is backed by the full faith and credit of the Orange City School District.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

If debt proceeds are retained by the School District beyond the scheduled deadlines, the School District is required to pay the federal government a portion of the interest earnings. For the 1999 general obligation bonds, the School District has not met the expenditure deadlines. The arbitrage liability is an estimate as of June 30, 2002, with respect to the bonds. The due date of the first rebate payment with respect to the bonds is July 19, 2004. The accrued liability will increase or decrease depending on whether remaining bond proceeds are invested at a yield that is higher or lower than the bond yield.

The School District's overall debt margin was \$48,199,905 with an unvoted debt margin of \$879,431 at June 30, 2002. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2002 are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|------------------------|---------------------|---------------------|---------------------|
| 2003 | \$955,000 | \$1,222,538 | \$2,177,538 |
| 2004 | 995,000 | 1,184,990 | 2,179,990 |
| 2005 | 1,030,000 | 1,144,988 | 2,174,988 |
| 2006 | 610,000 | 1,111,883 | 1,721,883 |
| 2007 | 685,000 | 1,084,993 | 1,769,993 |
| 2008-2012 | 4,495,000 | 4,898,514 | 9,393,514 |
| 2013-2017 | 788,221 | 5,995,154 | 6,783,375 |
| 2018-2022 | 7,425,000 | 2,632,875 | 10,057,875 |
| 2023-2024 | 9,860,000 | 568,016 | 10,428,016 |
| Total | <u>\$26,843,221</u> | <u>\$19,843,951</u> | <u>\$46,687,172</u> |

Note 16 - Capitalized Leases

The School District entered into capitalized leases for a phone system and a backhoe. Both leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$227,904. Accumulated depreciation as of June 30, 2002 was \$20,140, leaving a current book value of \$207,764.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2002.

| Year | |
|---|------------------|
| 2003 | \$83,254 |
| 2004 | 61,204 |
| Total Minimum Lease Payments | 144,458 |
| Less: Amount Representing Interest | (7,133) |
| Present Value of minimum lease payments | <u>\$137,325</u> |

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 17 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among eleven School Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LNOCA based on a per pupil charge. Orange City School District contributed \$50,763 to LNOCA during fiscal year 2002. LNOCA is governed by a Board of Directors consisting of a superintendent or designated representative from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Board of Education, who serves as the fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$1,259 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 18 – Public Entity Risk Pools

A. Insurance Purchasing Pools

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

B. Risk Sharing Pool

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

Note 19 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

B. Litigation

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

Note 20 - 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 the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain workers' compensation refunds continue to be a set-aside.

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

| | <u>Textbooks</u> | <u>Capital Improvements</u> | <u>Budget Stabilization</u> |
|---|--------------------|---------------------------------|---------------------------------|
| Set-Aside Reserve Balance as of June 30, 2001 | \$50,594 | \$0 | \$162,370 |
| Current Year Set-Aside Requirement | 166,221 | 166,221 | 0 |
| Qualifying Disbursements | <u>(451,491)</u> | <u>(10,717,099)</u> | <u>0</u> |
| Totals | <u>(\$234,676)</u> | <u>(\$10,550,878)</u> | <u>\$162,370</u> |
| Set-Aside Balances Carried Forward to Future Fiscal Years | <u>(\$234,676)</u> | <u>\$0</u> | <u>\$162,370</u> |
| Set-Aside Reserve Balance as of June 30, 2002 | <u>\$0</u> | <u>\$0</u> | <u>\$162,370</u> |

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

Note 21 - Internal Balances

On the fund financial statements the general fund reported an interfund receivable at June 30, 2002 of \$1,000. The Title VI special revenue fund had an interfund payable of the same amount. This loan was necessitated due to the timing of receiving the federal grant funds.

On the fund financial statements the general fund reported an interfund receivable at June 30, 2002 of \$252. The memorial special revenue fund had an interfund payable of the same amount. This loan was necessitated due to the timing of receiving donations.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 22 - Contractual Commitments

As of June 30, 2002, the School District had the following contractual purchase commitments outstanding:

| Contractor | Purpose | Amount |
|---------------------------------|---|-----------|
| Key Municipal Finance | Voice/Video/Data Equipment | \$120,162 |
| Fujitsu Business Communications | Voice/Video/Data Equipment | 78,538 |
| Albert M. Higley Company | Construction Manager Fees | 43,365 |
| Smith and Oby Company | Orange High School Renovations | 32,206 |
| Basic Computer Learning | Computer Equipment and Installation | 27,652 |
| Metro Window and Glass Company | Completion of School Renovation | 26,684 |
| Corporate Floors | Completion of School Renovation | 24,740 |
| Corportate Express | Furniture, Fixtures, and Equipment | 20,954 |
| Martin Enterprises, Inc. | Moreland Hills School Renovations | 20,830 |
| Fanning Howey Associates | Architect Fees | 18,468 |
| Esber Cash Register | Cafeteria Terminal System | 16,405 |
| McDevitt Mechanical Contractors | Brady Middle School Renovations | 15,820 |
| Illuminating Company | Installation of Electrical Transformer | 15,075 |
| S.S. Kemp | Brady Middle School Renovations | 14,604 |
| Maintenance Unlimited, Inc. | Orange High School Addition | 13,101 |
| Central Business Group | Storage Units for Moreland Hills School | 11,000 |
| | | \$499,604 |

Note 23 - State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision 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..."

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Orange City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 24 - Subsequent Event

On July 18, 2002, the School District issued school improvement notes in the amount of \$5,150,000, at a rate of 1.95 percent, with a maturity date of July 17, 2003 and retired school improvement notes in the amount of \$5,750,000.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Miscellaneous Grants Fund - These funds account for local monies received for the training and purchasing of materials to help with students who have special needs in the third and fourth grades.

District Managed Activity Fund - This fund accounts for 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 funds which provide services and materials to pupils attending non-public schools within the School District.

Local Professional Development Block Grant Fund - This fund accounts for monies received to promote community involvement and to support activities between the school and the community.

Children's Trust Fund – This fund accounts for monies used for a child abuse prevention grant.

Educational Management Information Systems Fund - This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

OneNet Connect Subsidy Fund – This fund accounts for monies used for computer connectivity.

SchoolNet Professional Development Fund - This fund accounts for State monies received for computer training for teachers in the School District.

Interactive Video Distance Learning Fund - This fund accounts for State monies received for learning and technology services.

Ohio Reads Fund – This fund accounts for State monies received for improving reading skills.

Reggio Jennings Fund - This fund accounts for State monies received for the enhancement of classroom settings by funding the purchase of various supplies.

Eisenhower Grant Fund - This fund accounts for federal monies strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B Fund - This fund accounts for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Title I Fund - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Grant Fund - This fund accounts for federal revenues which support the implementation of programs for drug abuse education and prevention.

Preschool Disability Fund - This fund accounts for monies received for the improvement and expansion of services for handicapped children ages three through five years.

Title VI-R Fund – This fund is used to account for grant monies used for the hiring of additional teachers.

Learn and Serve Fund – This fund is used to account for grant monies used for promoting higher education and community service.

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Memorial Fund - This fund accounts for monies to be used for the purchase of library books or other materials for the School District.

Nonmajor Capital Projects Funds

The Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Improvements Fund - This fund accounts for all transactions related to the acquiring, constructing, or improving of various permanent improvements.

SchoolNet Plus Fund - This fund accounts for State monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Telecommunity Fund - This fund accounts for donations and grant monies used for consultation and teacher reimbursement for secondary education development using telecommunication.

Orange City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$487,662 | \$1,221,229 | \$1,708,891 |
| Accrued Interest Receivable | 437 | 4,442 | 4,879 |
| Intergovernmental Receivable | 79,098 | 0 | 79,098 |
| Inventory Held for Resale | 34,313 | 0 | 34,313 |
| Materials and Supplies Inventory | 1,087 | 0 | 1,087 |
| <i>Total Assets</i> | <u>\$602,597</u> | <u>\$1,225,671</u> | <u>\$1,828,268</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable | \$12,643 | \$0 | \$12,643 |
| Accrued Wages and Benefits | 41,846 | 0 | 41,846 |
| Interfund Payable | 1,252 | 0 | 1,252 |
| Intergovernmental Payable | 11,320 | 0 | 11,320 |
| Deferred Revenue | 18,217 | 0 | 18,217 |
| Undistributed Monies | 5,487 | 0 | 5,487 |
| <i>Total Liabilities</i> | <u>90,765</u> | <u>0</u> | <u>90,765</u> |
| Fund Balances | | | |
| Reserved for Encumbrances | 751 | 0 | 751 |
| Unreserved, Undesignated, Reported in: | | | |
| Special Revenue Funds | 511,081 | 0 | 511,081 |
| Capital Projects Funds | 0 | 1,225,671 | 1,225,671 |
| <i>Total Fund Balances</i> | <u>511,832</u> | <u>1,225,671</u> | <u>1,737,503</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$602,597</u> | <u>\$1,225,671</u> | <u>\$1,828,268</u> |

Orange City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2002

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| Revenues | | | |
| Intergovernmental | \$712,695 | \$0 | \$712,695 |
| Interest | 3,500 | 20,334 | 23,834 |
| Extracurricular Activities | 186,142 | 0 | 186,142 |
| Charges for Services | 486,089 | 0 | 486,089 |
| Miscellaneous | 18,997 | 0 | 18,997 |
| <i>Total Revenues</i> | <u>1,407,423</u> | <u>20,334</u> | <u>1,427,757</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 170,626 | 0 | 170,626 |
| Special | 148,819 | 0 | 148,819 |
| Vocational | 1,171 | 0 | 1,171 |
| Support Services: | | | |
| Pupils | 92,681 | 0 | 92,681 |
| Instructional Staff | 30,225 | 0 | 30,225 |
| Administration | 8,921 | 0 | 8,921 |
| Operation and Maintenance of Plant | 2,286 | 0 | 2,286 |
| Central | 8,417 | 0 | 8,417 |
| Operation of Non-Instructional Services | 241,005 | 0 | 241,005 |
| Food Service Operations | 395,688 | 0 | 395,688 |
| Extracurricular Activities | 292,434 | 0 | 292,434 |
| Capital Outlay | 0 | 142,313 | 142,313 |
| <i>Total Expenditures</i> | <u>1,392,273</u> | <u>142,313</u> | <u>1,534,586</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 15,150 | (121,979) | (106,829) |
| Other Financing Sources | | | |
| Transfers In | 115,000 | 400,000 | 515,000 |
| <i>Net Change in Fund Balances</i> | 130,150 | 278,021 | 408,171 |
| <i>Fund Balances Beginning of Year</i> | <u>381,682</u> | <u>947,650</u> | <u>1,329,332</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$511,832</u></u> | <u><u>\$1,225,671</u></u> | <u><u>\$1,737,503</u></u> |

Orange City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

| | Public School Support | Miscellaneous Grants | District Managed Activity | Auxiliary Services |
|---|-----------------------------|-------------------------|---------------------------------|-----------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$30,836 | \$106,081 | \$30,238 | \$57,063 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 0 | 0 | 0 | 0 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$30,836</u> | <u>\$106,081</u> | <u>\$30,238</u> | <u>\$57,063</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$55 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 24,131 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 0 | 0 | 257 | 3,711 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Undistributed Monies | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>55</u> | <u>0</u> | <u>257</u> | <u>27,842</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated (Deficit) | 30,781 | 106,081 | 29,981 | 29,221 |
| <i>Total Fund Balances (Deficit)</i> | <u>30,781</u> | <u>106,081</u> | <u>29,981</u> | <u>29,221</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$30,836</u> | <u>\$106,081</u> | <u>\$30,238</u> | <u>\$57,063</u> |

| Local Professional Development Block Grant | Children's Trust | Educational Management Information Systems | OneNet Connect Subsidy | SchoolNet Professional Development | Interactive Video Distance Learning | Reggio Jennings |
|--|------------------|--|------------------------|------------------------------------|-------------------------------------|-----------------|
| \$3,680 | \$275 | \$9,992 | \$14,000 | \$7,187 | \$1,200 | \$9,812 |
| 0 | 0 | 0 | 0 | 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>\$3,680</u> | <u>\$275</u> | <u>\$9,992</u> | <u>\$14,000</u> | <u>\$7,187</u> | <u>\$1,200</u> | <u>\$9,812</u> |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 118 | 0 | 124 | 0 | 57 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>118</u> | <u>0</u> | <u>124</u> | <u>0</u> | <u>57</u> | <u>0</u> | <u>0</u> |
| 0 | 275 | 0 | 0 | 0 | 0 | 0 |
| 3,562 | 0 | 9,868 | 14,000 | 7,130 | 1,200 | 9,812 |
| <u>3,562</u> | <u>275</u> | <u>9,868</u> | <u>14,000</u> | <u>7,130</u> | <u>1,200</u> | <u>9,812</u> |
| <u>\$3,680</u> | <u>\$275</u> | <u>\$9,992</u> | <u>\$14,000</u> | <u>\$7,187</u> | <u>\$1,200</u> | <u>\$9,812</u> |

(continued)

Orange City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2002

| | Eisenhower Grant | Title VI-B | Title I | Title VI | Drug Free Schools Grant |
|--|---------------------|-----------------|-----------------|-----------------|-------------------------------|
| Assets | | | | | |
| Equity in Pooled Cash and | | | | | |
| Cash Equivalents | \$14,306 | \$4,377 | \$24,469 | \$5,460 | \$3,576 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 2,881 | 56,496 | 33 | 10,377 | 5,133 |
| Inventory Held for Resale | 0 | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$17,187</u> | <u>\$60,873</u> | <u>\$24,502</u> | <u>\$15,837</u> | <u>\$8,709</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$0 | \$12,588 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 17,127 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 1,000 | 0 |
| Intergovernmental Payable | 0 | 332 | 2,799 | 1 | 0 |
| Deferred Revenue | 2,881 | 0 | 33 | 5,992 | 5,133 |
| Undistributed Monies | 0 | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>2,881</u> | <u>12,920</u> | <u>19,959</u> | <u>6,993</u> | <u>5,133</u> |
| Fund Balances | | | | | |
| Reserved for Encumbrances | 0 | 0 | 0 | 476 | 0 |
| Unreserved, Undesignated (Deficit) | 14,306 | 47,953 | 4,543 | 8,368 | 3,576 |
| <i>Total Fund Balances (Deficit)</i> | <u>14,306</u> | <u>47,953</u> | <u>4,543</u> | <u>8,844</u> | <u>3,576</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$17,187</u> | <u>\$60,873</u> | <u>\$24,502</u> | <u>\$15,837</u> | <u>\$8,709</u> |

| <u>Preschool Disability</u> | <u>Title VI-R</u> | <u>Learn and Serve</u> | <u>Food Service</u> | <u>Uniform School Supplies</u> | <u>Memorial</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---------------------------------|-------------------|----------------------------|-------------------------|--|-----------------|---|
| \$4,567 | \$9,101 | \$2 | \$81,800 | \$31,476 | \$38,164 | \$487,662 |
| 0 | 0 | 0 | 298 | 0 | 139 | 437 |
| 0 | 4,178 | 0 | 0 | 0 | 0 | 79,098 |
| 0 | 0 | 0 | 7,011 | 27,302 | 0 | 34,313 |
| 0 | 0 | 0 | 1,087 | 0 | 0 | 1,087 |
| <u>\$4,567</u> | <u>\$13,279</u> | <u>\$2</u> | <u>\$90,196</u> | <u>\$58,778</u> | <u>\$38,303</u> | <u>\$602,597</u> |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,643 |
| 0 | 588 | 0 | 0 | 0 | 0 | 41,846 |
| 0 | 0 | 0 | 0 | 0 | 252 | 1,252 |
| 0 | 624 | 56 | 3,241 | 0 | 0 | 11,320 |
| 0 | 4,178 | 0 | 0 | 0 | 0 | 18,217 |
| 0 | 0 | 0 | 0 | 0 | 5,487 | 5,487 |
| 0 | 5,390 | 56 | 3,241 | 0 | 5,739 | 90,765 |
| 0 | 0 | 0 | 0 | 0 | 0 | 751 |
| 4,567 | 7,889 | (54) | 86,955 | 58,778 | 32,564 | 511,081 |
| 4,567 | 7,889 | (54) | 86,955 | 58,778 | 32,564 | 511,832 |
| <u>\$4,567</u> | <u>\$13,279</u> | <u>\$2</u> | <u>\$90,196</u> | <u>\$58,778</u> | <u>\$38,303</u> | <u>\$602,597</u> |

Orange City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

| | Public School Support | Miscellaneous Grants | District Managed Activity | Auxiliary Services | Local Professional Development Block Grant |
|---|-----------------------------|-------------------------|---------------------------------|-----------------------|---|
| Revenues | | | | | |
| Intergovernmental | \$0 | \$19,164 | \$0 | \$264,843 | \$0 |
| Interest | 0 | 0 | 0 | 1,050 | 0 |
| Extracurricular Activities | 120,818 | 0 | 65,324 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 16,985 | 0 | 0 |
| <i>Total Revenues</i> | <u>120,818</u> | <u>19,164</u> | <u>82,309</u> | <u>265,893</u> | <u>0</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 0 | 49,910 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 | 0 |
| Vocational | 0 | 1,171 | 0 | 0 | 0 |
| Support Services: | | | | | |
| Pupils | 0 | 207 | 0 | 0 | 0 |
| Instructional Staff | 0 | 1,883 | 0 | 0 | 12,635 |
| Administration | 0 | 312 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services | 0 | 0 | 0 | 239,825 | 0 |
| Food Service Operations | 0 | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 120,529 | 2,444 | 169,461 | 0 | 0 |
| <i>Total Expenditures</i> | <u>120,529</u> | <u>55,927</u> | <u>169,461</u> | <u>239,825</u> | <u>12,635</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 289 | (36,763) | (87,152) | 26,068 | (12,635) |
| Other Financing Sources | | | | | |
| Transfers In | 0 | 0 | 90,000 | 0 | 0 |
| <i>Net Change in Fund Balances</i> | 289 | (36,763) | 2,848 | 26,068 | (12,635) |
| <i>Fund Balances Beginning of Year</i> | <u>30,492</u> | <u>142,844</u> | <u>27,133</u> | <u>3,153</u> | <u>16,197</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$30,781</u> | <u>\$106,081</u> | <u>\$29,981</u> | <u>\$29,221</u> | <u>\$3,562</u> |

| Children's Trust | Educational Management Information Systems | OneNet Connect Subsidy | SchoolNet Professional Development | Interactive Video Distance Learning | Ohio Reads | Reggio Jennings |
|------------------|--|------------------------|------------------------------------|-------------------------------------|------------|-----------------|
| \$0 | \$8,627 | \$14,000 | \$7,592 | \$1,200 | \$0 | \$10,536 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 8,627 | 14,000 | 7,592 | 1,200 | 0 | 10,536 |
| 0 | 0 | 0 | 4,245 | 0 | 0 | 2,998 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 5 | 0 |
| 0 | 0 | 0 | 48 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,286 |
| 0 | 7,944 | 0 | 473 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 7,944 | 0 | 4,766 | 0 | 5 | 5,284 |
| 0 | 683 | 14,000 | 2,826 | 1,200 | (5) | 5,252 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 683 | 14,000 | 2,826 | 1,200 | (5) | 5,252 |
| 275 | 9,185 | 0 | 4,304 | 0 | 5 | 4,560 |
| \$275 | \$9,868 | \$14,000 | \$7,130 | \$1,200 | \$0 | \$9,812 |

(continued)

Orange City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

| | Eisenhower Grant | Title VI-B | Title I | Title VI | Drug Free Schools Grant |
|---|---------------------|-----------------|----------------|----------------|-------------------------------|
| Revenues | | | | | |
| Intergovernmental | \$7,498 | \$141,240 | \$100,319 | \$18,907 | \$10,695 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>7,498</u> | <u>141,240</u> | <u>100,319</u> | <u>18,907</u> | <u>10,695</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 0 | 0 | 0 | 0 | 10,844 |
| Special | 0 | 26,935 | 95,786 | 19,193 | 0 |
| Vocational | 0 | 0 | 0 | 0 | 0 |
| Support Services: | | | | | |
| Pupils | 0 | 85,745 | 0 | 0 | 0 |
| Instructional Staff | 6,413 | 4,022 | 0 | 0 | 0 |
| Administration | 0 | 8,553 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services | 366 | 0 | 0 | 429 | 385 |
| Food Service Operations | 0 | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>6,779</u> | <u>125,255</u> | <u>95,786</u> | <u>19,622</u> | <u>11,229</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 719 | 15,985 | 4,533 | (715) | (534) |
| Other Financing Sources | | | | | |
| Transfers In | 0 | 0 | 0 | 0 | 0 |
| <i>Net Change in Fund Balances</i> | 719 | 15,985 | 4,533 | (715) | (534) |
| <i>Fund Balances Beginning of Year</i> | <u>13,587</u> | <u>31,968</u> | <u>10</u> | <u>9,559</u> | <u>4,110</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$14,306</u> | <u>\$47,953</u> | <u>\$4,543</u> | <u>\$8,844</u> | <u>\$3,576</u> |

| Preschool Disability | Title VI-R | Learn and Serve | Food Service | Uniform School Supplies | Memorial | Total Nonmajor Special Revenue Funds |
|-------------------------|----------------|--------------------|-----------------|-------------------------------|-----------------|---|
| \$15,775 | \$28,585 | \$9,000 | \$54,714 | \$0 | \$0 | \$712,695 |
| 0 | 0 | 0 | 1,942 | 0 | 508 | 3,500 |
| 0 | 0 | 0 | 0 | 0 | 0 | 186,142 |
| 0 | 0 | 0 | 399,190 | 86,899 | 0 | 486,089 |
| 0 | 0 | 0 | 0 | 0 | 2,012 | 18,997 |
| <u>15,775</u> | <u>28,585</u> | <u>9,000</u> | <u>455,846</u> | <u>86,899</u> | <u>2,520</u> | <u>1,407,423</u> |
| 0 | 19,484 | 14,179 | 0 | 68,966 | 0 | 170,626 |
| 6,905 | 0 | 0 | 0 | 0 | 0 | 148,819 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,171 |
| 6,724 | 0 | 0 | 0 | 0 | 0 | 92,681 |
| 1,106 | 1,212 | 0 | 0 | 0 | 2,906 | 30,225 |
| 0 | 0 | 56 | 0 | 0 | 0 | 8,921 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,286 |
| 0 | 0 | 0 | 0 | 0 | 0 | 8,417 |
| 0 | 0 | 0 | 0 | 0 | 0 | 241,005 |
| 0 | 0 | 0 | 395,688 | 0 | 0 | 395,688 |
| 0 | 0 | 0 | 0 | 0 | 0 | 292,434 |
| <u>14,735</u> | <u>20,696</u> | <u>14,235</u> | <u>395,688</u> | <u>68,966</u> | <u>2,906</u> | <u>1,392,273</u> |
| 1,040 | 7,889 | (5,235) | 60,158 | 17,933 | (386) | 15,150 |
| 0 | 0 | 0 | 25,000 | 0 | 0 | 115,000 |
| 1,040 | 7,889 | (5,235) | 85,158 | 17,933 | (386) | 130,150 |
| 3,527 | 0 | 5,181 | 1,797 | 40,845 | 32,950 | 381,682 |
| <u>\$4,567</u> | <u>\$7,889</u> | <u>(\$54)</u> | <u>\$86,955</u> | <u>\$58,778</u> | <u>\$32,564</u> | <u>\$511,832</u> |

Orange City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2002

| | <u>Permanent Improvements</u> | <u>Telecommunity</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|-----------------------------------|-----------------------|--|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,219,037 | \$2,192 | \$1,221,229 |
| Accrued Interest Receivable | <u>4,442</u> | <u>0</u> | <u>4,442</u> |
| <i>Total Assets</i> | <u><u>\$1,223,479</u></u> | <u><u>\$2,192</u></u> | <u><u>\$1,225,671</u></u> |
| Liabilities and Fund Balances | | | |
| Liabilities | \$0 | \$0 | \$0 |
| Fund Balances | | | |
| Unreserved, Undesignated | <u>1,223,479</u> | <u>2,192</u> | <u>1,225,671</u> |
| <i>Total Liabilities and Fund Balances</i> | <u><u>\$1,223,479</u></u> | <u><u>\$2,192</u></u> | <u><u>\$1,225,671</u></u> |

Orange City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

| | <u>Permanent Improvements</u> | <u>SchoolNet Plus</u> | <u>Telecommunity</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|-----------------------------------|---------------------------|----------------------|--|
| Revenues | | | | |
| Interest | \$20,334 | \$0 | \$0 | \$20,334 |
| Expenditures | | | | |
| Capital Outlay | 128,942 | 9,999 | 3,372 | 142,313 |
| <i>Excess of Revenues Under Expenditures</i> | (108,608) | (9,999) | (3,372) | (121,979) |
| Other Financing Sources | | | | |
| Transfers In | 400,000 | 0 | 0 | 400,000 |
| <i>Net Change in Fund Balances</i> | 291,392 | (9,999) | (3,372) | 278,021 |
| <i>Fund Balances Beginning of Year</i> | 932,087 | 9,999 | 5,564 | 947,650 |
| <i>Fund Balances End of Year</i> | <u>\$1,223,479</u> | <u>\$0</u> | <u>\$2,192</u> | <u>\$1,225,671</u> |

Combining Statements – Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private-Purpose Trust Fund

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

Agency Funds

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

Employee Benefits Fund - This fund accounts for monies withheld from employees' paychecks for future childcare and health services purchased by the employee.

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

Orange City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2002

| | Beginning Balance 06/30/01 | Additions | Deductions | Ending Balance 06/30/02 |
|---|----------------------------------|-----------|------------|-------------------------------|
| District Agency | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$23,700 | \$80,344 | \$81,303 | \$22,741 |
| Liabilities | | | | |
| Undistributed Monies | \$23,700 | \$80,344 | \$81,303 | \$22,741 |
| Employee Benefits | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$4,291 | \$27,495 | \$22,911 | \$8,875 |
| Liabilities | | | | |
| Undistributed Monies | \$4,291 | \$27,495 | \$22,911 | \$8,875 |
| Student Managed Activities | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$70,097 | \$104,950 | \$100,855 | \$74,192 |
| Liabilities | | | | |
| Due to Students | \$70,097 | \$104,950 | \$100,855 | \$74,192 |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$98,088 | \$212,789 | \$205,069 | \$105,808 |
| Liabilities | | | | |
| Undistributed Monies | \$27,991 | \$107,839 | \$104,214 | \$31,616 |
| Due to Students | 70,097 | 104,950 | 100,855 | 74,192 |
| <i>Total Liabilities</i> | \$98,088 | \$212,789 | \$205,069 | \$105,808 |

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

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property and Other Local Taxes | \$30,799,984 | \$30,347,574 | \$30,301,001 | (\$46,573) |
| Intergovernmental | 5,606,876 | 5,524,519 | 5,478,093 | (46,426) |
| Interest | 304,472 | 300,000 | 243,833 | (56,167) |
| Tuition and Fees | 3,824,521 | 3,768,344 | 4,362,668 | 594,324 |
| Contributions and Donations | 2,030 | 2,000 | 2,000 | 0 |
| Charges for Services | 101,783 | 100,330 | 90,809 | (9,521) |
| Rentals | 71,769 | 70,745 | 64,031 | (6,714) |
| Miscellaneous | 66,981 | 66,025 | 59,759 | (6,266) |
| <i>Total Revenues</i> | 40,778,416 | 40,179,537 | 40,602,194 | 422,657 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 9,955,090 | 9,972,030 | 9,751,396 | 220,634 |
| Fringe Benefits | 3,008,955 | 3,009,876 | 2,825,692 | 184,184 |
| Purchased Services | 132,739 | 132,780 | 105,376 | 27,404 |
| Materials and Supplies | 483,624 | 483,772 | 425,756 | 58,016 |
| Capital Outlay - New | 122,009 | 122,046 | 117,128 | 4,918 |
| Capital Outlay - Replacement | 97,057 | 97,087 | 89,544 | 7,543 |
| <i>Total Regular</i> | 13,799,474 | 13,817,591 | 13,314,892 | 502,699 |
| Special: | | | | |
| Salaries and Wages | 3,425,613 | 3,426,662 | 3,293,374 | 133,288 |
| Fringe Benefits | 1,127,720 | 1,128,065 | 1,068,327 | 59,738 |
| Purchased Services | 1,637,181 | 1,637,623 | 1,599,953 | 37,670 |
| Materials and Supplies | 56,688 | 56,705 | 37,311 | 19,394 |
| Capital Outlay - New | 18,867 | 18,873 | 11,695 | 7,178 |
| <i>Total Special</i> | 6,266,069 | 6,267,928 | 6,010,660 | 257,268 |
| Vocational: | | | | |
| Salaries and Wages | 74,227 | 74,250 | 73,285 | 965 |
| Fringe Benefits | 18,073 | 18,079 | 17,476 | 603 |
| Purchased Services | 146,709 | 146,738 | 126,563 | 20,175 |
| Materials and Supplies | 4,099 | 4,100 | 4,000 | 100 |
| <i>Total Vocational</i> | 243,108 | 243,167 | 221,324 | 21,843 |
| <i>Total Instruction</i> | \$20,308,651 | \$20,328,686 | \$19,546,876 | \$781,810 |

(continued)

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Support Services: | | | | |
| Pupils: | | | | |
| Salaries and Wages | \$1,519,066 | \$1,519,531 | \$1,438,052 | \$81,479 |
| Fringe Benefits | 500,767 | 500,920 | 449,800 | 51,120 |
| Purchased Services | 29,991 | 30,000 | 12,430 | 17,570 |
| Materials and Supplies | 64,902 | 64,922 | 44,330 | 20,592 |
| Capital Outlay - New | 4,498 | 4,500 | 0 | 4,500 |
| Total Pupils | 2,119,224 | 2,119,873 | 1,944,612 | 175,261 |
| Instructional Staff: | | | | |
| Salaries and Wages | 956,807 | 957,100 | 888,428 | 68,672 |
| Fringe Benefits | 367,202 | 367,314 | 220,297 | 147,017 |
| Purchased Services | 111,970 | 112,004 | 96,096 | 15,908 |
| Materials and Supplies | 68,659 | 68,680 | 61,855 | 6,825 |
| Capital Outlay - New | 19,656 | 19,662 | 13,247 | 6,415 |
| Capital Outlay - Replacement | 5,963 | 5,966 | 5,857 | 109 |
| Total Instructional Staff | 1,530,257 | 1,530,726 | 1,285,780 | 244,946 |
| Board of Education: | | | | |
| Salaries and Wages | 9,597 | 9,600 | 7,680 | 1,920 |
| Fringe Benefits | 1,640 | 1,641 | 1,128 | 513 |
| Purchased Services | 15,475 | 15,480 | 3,480 | 12,000 |
| Other | 43,348 | 43,360 | 41,378 | 1,982 |
| Total Board of Education | 70,060 | 70,081 | 53,666 | 16,415 |
| Administration: | | | | |
| Salaries and Wages | 1,278,936 | 1,279,328 | 1,276,298 | 3,030 |
| Fringe Benefits | 537,875 | 538,039 | 501,415 | 36,624 |
| Purchased Services | 388,899 | 389,018 | 343,336 | 45,682 |
| Materials and Supplies | 41,170 | 41,183 | 39,122 | 2,061 |
| Capital Outlay - New | 1,231 | 1,231 | 610 | 621 |
| Capital Outlay - Replacement | 5,262 | 5,264 | 4,622 | 642 |
| Other | 32,259 | 32,268 | 27,919 | 4,349 |
| Total Administration | 2,285,632 | 2,286,331 | 2,193,322 | 93,009 |
| Fiscal: | | | | |
| Salaries and Wages | 275,916 | 276,000 | 273,201 | 2,799 |
| Fringe Benefits | 127,302 | 127,341 | 124,530 | 2,811 |
| Purchased Services | 67,047 | 67,068 | 64,916 | 2,152 |
| Materials and Supplies | 10,424 | 10,427 | 10,427 | 0 |
| Capital Outlay - New | 4,725 | 4,726 | 4,726 | 0 |
| Capital Outlay - Replacement | 8,797 | 8,800 | 5,654 | 3,146 |
| Other | 524,266 | 524,427 | 518,614 | 5,813 |
| Total Fiscal | \$1,018,477 | \$1,018,789 | \$1,002,068 | \$16,721 |

(continued)

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Business: | | | | |
| Salaries and Wages | \$172,697 | \$172,750 | \$172,209 | \$541 |
| Fringe Benefits | 71,241 | 71,263 | 62,045 | 9,218 |
| Purchased Services | 93,211 | 93,240 | 90,507 | 2,733 |
| Materials and Supplies | 49,038 | 49,053 | 24,632 | 24,421 |
| Capital Outlay - New | 14,296 | 14,300 | 9,893 | 4,407 |
| Capital Outlay - Replacement | 10,497 | 10,500 | 7,881 | 2,619 |
| Other | 2,289 | 2,290 | 1,448 | 842 |
| Total Business | 413,269 | 413,396 | 368,615 | 44,781 |
| Operation and Maintenance of Plant: | | | | |
| Salaries and Wages | 1,498,574 | 1,499,033 | 1,396,349 | 102,684 |
| Fringe Benefits | 560,013 | 560,184 | 523,411 | 36,773 |
| Purchased Services | 1,609,678 | 1,610,171 | 1,605,620 | 4,551 |
| Materials and Supplies | 251,527 | 251,604 | 218,507 | 33,097 |
| Capital Outlay - New | 10,893 | 10,896 | 10,896 | 0 |
| Capital Outlay - Replacement | 53,138 | 53,154 | 52,821 | 333 |
| Other | 14,995 | 15,000 | 11,668 | 3,332 |
| Total Operation and Maintenance of Plant | 3,998,818 | 4,000,042 | 3,819,272 | 180,770 |
| Pupil Transportation: | | | | |
| Salaries and Wages | 1,465,157 | 1,465,606 | 1,462,545 | 3,061 |
| Fringe Benefits | 623,242 | 623,433 | 600,845 | 22,588 |
| Purchased Services | 190,853 | 190,909 | 173,223 | 17,686 |
| Materials and Supplies | 185,506 | 185,563 | 172,498 | 13,065 |
| Capital Outlay - New | 9,052 | 9,055 | 9,055 | 0 |
| Capital Outlay - Replacement | 246,914 | 246,989 | 246,949 | 40 |
| Total Pupil Transportation | 2,720,724 | 2,721,555 | 2,665,115 | 56,440 |
| Central: | | | | |
| Salaries and Wages | 301,658 | 301,750 | 290,929 | 10,821 |
| Fringe Benefits | 137,539 | 137,581 | 123,648 | 13,933 |
| Purchased Services | 185,625 | 185,678 | 128,955 | 56,723 |
| Materials and Supplies | 61,047 | 61,066 | 50,515 | 10,551 |
| Capital Outlay - New | 13,096 | 16,100 | 15,091 | 1,009 |
| Capital Outlay - Replacement | 18,994 | 16,000 | 15,337 | 663 |
| Total Central | 717,959 | 718,175 | 624,475 | 93,700 |
| Total Support Services | \$14,874,420 | \$14,878,968 | \$13,956,925 | \$922,043 |

(continued)

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Original | Final | | |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations: | | | | |
| Purchased Services | \$2,381 | \$2,382 | \$1,378 | \$1,004 |
| Enterprise Operations: | | | | |
| Fringe Benefits | 9,997 | 10,000 | 745 | 9,255 |
| Total Operation of Non-Instructional Services | 12,378 | 12,382 | 2,123 | 10,259 |
| Extracurricular Activities: | | | | |
| Sport Oriented Activities: | | | | |
| Salaries and Wages | 803,754 | 804,000 | 726,635 | 77,365 |
| Fringe Benefits | 171,231 | 171,283 | 152,670 | 18,613 |
| Total Sport Oriented Activities | 974,985 | 975,283 | 879,305 | 95,978 |
| Academic Oriented Activities: | | | | |
| Purchased Services | 21,293 | 21,300 | 9,241 | 12,059 |
| Public Service Oriented Activities: | | | | |
| Purchased Services | 14,389 | 14,393 | 14,393 | 0 |
| Materials and Supplies | 29,598 | 29,607 | 24,831 | 4,776 |
| Total Public Service Oriented Activities | 43,987 | 44,000 | 39,224 | 4,776 |
| Total Extracurricular Activities | 1,040,265 | 1,040,583 | 927,770 | 112,813 |
| Capital Outlay: | | | | |
| Site Improvement Services: | | | | |
| Capital Outlay | 28,992 | 29,000 | 29,000 | 0 |
| <i>Total Expenditures</i> | 36,264,706 | 36,289,619 | 34,462,694 | 1,826,925 |
| <i>Excess of Revenues Over Expenditures</i> | 4,513,710 | 3,889,918 | 6,139,500 | 2,249,582 |
| Other Financing Sources (Uses) | | | | |
| Advances In | 0 | 1,487,970 | 87,970 | (1,400,000) |
| Advances Out | 0 | 0 | (1,000) | (1,000) |
| Transfers Out | (523,000) | (523,000) | (515,000) | 8,000 |
| <i>Total Other Financing Sources (Uses)</i> | (523,000) | 964,970 | (428,030) | (1,393,000) |
| <i>Net Change in Fund Balance</i> | 3,990,710 | 4,854,888 | 5,711,470 | 856,582 |
| <i>Fund Balance Beginning of Year</i> | 3,791,513 | 3,791,513 | 3,791,513 | 0 |
| Prior Year Encumbrances Appropriated | 254,776 | 254,776 | 254,776 | 0 |
| <i>Fund Balance End of Year</i> | \$8,036,999 | \$8,901,177 | \$9,757,759 | \$856,582 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property and Other Local Taxes | \$2,575,629 | \$2,599,760 | \$2,602,494 | \$2,734 |
| Intergovernmental | 375,945 | 379,467 | 338,116 | (41,351) |
| Interest | 39,629 | 40,000 | 33,018 | (6,982) |
| <i>Total Revenues</i> | <u>2,991,203</u> | <u>3,019,227</u> | <u>2,973,628</u> | <u>(45,599)</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal Retirement | 7,170,000 | 7,170,000 | 7,170,000 | 0 |
| Interest and Fiscal Charges | 1,544,404 | 1,544,404 | 1,544,404 | 0 |
| <i>Total Expenditures</i> | <u>8,714,404</u> | <u>8,714,404</u> | <u>8,714,404</u> | <u>0</u> |
| <i>Excess of Revenues Under Expenditures</i> | (5,723,201) | (5,695,177) | (5,740,776) | (45,599) |
| Other Financing Sources | | | | |
| Notes Issued | 5,750,000 | 5,750,000 | 5,750,000 | 0 |
| <i>Net Change in Fund Balance</i> | 26,799 | 54,823 | 9,224 | (45,599) |
| Fund Balance Beginning of Year | <u>1,158,121</u> | <u>1,158,121</u> | <u>1,158,121</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$1,184,920</u> | <u>\$1,212,944</u> | <u>\$1,167,345</u> | <u>(\$45,599)</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Improvement Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$598,000 | \$333,000 | \$341,024 | \$8,024 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Site Improvement Services: | | | | |
| Capital Outlay - New | 2,440,931 | 2,393,209 | 2,361,285 | 31,924 |
| Architecture and Engineering Service: | | | | |
| Purchased Services | 178,935 | 178,935 | 177,800 | 1,135 |
| Building Acquisition and Construction Services: | | | | |
| Purchased Services | 353,136 | 352,008 | 346,924 | 5,084 |
| Capital Outlay - New | 1,959,799 | 1,905,099 | 1,900,642 | 4,457 |
| Total Building Acquisition and Construction Services | 2,312,935 | 2,257,107 | 2,247,566 | 9,541 |
| Building Improvement Services: | | | | |
| Capital Outlay - New | 6,108,596 | 5,911,255 | 5,626,644 | 284,611 |
| Other Facilities Acquisition and Construction Services: | | | | |
| Purchased Services | 126,641 | 111,867 | 99,199 | 12,668 |
| Capital Outlay - New | 576,324 | 564,959 | 539,667 | 25,292 |
| Total Other Facilities Acquisition and Construction Services | 702,965 | 676,826 | 638,866 | 37,960 |
| <i>Total Expenditures</i> | <u>11,744,362</u> | <u>11,417,332</u> | <u>11,052,161</u> | <u>365,171</u> |
| <i>Excess of Revenues Under Expenditures</i> | (11,146,362) | (11,084,332) | (10,711,137) | 373,195 |
| Other Financing Uses | | | | |
| Advances Out | 0 | 0 | (87,970) | (87,970) |
| <i>Net Change in Fund Balance</i> | (11,146,362) | (11,084,332) | (10,799,107) | 285,225 |
| <i>Fund Balance Beginning of Year</i> | 1,610,556 | 1,610,556 | 1,610,556 | 0 |
| Prior Year Encumbrances Appropriated | 9,943,180 | 9,943,180 | 9,943,180 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$407,374</u> | <u>\$469,404</u> | <u>\$754,629</u> | <u>\$285,225</u> |

Orange City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|---------------------------|---------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Tuition | \$1,010,787 | \$1,496,952 | \$1,175,261 | (\$321,691) |
| Sales | 10,043 | 14,874 | 9,093 | (5,781) |
| Interest | 37,374 | 55,350 | 75,578 | 20,228 |
| Property Taxes | 438,498 | 649,405 | 650,296 | 891 |
| Intergovernmental | 107,647 | 159,422 | 151,672 | (7,750) |
| Miscellaneous | 30,911 | 45,778 | 44,843 | (935) |
| <i>Total Revenues</i> | <u>1,635,260</u> | <u>2,421,781</u> | <u>2,106,743</u> | <u>(315,038)</u> |
| Expenses | | | | |
| Salaries | 1,012,971 | 1,066,144 | 907,978 | 158,166 |
| Fringe Benefits | 321,075 | 337,929 | 267,753 | 70,176 |
| Purchased Services | 608,110 | 639,877 | 362,206 | 277,671 |
| Materials and Supplies | 114,617 | 120,633 | 113,277 | 7,356 |
| Capital Outlay | 539,516 | 567,837 | 540,829 | 27,008 |
| Other | 11,637 | 12,248 | 9,840 | 2,408 |
| <i>Total Expenses</i> | <u>2,607,926</u> | <u>2,744,668</u> | <u>2,201,883</u> | <u>542,785</u> |
| <i>Excess of Revenues Under Expenses</i> | (972,666) | (322,887) | (95,140) | 227,747 |
| Transfers In | <u>0</u> | <u>35,254</u> | <u>0</u> | <u>(35,254)</u> |
| <i>Net Change in Fund Equity</i> | (972,666) | (287,633) | (95,140) | 192,493 |
| <i>Fund Equity Beginning of Year</i> | 2,874,271 | 2,874,271 | 2,874,271 | 0 |
| Prior Year Encumbrances Appropriated | <u>2,941</u> | <u>2,941</u> | <u>2,941</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u><u>\$1,904,546</u></u> | <u><u>\$2,589,579</u></u> | <u><u>\$2,782,072</u></u> | <u><u>\$192,493</u></u> |

Orange City School District
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, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Extracurricular Activities | \$118,300 | \$121,771 | \$120,818 | (\$953) |
| Expenditures | | | | |
| Current: | | | | |
| Extracurricular Activities: | | | | |
| School and Public Service | | | | |
| Co-Curricular Activities: | | | | |
| Purchased Services | 95,373 | 97,350 | 91,016 | 6,334 |
| Materials and Supplies | 29,451 | 30,064 | 27,458 | 2,606 |
| Capital Outlay - New | 4,408 | 4,500 | 2,000 | 2,500 |
| <i>Total Expenditures</i> | 129,232 | 131,914 | 120,474 | 11,440 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (10,932) | (10,143) | 344 | 10,487 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 0 | 7,368 | 0 | (7,368) |
| Transfers Out | 0 | (8,900) | 0 | 8,900 |
| <i>Total Other Financing Sources (Uses)</i> | 0 | (1,532) | 0 | 1,532 |
| <i>Net Change in Fund Balance</i> | (10,932) | (11,675) | 344 | 12,019 |
| <i>Fund Balance Beginning of Year</i> | 30,142 | 30,142 | 30,142 | 0 |
| Prior Year Encumbrances Appropriated | 350 | 350 | 350 | 0 |
| <i>Fund Balance End of Year</i> | \$19,560 | \$18,817 | \$30,836 | \$12,019 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Grants Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$63,544 | \$19,984 | \$19,164 | (\$820) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Fringe Benefits | 16 | 12 | 12 | 0 |
| Purchased Services | 6,126 | 4,940 | 3,700 | 1,240 |
| Materials and Supplies | 9,842 | 7,390 | 7,390 | 0 |
| Capital Outlay - New | 180,954 | 135,873 | 38,822 | 97,051 |
| Total Regular | 196,938 | 148,215 | 49,924 | 98,291 |
| Vocational: | | | | |
| Capital Outlay - New | 1,560 | 1,171 | 1,171 | 0 |
| Total Instruction | 198,498 | 149,386 | 51,095 | 98,291 |
| Support Services: | | | | |
| Pupils: | | | | |
| Materials and Supplies | 276 | 207 | 207 | 0 |
| Instructional Staff: | | | | |
| Purchased Services | 3,019 | 2,267 | 1,417 | 850 |
| Materials and Supplies | 621 | 466 | 466 | 0 |
| Total Instructional Staff | 3,640 | 2,733 | 1,883 | 850 |
| Administration: | | | | |
| Materials and Supplies | 416 | 312 | 312 | 0 |
| Total Support Services | 4,332 | 3,252 | 2,402 | 850 |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented Activities: | | | | |
| Purchased Services | 154 | 116 | 116 | 0 |
| Materials and Supplies | 1,332 | 1,000 | 1,000 | 0 |
| Total Academic and Subject Oriented Activities | 1,486 | 1,116 | 1,116 | 0 |
| Sports Oriented Activities: | | | | |
| Capital Outlay - New | 1,769 | 1,328 | 1,328 | 0 |
| Total Extracurricular Activities: | 3,255 | 2,444 | 2,444 | 0 |
| <i>Total Expenditures</i> | 206,085 | 155,082 | 55,941 | 99,141 |
| <i>Net Change in Fund Balance</i> | (142,541) | (135,098) | (36,777) | 98,321 |
| <i>Fund Balance Beginning of Year</i> | 142,858 | 142,858 | 142,858 | 0 |
| <i>Fund Balance (Deficit) End of Year</i> | \$317 | \$7,760 | \$106,081 | \$98,321 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Extracurricular Activities | \$160,150 | \$89,875 | \$65,324 | (\$24,551) |
| Miscellaneous | 81,968 | 46,000 | 16,985 | (29,015) |
| <i>Total Revenues</i> | <u>242,118</u> | <u>135,875</u> | <u>82,309</u> | <u>(53,566)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented Activities: | | | | |
| Purchased Services | 61,563 | 34,000 | 18,315 | 15,685 |
| Materials and Supplies | 40,624 | 22,436 | 2,169 | 20,267 |
| Capital Outlay - New | 45,991 | 25,400 | 1,636 | 23,764 |
| Total Academic and Subject Oriented Activities | <u>148,178</u> | <u>81,836</u> | <u>22,120</u> | <u>59,716</u> |
| Sports Oriented Activities: | | | | |
| Salaries and Wages | 23,399 | 12,923 | 12,923 | 0 |
| Fringe Benefits | 3,728 | 2,059 | 2,054 | 5 |
| Purchased Services | 128,795 | 71,131 | 64,944 | 6,187 |
| Materials and Supplies | 126,975 | 70,126 | 67,269 | 2,857 |
| Total Sports Oriented Activities | <u>282,897</u> | <u>156,239</u> | <u>147,190</u> | <u>9,049</u> |
| <i>Total Expenditures</i> | <u>431,075</u> | <u>238,075</u> | <u>169,310</u> | <u>68,765</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(188,957)</u> | <u>(102,200)</u> | <u>(87,001)</u> | <u>15,199</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 181,756 | 102,000 | 90,000 | (12,000) |
| Transfers Out | 0 | (7,000) | 0 | 7,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>181,756</u> | <u>95,000</u> | <u>90,000</u> | <u>(5,000)</u> |
| <i>Net Change in Fund Balance</i> | <u>(7,201)</u> | <u>(7,200)</u> | <u>2,999</u> | <u>10,199</u> |
| <i>Fund Balance Beginning of Year</i> | <u>27,239</u> | <u>27,239</u> | <u>27,239</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$20,038</u></u> | <u><u>\$20,039</u></u> | <u><u>\$30,238</u></u> | <u><u>\$10,199</u></u> |

Orange City School District
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, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$269,575 | \$264,843 | \$264,843 | \$0 |
| Interest | 875 | 860 | 1,050 | 190 |
| <i>Total Revenues</i> | <u>270,450</u> | <u>265,703</u> | <u>265,893</u> | <u>190</u> |
| Expenditures | | | | |
| Current: | | | | |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Salaries and Wages | 175,132 | 172,615 | 149,721 | 22,894 |
| Fringe Benefits | 52,718 | 51,960 | 38,853 | 13,107 |
| Purchased Services | 40,825 | 42,162 | 41,392 | 770 |
| Materials and Supplies | 6,468 | 6,376 | 6,376 | 0 |
| Capital Outlay - New | 58,473 | 58,175 | 38,073 | 20,102 |
| <i>Total Expenditures</i> | <u>333,616</u> | <u>331,288</u> | <u>274,415</u> | <u>56,873</u> |
| <i>Net Change in Fund Balance</i> | (63,166) | (65,585) | (8,522) | 57,063 |
| <i>Fund Balance Beginning of Year</i> | 27,739 | 27,739 | 27,739 | 0 |
| Prior Year Encumbrances Appropriated | 37,846 | 37,846 | 37,846 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$2,419</u> | <u>\$0</u> | <u>\$57,063</u> | <u>\$57,063</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Professional Development Block Grant Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 6,000 | 6,000 | 6,000 | 0 |
| Fringe Benefits | 1,699 | 1,699 | 1,699 | 0 |
| Purchased Services | 6,070 | 6,070 | 2,637 | 3,433 |
| Materials and Supplies | 2,532 | 2,532 | 2,285 | 247 |
| <i>Total Expenditures</i> | <u>16,301</u> | <u>16,301</u> | <u>12,621</u> | <u>3,680</u> |
| <i>Net Change in Fund Balance</i> | (16,301) | (16,301) | (12,621) | 3,680 |
| <i>Fund Balance Beginning of Year</i> | 13,091 | 13,091 | 13,091 | 0 |
| Prior Year Encumbrances Appropriated | <u>3,210</u> | <u>3,210</u> | <u>3,210</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$3,680</u> | <u>\$3,680</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Children's Trust Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupils: | | | | |
| Purchased Services | <u>275</u> | <u>275</u> | <u>275</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (275) | (275) | (275) | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| Prior Year Encumbrances Appropriated | <u>275</u> | <u>275</u> | <u>275</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | <u>\$8,627</u> | <u>\$8,627</u> | <u>\$8,627</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Central: | | | | |
| Salaries and Wages | 3,813 | 3,813 | 3,157 | 656 |
| Fringe Benefits | 891 | 891 | 791 | 100 |
| Materials and Supplies | 975 | 975 | 368 | 607 |
| Capital Outlay - Replacement | <u>3,504</u> | <u>3,504</u> | <u>3,504</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>9,183</u> | <u>9,183</u> | <u>7,820</u> | <u>1,363</u> |
| <i>Net Change in Fund Balance</i> | (556) | (556) | 807 | 1,363 |
| <i>Fund Balance Beginning of Year</i> | <u>9,185</u> | <u>9,185</u> | <u>9,185</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$8,629</u></u> | <u><u>\$8,629</u></u> | <u><u>\$9,992</u></u> | <u><u>\$1,363</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Connect Subsidy Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------------|------------------------|------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$14,000 | \$14,000 | \$14,000 | \$0 |
| Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 14,000 | 14,000 | 14,000 | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$14,000</u></u> | <u><u>\$14,000</u></u> | <u><u>\$14,000</u></u> | <u><u>\$0</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|---------|---------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$4,142 | \$4,142 | \$7,592 | \$3,450 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 6,782 | 6,782 | 3,632 | 3,150 |
| Fringe Benefits | 1,195 | 1,195 | 613 | 582 |
| Total Instruction | 7,977 | 7,977 | 4,245 | 3,732 |
| Support Services: | | | | |
| Central: | | | | |
| Salaries and Wages | 1,275 | 1,275 | 1,275 | 0 |
| Fringe Benefits | 191 | 191 | 186 | 5 |
| Capital Outlay - New | 100 | 100 | 100 | 0 |
| Total Support Services | 1,566 | 1,566 | 1,561 | 5 |
| <i>Total Expenditures</i> | 9,543 | 9,543 | 5,806 | 3,737 |
| <i>Net Change in Fund Balance</i> | (5,401) | (5,401) | 1,786 | 7,187 |
| <i>Fund Balance Beginning of Year</i> | 5,401 | 5,401 | 5,401 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$7,187 | \$7,187 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Interactive Video Distance Learning Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------|-------------------|-----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$0 | \$0 | \$1,200 | \$1,200 |
| Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 1,200 | 1,200 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$1,200</u></u> | <u><u>\$1,200</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | \$0 | \$0 | \$0 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Pupils: | | | | |
| Salaries and Wages | <u>5</u> | <u>5</u> | <u>5</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (5) | (5) | (5) | 0 |
| <i>Fund Balance Beginning of Year</i> | <u>5</u> | <u>5</u> | <u>5</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reggio Jennings Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------------------|------------------|----------|----------|------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues | | | | |
| Intergovernmental | \$8,250 | \$10,536 | \$10,536 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Purchased Services | 750 | 2,306 | 1,389 | 917 |
| Materials and Supplies | 1,915 | 6,429 | 1,534 | 4,895 |
| Capital Outlay - New | 22 | 75 | 75 | 0 |
| Total Instruction | 2,687 | 8,810 | 2,998 | 5,812 |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Purchased Services | 1,192 | 4,000 | 0 | 4,000 |
| Operation and Maintenance of Plant: | | | | |
| Materials and Supplies | 681 | 2,286 | 2,286 | 0 |
| Total Support Services | 1,873 | 6,286 | 2,286 | 4,000 |
| <i>Total Expenditures</i> | 4,560 | 15,096 | 5,284 | 9,812 |
| <i>Net Change in Balance</i> | 3,690 | (4,560) | 5,252 | 9,812 |
| <i>Fund Balance Beginning of Year</i> | 4,471 | 4,471 | 4,471 | 0 |
| Prior Year Encumbrances Appropriated | 89 | 89 | 89 | 0 |
| <i>Fund Balance End of Year</i> | \$8,250 | \$0 | \$9,812 | \$9,812 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Grant Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$8,331 | \$9,155 | \$7,498 | (\$1,657) |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 11,197 | 9,059 | 1,219 | 7,840 |
| Fringe Benefits | 2,314 | 1,872 | 185 | 1,687 |
| Purchased Services | 3,902 | 8,166 | 5,009 | 3,157 |
| Materials and Supplies | 3,457 | 2,797 | 0 | 2,797 |
| Total Support Services | 20,870 | 21,894 | 6,413 | 15,481 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 807 | 653 | 329 | 324 |
| Materials and Supplies | 241 | 195 | 37 | 158 |
| Total Operation of Non-Instructional Services | 1,048 | 848 | 366 | 482 |
| <i>Total Expenditures</i> | 21,918 | 22,742 | 6,779 | 15,963 |
| <i>Net Change in Fund Balance</i> | (13,587) | (13,587) | 719 | 14,306 |
| <i>Fund Balance Beginning of Year</i> | 13,587 | 13,587 | 13,587 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$14,306 | \$14,306 |

Orange City School District
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, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$141,240 | \$141,240 | \$84,744 | (\$56,496) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special Instruction: | | | | |
| Purchased Services | 1,132 | 6,862 | 4,925 | 1,937 |
| Materials and Supplies | 8,261 | 29,974 | 13,542 | 16,432 |
| Capital Outlay - New | 2,343 | 8,500 | 8,468 | 32 |
| Total Instruction | 11,736 | 45,336 | 26,935 | 18,401 |
| Support Services: | | | | |
| Pupils: | | | | |
| Salaries and Wages | 689 | 2,500 | 650 | 1,850 |
| Fringe Benefits | 124 | 450 | 111 | 339 |
| Purchased Services | 22,995 | 83,434 | 56,362 | 27,072 |
| Materials and Supplies | 5,400 | 19,592 | 10,214 | 9,378 |
| Capital Outlay - New | 1,619 | 5,874 | 5,488 | 386 |
| Total Pupils | 30,827 | 111,850 | 72,825 | 39,025 |
| Instructional Staff: | | | | |
| Purchased Services | 701 | 2,545 | 1,809 | 736 |
| Materials and Supplies | 689 | 2,500 | 1,118 | 1,382 |
| Capital Outlay - New | 331 | 1,200 | 1,095 | 105 |
| Total Instructional Staff | 1,721 | 6,245 | 4,022 | 2,223 |
| Administration: | | | | |
| Purchased Services | 993 | 3,604 | 2,668 | 936 |
| Materials and Supplies | 420 | 1,523 | 1,396 | 127 |
| Capital Outlay - New | 1,282 | 4,650 | 4,489 | 161 |
| Total Administration | 2,695 | 9,777 | 8,553 | 1,224 |
| Total Support Services | 35,243 | 127,872 | 85,400 | 42,472 |
| Total Expenditures | 46,979 | 173,208 | 112,335 | 60,873 |
| Net Change in Fund Balance | 94,261 | (31,968) | (27,591) | 4,377 |
| Fund Balance Beginning of Year | 31,968 | 31,968 | 31,968 | 0 |
| Fund Balance End of Year | \$126,229 | \$0 | \$4,377 | \$4,377 |

Orange City School District
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, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$97,806 | \$100,352 | \$100,319 | (\$33) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Salaries and Wages | 87,253 | 89,306 | 70,666 | 18,640 |
| Fringe Benefits | 20,869 | 21,359 | 15,497 | 5,862 |
| Materials and Supplies | 127 | 130 | 130 | 0 |
| <i>Total Expenditures</i> | 108,249 | 110,795 | 86,293 | 24,502 |
| <i>Net Change in Fund Balance</i> | (10,443) | (10,443) | 14,026 | 24,469 |
| <i>Fund Balance Beginning of Year</i> | 10,443 | 10,443 | 10,443 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$24,469 | \$24,469 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with |
|---|-------------------------|--------------|---------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Final Budget Positive (Negative) |
| Revenues | | | | |
| Intergovernmental | \$10,284 | \$25,260 | \$14,522 | (\$10,738) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special Instruction: | | | | |
| Salaries and Wages | 9,105 | 15,488 | 11,446 | 4,042 |
| Fringe Benefits | 1,498 | 2,548 | 1,778 | 770 |
| Purchased Services | 4,075 | 7,996 | 3,504 | 4,492 |
| Materials and Supplies | 3,074 | 5,229 | 2,465 | 2,764 |
| Total Instruction | 17,752 | 31,261 | 19,193 | 12,068 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 303 | 517 | 0 | 517 |
| Materials and Supplies | 1,788 | 3,041 | 904 | 2,137 |
| Total Operation of Non-Instructional Services | 2,091 | 3,558 | 904 | 2,654 |
| <i>Total Expenditures</i> | 19,843 | 34,819 | 20,097 | 14,722 |
| <i>Excess of Revenues Under Expenditures</i> | (9,559) | (9,559) | (5,575) | 3,984 |
| Other Financing Sources | | | | |
| Advances In | 0 | 0 | 1,000 | 1,000 |
| <i>Net Change in Fund Balance</i> | (9,559) | (9,559) | (4,575) | 4,984 |
| <i>Fund Balance Beginning of Year</i> | 9,559 | 9,559 | 9,559 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$4,984 | \$4,984 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$4,738 | \$15,828 | \$10,695 | (\$5,133) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Purchased Services | 7,048 | 15,881 | 8,300 | 7,581 |
| Materials and Supplies | 1,290 | 2,907 | 2,544 | 363 |
| Total Instruction | 8,338 | 18,788 | 10,844 | 7,944 |
| Operation of Non-Instructional Services: | | | | |
| Community Services: | | | | |
| Purchased Services | 244 | 550 | 0 | 550 |
| Materials and Supplies | 55 | 125 | 0 | 125 |
| Capital Outlay - New | 211 | 475 | 385 | 90 |
| Total Operation of Non-Instructional Services | 510 | 1,150 | 385 | 765 |
| <i>Total Expenditures</i> | 8,848 | 19,938 | 11,229 | 8,709 |
| <i>Net Change in Fund Balance</i> | (4,110) | (4,110) | (534) | 3,576 |
| <i>Fund Balance Beginning of Year</i> | 4,110 | 4,110 | 4,110 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$3,576 | \$3,576 |

Orange City School District
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, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$15,775 | \$15,775 | \$15,775 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Materials and Supplies | 10,232 | 9,195 | 6,905 | 2,290 |
| Capital Outlay - New | 351 | 315 | 0 | 315 |
| Total Instruction | 10,583 | 9,510 | 6,905 | 2,605 |
| Support Services: | | | | |
| Pupils: | | | | |
| Purchased Services | 2,782 | 4,457 | 4,318 | 139 |
| Materials and Supplies | 4,351 | 3,910 | 2,406 | 1,504 |
| Total Pupils | 7,133 | 8,367 | 6,724 | 1,643 |
| Instructional Staff: | | | | |
| Purchased Services | 1,586 | 1,425 | 1,106 | 319 |
| Total Support Services | 8,719 | 9,792 | 7,830 | 1,962 |
| <i>Total Expenditures</i> | 19,302 | 19,302 | 14,735 | 4,567 |
| <i>Net Change in Fund Balance</i> | (3,527) | (3,527) | 1,040 | 4,567 |
| <i>Fund Balance Beginning of Year</i> | 3,527 | 3,527 | 3,527 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$4,567 | \$4,567 |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|---------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$32,763 | \$32,763 | \$28,585 | (\$4,178) |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 23,478 | 23,478 | 15,312 | 8,166 |
| Fringe Benefits | 9,285 | 9,285 | 4,172 | 5,113 |
| <i>Total Expenditures</i> | <u>32,763</u> | <u>32,763</u> | <u>19,484</u> | <u>13,279</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 9,101 | 9,101 |
| <i>Fund Balance Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$9,101</u> | <u>\$9,101</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Learn and Serve Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Intergovernmental | \$9,000 | \$9,000 | \$9,000 | \$0 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 6,700 | 6,700 | 6,700 | 0 |
| Fringe Benefits | 1,440 | 1,440 | 1,440 | 0 |
| Purchased Services | 400 | 400 | 400 | 0 |
| Materials and Supplies | 814 | 814 | 812 | 2 |
| Capital Outlay - New | 5,000 | 5,000 | 5,000 | 0 |
| <i>Total Expenditures</i> | <u>14,354</u> | <u>14,354</u> | <u>14,352</u> | <u>2</u> |
| <i>Net Change in Fund Balance</i> | (5,354) | (5,354) | (5,352) | 2 |
| <i>Fund Balance Beginning of Year</i> | <u>5,354</u> | <u>5,354</u> | <u>5,354</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$2</u></u> | <u><u>\$2</u></u> |

Orange City School District
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$26,900 | \$26,900 | \$31,874 | \$4,974 |
| Interest | 3,000 | 3,000 | 2,306 | (694) |
| Charges for Services | 388,500 | 388,500 | 399,190 | 10,690 |
| <i>Total Revenues</i> | 418,400 | 418,400 | 433,370 | 14,970 |
| Expenditures | | | | |
| Current: | | | | |
| Food Service Operations: | | | | |
| Salaries | 195,185 | 195,185 | 195,085 | 100 |
| Fringe Benefits | 77,850 | 77,850 | 77,465 | 385 |
| Purchased Services | 2,915 | 2,916 | 1,292 | 1,624 |
| Materials and Supplies | 161,700 | 161,700 | 156,543 | 5,157 |
| <i>Total Expenditures</i> | 437,650 | 437,651 | 430,385 | 7,266 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (19,250) | (19,251) | 2,985 | 22,236 |
| Other Financing Sources | | | | |
| Transfers In | 25,000 | 25,000 | 25,000 | 0 |
| <i>Net Change in Fund Balance</i> | 5,750 | 5,749 | 27,985 | 22,236 |
| <i>Fund Balance Beginning of Year</i> | 53,815 | 53,815 | 53,815 | 0 |
| <i>Fund Balance End of Year</i> | \$59,565 | \$59,564 | \$81,800 | \$22,236 |

Orange City School District
Schedule of Revenues, Expenses and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$82,765 | \$86,765 | \$86,899 | \$134 |
| Expenditures | | | | |
| Current: | | | | |
| Regular Instruction: | | | | |
| Materials and Supplies | 80,933 | 84,934 | 69,488 | 15,446 |
| <i>Net Change in Fund Balance</i> | 1,832 | 1,831 | 17,411 | 15,580 |
| <i>Fund Balance Beginning of Year</i> | 14,065 | 14,065 | 14,065 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$15,897</u> | <u>\$15,896</u> | <u>\$31,476</u> | <u>\$15,580</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Interest | \$1,470 | \$1,470 | \$673 | (\$797) |
| Miscellaneous | 0 | 0 | 2,012 | 2,012 |
| <i>Total Revenues</i> | <u>1,470</u> | <u>1,470</u> | <u>2,685</u> | <u>1,215</u> |
| Expenditures | | | | |
| Current: | | | | |
| Support Services: | | | | |
| Instructional Staff: | | | | |
| Materials and Supplies | 6,035 | 6,035 | 1,050 | 4,985 |
| Capital Outlay - New | 2,371 | 2,371 | 1,856 | 515 |
| Total Support Services | 8,406 | 8,406 | 2,906 | 5,500 |
| Extracurricular Activities: | | | | |
| Occupation Oriented Activities: | | | | |
| Materials and Supplies | 755 | 755 | 0 | 755 |
| <i>Total Expenditures</i> | <u>9,161</u> | <u>9,161</u> | <u>2,906</u> | <u>6,255</u> |
| <i>Net Change in Fund Balance</i> | (7,691) | (7,691) | (221) | 7,470 |
| <i>Fund Balance Beginning of Year</i> | <u>38,385</u> | <u>38,385</u> | <u>38,385</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$30,694</u></u> | <u><u>\$30,694</u></u> | <u><u>\$38,164</u></u> | <u><u>\$7,470</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvements Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|--|-------------------------|--------------------|--------------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | | | | |
| Interest | \$50,000 | \$50,000 | \$27,139 | (\$22,861) |
| Expenditures | | | | |
| Capital Outlay: | | | | |
| Building Acquisition and Construction: | | | | |
| Capital Outlay - New | 150,000 | 150,000 | 128,942 | 21,058 |
| <i>Excess of Revenues Under Expenditures</i> | (100,000) | (100,000) | (101,803) | (1,803) |
| Other Financing Sources | | | | |
| Transfers In | 400,000 | 400,000 | 400,000 | 0 |
| <i>Net Change in Fund Balance</i> | 300,000 | 300,000 | 298,197 | (1,803) |
| <i>Fund Balance Beginning of Year</i> | 920,840 | 920,840 | 920,840 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$1,220,840</u> | <u>\$1,220,840</u> | <u>\$1,219,037</u> | <u>(\$1,803)</u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | <u>\$9,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital Outlay: | | | | |
| Building Acquisition and Construction: | | | | |
| Capital Outlay - New | <u>9,999</u> | <u>9,999</u> | <u>9,999</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | <u>(999)</u> | <u>(9,999)</u> | <u>(9,999)</u> | <u>0</u> |
| <i>Fund Balance Beginning of Year</i> | <u>9,999</u> | <u>9,999</u> | <u>9,999</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$9,000</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Orange City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Telecommunity Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with |
|---------------------------------------|-------------------------|--------------|----------------|--|
| | <u>Original</u> | <u>Final</u> | | Final Budget Positive (Negative) |
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital Outlay: | | | | |
| Purchased Services | 958 | 958 | 937 | 21 |
| Materials and Supplies | 91 | 91 | 91 | 0 |
| Capital Outlay - New | <u>4,515</u> | <u>4,515</u> | <u>2,344</u> | <u>2,171</u> |
| <i>Total Expenditures</i> | <u>5,564</u> | <u>5,564</u> | <u>3,372</u> | <u>2,192</u> |
| <i>Net Change in Fund Balance</i> | (5,564) | (5,564) | (3,372) | 2,192 |
| <i>Fund Balance Beginning of Year</i> | <u>5,564</u> | <u>5,564</u> | <u>5,564</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$0</u> | <u>\$2,192</u> | <u>\$2,192</u> |

Orange City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2002

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$3,800 | \$3,800 | \$1,948 | (\$1,852) |
| Contributions and Donations | 1,000 | 1,000 | 2,000 | 1,000 |
| <i>Total Revenues</i> | 4,800 | 4,800 | 3,948 | (852) |
| Expenses | | | | |
| Other | 3,000 | 3,000 | 3,000 | 0 |
| <i>Net Change in Fund Equity</i> | 1,800 | 1,800 | 948 | (852) |
| <i>Fund Equity Beginning of Year</i> | 74,131 | 74,131 | 74,131 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$75,931</u> | <u>\$75,931</u> | <u>\$75,079</u> | <u>(\$852)</u> |

Statistical Section

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

Orange City School District
General Fund
Revenues by Source and Other Financing Sources
and Expenditures by Function and Other Financing Uses (1)
Last Ten Fiscal Years

| | 2002 (2) | 2001 (2) | 2000 (2) | 1999 (2) | 1998 (2) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues and Other | | | | | |
| Financing Sources | | | | | |
| Property and Other Local Taxes | \$34,951,676 | \$25,892,910 | \$22,198,020 | \$23,222,986 | \$22,571,130 |
| Intergovernmental | 5,508,836 | 4,714,945 | 6,302,166 | 5,361,478 | 4,199,826 |
| Interest | 234,129 | 304,062 | 424,856 | 717,527 | 444,057 |
| Tuition and Fees | 4,362,668 | 1,224,851 | 919,285 | 954,258 | 1,385,119 |
| Contributions and Donations | 2,000 | 0 | 0 | 0 | 200 |
| Charges for Services | 90,809 | 35,431 | 26,851 | 39,459 | 40,649 |
| Rentals | 64,031 | 24,983 | 25,311 | 27,822 | 31,382 |
| Miscellaneous | 59,759 | 23,316 | 17,750 | 5,771 | 166,090 |
| Other Financing Sources | 0 | 0 | 150 | 756 | 47 |
| Total Revenues and Other Financing Sources | <u>\$45,273,908</u> | <u>\$32,220,498</u> | <u>\$29,914,389</u> | <u>\$30,330,057</u> | <u>\$28,838,500</u> |
| Expenditures and Other | | | | | |
| Financing Uses | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | \$13,277,318 | \$12,575,490 | \$12,382,930 | \$11,927,617 | \$10,863,782 |
| Special | 5,917,147 | 5,312,916 | 4,403,836 | 3,861,795 | 3,040,528 |
| Vocational | 201,633 | 232,294 | 213,375 | 82,633 | 462,098 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Support Services: | | | | | |
| Pupils | 1,958,000 | 1,828,256 | 1,880,710 | 1,766,724 | 1,595,650 |
| Instructional Staff | 1,246,938 | 1,340,897 | 1,246,584 | 1,183,157 | 1,160,595 |
| Board of Education | 55,528 | 62,624 | 69,623 | 82,571 | 77,567 |
| Administration | 2,183,396 | 2,088,114 | 1,842,051 | 1,902,703 | 1,687,423 |
| Fiscal | 1,001,996 | 862,755 | 759,674 | 701,767 | 727,401 |
| Business | 371,377 | 380,977 | 404,954 | 412,272 | 90,817 |
| Operation and Maintenance of Plant | 3,555,913 | 3,422,458 | 3,064,224 | 2,957,963 | 3,057,897 |
| Pupil Transportation | 2,648,412 | 2,516,022 | 2,193,991 | 2,143,592 | 1,946,960 |
| Central | 616,609 | 460,149 | 521,266 | 702,422 | 678,033 |
| Operation of Non-Instructional Services | | | | | |
| Extracurricular Activities | 2,538 | 6,879 | 6,859 | 11,640 | 9,036 |
| Capital Outlay | 947,162 | 752,538 | 762,477 | 722,950 | 650,953 |
| Debt Service | 29,000 | 0 | 0 | 0 | 0 |
| Other Financing Uses | 14,836 | 0 | 4,144 | 9,689 | 26,980 |
| Other Financing Uses | 515,000 | 1,171,037 | 3,362,226 | 685,000 | 505,000 |
| Total Expenditures and Other Financing Uses | <u>\$34,542,803</u> | <u>\$33,013,406</u> | <u>\$33,118,924</u> | <u>\$29,154,495</u> | <u>\$26,580,720</u> |

Source: School District Financial Records.

(1) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.

(2) 1993 reported on cash basis, all other years on GAAP basis.

| 1997 (2) | 1996 (2) | 1995 (2) | 1994 (2) | 1993 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$22,070,328 | \$20,871,663 | \$18,000,315 | \$17,714,652 | \$17,972,229 |
| 4,407,458 | 3,803,002 | 3,576,343 | 3,333,309 | 2,908,228 |
| 311,654 | 171,294 | 152,369 | 104,188 | 98,727 |
| 3,018,351 | 782,741 | 930,037 | 803,609 | 55,712 |
| 100 | 10,000 | 65 | 0 | 0 |
| 27,398 | 0 | 0 | 2,508 | 37,117 |
| 31,857 | 47,296 | 7,544 | 27,284 | 0 |
| 2,698 | 5,322 | 4,550 | 11,285 | 38,199 |
| 105 | 181 | 28,911 | 30,766 | 0 |
| <u>\$29,869,949</u> | <u>\$25,691,499</u> | <u>\$22,700,134</u> | <u>\$22,027,601</u> | <u>\$21,110,212</u> |
| \$10,865,078 | \$10,956,237 | \$10,053,296 | \$10,242,253 | \$9,236,379 |
| 3,396,377 | 2,735,873 | 2,665,791 | 2,482,352 | 745,736 |
| 80,765 | 155,495 | 7,437 | 152,870 | 123,572 |
| 0 | 0 | 0 | 0 | 283,064 |
| 1,523,242 | 1,406,961 | 1,193,739 | 1,184,156 | 1,007,215 |
| 1,077,766 | 1,065,683 | 1,010,373 | 1,043,220 | 1,056,110 |
| 108,889 | 37,292 | 30,094 | 31,753 | 22,104 |
| 1,602,183 | 1,666,721 | 1,602,570 | 1,548,457 | 1,334,840 |
| 701,223 | 511,959 | 534,979 | 528,266 | 488,891 |
| 133,483 | 131,012 | 261,235 | 246,694 | 226,220 |
| 2,826,846 | 2,709,935 | 2,722,351 | 2,879,030 | 2,868,570 |
| 1,955,948 | 1,568,174 | 1,544,981 | 1,567,511 | 1,284,887 |
| 558,460 | 450,180 | 500,543 | 507,412 | 278,004 |
| 5,346 | 2,738 | 2,486 | 0 | 4,374 |
| 589,802 | 551,768 | 491,394 | 450,966 | 400,875 |
| 0 | 0 | 0 | 0 | 440,262 |
| 42,426 | 47,525 | 60,335 | 58,699 | 0 |
| 487,308 | 488,388 | 481,000 | 479,644 | 577,719 |
| <u>\$25,955,142</u> | <u>\$24,485,941</u> | <u>\$23,162,604</u> | <u>\$23,403,283</u> | <u>\$20,378,822</u> |

Orange City School District
Property Tax Levies and Collections
Last Ten Years

| <u>Year (1)</u> | <u>Total Tax Levy</u> | <u>Current Collections</u> | <u>Percent of Current Taxes Collected</u> | <u>Delinquent Collections</u> |
|-----------------|-------------------------------|--------------------------------|---|-----------------------------------|
| 2001 | \$36,294,519 | \$33,010,938 | 90.95% | \$1,067,768 |
| 2000 | 27,016,336 | 25,376,719 | 93.93 | 580,080 |
| 1999 | 26,777,748 | 25,235,400 | 94.24 | 645,573 |
| 1998 | 24,022,082 | 22,602,658 | 94.09 | 391,457 |
| 1997 | 23,508,098 | 22,422,117 | 95.38 | 294,978 |
| 1996 | 23,000,683 | 22,263,294 | 96.79 | 186,333 |
| 1995 | 19,185,108 | 17,996,663 | 93.81 | 312,461 |
| 1994 | 18,744,513 | 17,774,561 | 94.83 | 354,293 |
| 1993 | 18,638,688 | 17,582,475 | 94.33 | 360,317 |
| 1992 | 18,513,069 | 17,523,955 | 94.66 | 362,322 |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.
- (2) 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.

| <u>Total Collections</u> | <u>Percent of Total Tax Collections to Total Tax Levy</u> | <u>Outstanding Delinquent Taxes (2)</u> | <u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u> |
|------------------------------|---|---|--|
| \$34,078,706 | 93.89% | \$1,702,658 | 4.69% |
| 25,956,799 | 96.08 | 1,023,409 | 3.79 |
| 25,880,973 | 96.65 | 848,328 | 3.17 |
| 22,994,115 | 95.72 | 654,088 | 2.72 |
| 22,717,095 | 96.64 | 619,866 | 2.64 |
| 22,449,627 | 97.60 | 465,616 | 2.02 |
| 18,309,124 | 95.43 | 330,324 | 1.72 |
| 18,128,854 | 96.72 | 541,571 | 2.89 |
| 17,942,792 | 96.27 | 562,012 | 3.02 |
| 17,886,277 | 96.61 | 588,359 | 3.18 |

Orange City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

| Year | Real Property | | Public Utility Property | |
|------|----------------|----------------------------|-------------------------|----------------------------|
| | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (1) |
| 2002 | \$827,980,640 | \$2,365,658,971 | \$8,213,920 | \$9,334,000 |
| 2001 | 806,821,810 | 2,305,205,171 | 18,440,740 | 20,955,386 |
| 2000 | 705,439,830 | 2,015,542,371 | 16,126,190 | 18,325,216 |
| 1999 | 693,224,950 | 1,980,642,714 | 17,498,780 | 19,884,977 |
| 1998 | 686,445,870 | 1,961,273,914 | 17,227,850 | 19,577,102 |
| 1997 | 644,072,040 | 1,840,205,829 | 17,744,040 | 20,163,682 |
| 1996 | 632,370,520 | 1,806,772,914 | 18,397,650 | 20,906,420 |
| 1995 | 627,937,640 | 1,784,107,543 | 18,479,510 | 20,999,443 |
| 1994 | 556,919,230 | 1,591,197,800 | 18,298,840 | 20,794,136 |
| 1993 | 553,445,300 | 1,581,272,286 | 18,210,530 | 20,693,784 |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which it is maintained by the County Auditor.

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility personal is assessed at various percentages.

Tangible personal property is assessed at 25 percent of actual value.

| <u>Tangible Personal Property</u> | | <u>Total</u> | | |
|-----------------------------------|-----------------------------------|-----------------------|-----------------------------------|--------------|
| <u>Assessed Value</u> | <u>Estimated Actual Value (1)</u> | <u>Assessed Value</u> | <u>Estimated Actual Value (1)</u> | <u>Ratio</u> |
| \$43,236,393 | \$172,945,572 | \$879,430,953 | \$2,547,938,543 | 35% |
| 37,696,353 | 150,785,412 | 862,958,903 | 2,476,945,969 | 35 |
| 40,664,220 | 162,656,880 | 762,230,240 | 2,196,524,467 | 35 |
| 36,949,137 | 147,796,548 | 747,672,867 | 2,148,324,239 | 35 |
| 37,333,996 | 149,335,984 | 741,007,716 | 2,130,187,000 | 35 |
| 37,205,019 | 148,820,076 | 699,021,099 | 2,009,189,587 | 35 |
| 43,214,942 | 172,859,768 | 693,983,112 | 2,000,539,102 | 35 |
| 38,502,106 | 154,008,424 | 684,919,256 | 1,959,115,410 | 35 |
| 40,063,059 | 160,252,236 | 615,281,129 | 1,772,244,172 | 35 |
| 41,483,682 | 165,934,728 | 613,139,512 | 1,767,900,798 | 35 |

Orange City School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

| Year | School Levy | Library | County Levy | City Levy | Total Levy | Debt Service Included in Total Levy | | |
|------|-------------|---------|-------------|-----------|------------|--|--------|--------|
| | | | | | | School | County | Total |
| 2002 | \$81.10 | \$1.40 | \$16.20 | \$7.60 | \$106.30 | \$3.40 | \$0.59 | \$3.99 |
| 2001 | 81.10 | 1.40 | 16.20 | 7.60 | 106.30 | 3.40 | 0.79 | 4.19 |
| 2000 | 71.50 | 1.40 | 15.30 | 7.60 | 95.80 | 3.30 | 0.85 | 4.15 |
| 1999 | 71.50 | 1.40 | 15.30 | 7.30 | 95.50 | 3.30 | 0.72 | 4.02 |
| 1998 | 68.20 | 1.40 | 16.60 | 6.90 | 93.10 | 0.00 | 0.60 | 0.60 |
| 1997 | 68.15 | 1.40 | 16.60 | 6.50 | 92.65 | 0.00 | 0.90 | 0.90 |
| 1996 | 68.15 | 1.40 | 16.60 | 3.30 | 89.45 | 0.00 | 0.87 | 0.87 |
| 1995 | 62.60 | 1.40 | 16.80 | 3.30 | 84.10 | 0.05 | 0.76 | 0.81 |
| 1994 | 62.60 | 1.00 | 16.80 | 3.30 | 83.70 | 0.05 | 0.68 | 0.73 |
| 1993 | 62.60 | 1.00 | 16.80 | 3.30 | 83.70 | 0.05 | 0.71 | 0.76 |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Orange City School District
*Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Years*

| Year | Net General Obligation Bonded Debt (1) | Assessed Value (2) | Population (3) | Ratio of Net Debt to Assessed Value | Net Debt Per Capita |
|------|--|-----------------------|----------------|---|------------------------|
| 2002 | \$25,198,881 | \$879,430,953 | 15,039 | 2.87% | \$1,676 |
| 2001 | 26,511,994 | 862,958,903 | 15,039 | 3.07 | 1,763 |
| 2000 | 26,925,168 | 762,230,240 | 13,968 | 3.53 | 1,928 |
| 1999 | 27,776,138 | 747,672,867 | 13,968 | 3.72 | 1,989 |
| 1998 | 0 | 741,007,716 | 13,968 | 0.00 | 0 |
| 1997 | 0 | 699,021,099 | 13,968 | 0.00 | 0 |
| 1996 | 65,000 | 693,983,112 | 13,968 | 0.01 | 5 |
| 1995 | 130,000 | 684,919,256 | 13,968 | 0.02 | 9 |
| 1994 | 195,000 | 615,281,129 | 13,968 | 0.03 | 14 |
| 1993 | 260,000 | 613,139,512 | 13,968 | 0.04 | 19 |

Source:

- (1) School District Financial Records.
- (2) Cuyahoga County Auditor.
- (3) U.S. Census of Population.

Orange City School District
Computation of Legal Debt Margin
 June 30, 2002

| | |
|---|----------------------|
| Assessed Valuation | <u>\$879,430,953</u> |
| Overall Debt Limit - 9% of Assessed Value (1) | \$79,148,786 |
| Amount of Debt Applicable to Debt Limit: | |
| General Obligation Bonds | 26,843,221 |
| School Improvement Notes | 5,750,000 |
| Less: Amount Available in Debt Service Fund | (1,644,340) |
| Net Debt | <u>30,948,881</u> |
| Overall Debt Margin | <u>\$48,199,905</u> |
| Unvoted Debt Limit - .10% of Assessed Value (1) | \$879,431 |
| Amount of Debt Applicable | 0 |
| Unvoted Debt Margin | <u>\$879,431</u> |

Source: Cuyahoga County Auditor and School District Financial Records.

(1) Ohio Bond Law sets an overall limit of 9% for all debt and 1/10 of 1% for unvoted debt.

Orange City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
June 30, 2002

| <u>Jurisdiction</u> | <u>General Obligation Bonded Debt Outstanding</u> | <u>Percentage Applicable to School District (1)</u> | <u>Amount Applicable to School District</u> |
|------------------------------|---|---|---|
| <u>Direct:</u> | | | |
| Orange City School District | <u>\$26,843,221</u> | 100.00% | <u>\$26,843,221</u> |
| <u>Overlapping:</u> | | | |
| Cuyahoga County | 216,544,363 | 3.06 | 6,626,258 |
| Regional Transit Authority | 123,915,000 | 3.06 | 3,791,799 |
| Orange Village | 5,560,000 | 95.81 | 5,327,036 |
| City of Bedford Heights | 9,617,000 | 18.56 | 1,784,915 |
| Moreland Hills Village | 2,193,000 | 80.48 | 1,764,926 |
| City of Pepper Pike | 6,271,642 | 98.36 | 6,168,787 |
| City of Warrensville Heights | 6,670,000 | 3.65 | 243,455 |
| City of Solon | <u>24,825,000</u> | 2.32 | <u>575,940</u> |
| Total Overlapping | <u>395,596,005</u> | | <u>26,283,116</u> |
| Total | <u>\$422,439,226</u> | | <u>\$53,126,337</u> |

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (Including School District) because that is the manner in which information is maintained by the County Auditor.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

Orange City School District
*Ratio of Annual Debt Service Expenditures for
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years*

| Year | Principal | Interest | Total Debt Service | Total General Fund Expenditures (2) | Ratio of Debt Service to General Fund Expenditures (Percentage) |
|----------|-----------|-------------|--------------------------|---|---|
| 2002 (1) | \$920,000 | \$1,257,703 | \$2,177,703 | \$34,542,803 | 6.30% |
| 2001 (1) | 865,000 | 1,289,860 | 2,154,860 | 33,013,406 | 6.53 |
| 2000 (1) | 871,779 | 1,442,458 | 2,314,237 | 33,118,924 | 6.99 |
| 1999 (1) | 0 | 0 | 0 | 29,154,495 | 0.00 |
| 1998 (1) | 0 | 0 | 0 | 26,580,720 | 0.00 |
| 1997 (1) | 0 | 0 | 0 | 25,955,142 | 0.00 |
| 1996 (1) | 65,000 | 1,575 | 66,575 | 24,485,941 | 0.27 |
| 1995 (1) | 65,000 | 4,875 | 69,875 | 23,162,604 | 0.30 |
| 1994 (1) | 65,000 | 8,125 | 73,125 | 23,403,283 | 0.31 |
| 1993 | 65,000 | 11,375 | 76,375 | 20,378,822 | 0.37 |

Source: School District Financial Records.

(1) 1994 through 2002 on a modified accrual basis.

(2) Includes other financing uses.

Orange City School District
Demographic Statistics
Last Ten Years

| <u>Year</u> | <u>Cuyahoga County Population (1)</u> | <u>Orange City School District Population (1)</u> | <u>School Enrollment (2)</u> | <u>Unemployment Rate (3)</u> |
|-------------|---|---|----------------------------------|----------------------------------|
| 2002 | 1,393,978 | 15,039 | 2,361 | 4.6% |
| 2001 | 1,380,421 | 15,039 | 2,321 | 4.5 |
| 2000 | 1,386,096 | 13,968 | 2,251 | 4.5 |
| 1999 | 1,386,096 | 13,968 | 2,258 | 4.6 |
| 1998 | 1,397,694 | 13,968 | 2,276 | 4.4 |
| 1997 | 1,398,169 | 13,968 | 2,279 | 5.8 |
| 1996 | 1,403,217 | 13,968 | 2,246 | 5.2 |
| 1995 | 1,403,239 | 13,968 | 2,239 | 4.8 |
| 1994 | 1,414,141 | 13,968 | 2,244 | 5.8 |
| 1993 | 1,411,209 | 13,968 | 2,232 | 6.8 |

(1) U.S. Census of Population.

(2) School District Records.

(3) Ohio Department of Job and Family Services

Orange City School District
Property Value, Industrial Employment
and Financial Institution Deposits
Last Ten Years

| <u>Year</u> | <u>Property Value (1) (Real Estate Only)</u> | <u>Industrial Employment</u> | <u>Financial Institution Deposits (000's) Banks</u> |
|-------------|--|------------------------------|---|
| 2002 | \$2,365,658,971 | N/A | \$88,346,368 |
| 2001 | 2,305,205,171 | N/A | 61,942,764 |
| 2000 | 2,015,542,371 | N/A | 57,816,942 |
| 1999 | 1,980,642,714 | N/A | 58,904,596 |
| 1998 (2) | 1,961,273,914 | N/A | 53,941,971 |
| 1997 | 1,840,205,829 | N/A | 27,068,211 |
| 1996 | 1,806,772,914 | N/A | 22,458,573 |
| 1995 | 1,784,107,543 | N/A | 20,885,453 |
| 1994 | 1,591,197,800 | 636,300 | 21,009,421 |
| 1993 | 1,581,272,286 | 627,900 | 19,379,280 |

Source: Ohio Bureau of Employment Service, Cuyahoga County Auditor and Federal Reserve Bank of Cleveland.

(1) Represents estimated actual value.

(2) Large increase in deposits is due to Key Bank becoming a single charter bank in 1997.

N/A - Not Available.

Orange City School District

Principal Taxpayers

Real Estate Tax

December 31, 2001

| <u>Name of Taxpayer</u> | <u>Assessed Value (1)</u> | <u>Percent of Real Assessed Value</u> |
|-------------------------------|-------------------------------|---|
| Eton Square | \$6,801,690 | 0.82% |
| Village Chagrin Partners | 5,303,100 | 0.64 |
| Miles Road LLC | 4,499,840 | 0.54 |
| Duke Realty Ltd. Partnership | 4,341,720 | 0.52 |
| AM Castle and Company | 3,933,440 | 0.48 |
| Marotta Glazer Realty Company | 3,056,280 | 0.37 |
| PAH-Beachwood I, L.L.C. | 2,690,420 | 0.32 |
| Country Club, Incorporated | 2,587,760 | 0.31 |
| BRE Properties, L.L.C. | 2,553,740 | 0.31 |
| Pepper Pike Place | <u>2,537,010</u> | <u>0.31</u> |
| Total | <u>\$38,305,000</u> | <u>4.62%</u> |
| Real Property Assessed Value | <u>\$827,980,640</u> | |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

Orange City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2001

| Name of Taxpayer | Assessed Value (1) | Percent of Tangible Assessed Value |
|--|-----------------------|--|
| AM Castle and Company | \$6,306,830 | 14.59% |
| American Spring Wire Corporation | 5,200,430 | 12.03 |
| Olympic Steel, Incorporated | 4,559,950 | 10.55 |
| Sherwin Williams Company | 3,547,690 | 8.21 |
| Card Pak, Incorporated | 2,648,530 | 6.13 |
| Southern Electric Supply Company, Incorporated | 1,267,870 | 2.93 |
| Connell Limited Partnership | 1,048,350 | 2.42 |
| Forest City Enterprises, Incorporated | 839,700 | 1.94 |
| Cleveland Coca-Cola | 739,440 | 1.71 |
| SNS Properties, Incorporated | 565,720 | 1.31 |
| Total | <u>\$26,724,510</u> | <u>61.82%</u> |
| Tangible Assessed Value | <u>\$43,236,393</u> | |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

Orange City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2001

| <u>Name of Taxpayer</u> | <u>Assessed Value (1)</u> | <u>Percent of Public Utility Assessed Value</u> |
|---|-------------------------------|---|
| Cleveland Electric Illuminating Company | \$3,473,870 | 42.29% |
| Ohio Bell Telephone Company | 1,898,490 | 23.11 |
| American Transmission System | <u>771,520</u> | <u>9.39</u> |
| Total | <u>\$6,143,880</u> | <u>74.79%</u> |
| Public Utility Assessed Value | <u>\$8,213,920</u> | |

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2002 collection year.

Orange City School District
Per Pupil Cost
Last Ten Fiscal Years

| <u>Year</u> | <u>General Fund Expenditures (1)</u> | <u>Average Daily Student Enrollment</u> | <u>Per Pupil Cost</u> |
|-------------|--------------------------------------|---|-----------------------|
| 2002 (2) | \$34,542,803 | 2,361 | \$14,631 |
| 2001 (2) | 33,013,406 | 2,321 | 14,224 |
| 2000 (2) | 33,118,924 | 2,251 | 14,713 |
| 1999 (2) | 29,154,495 | 2,258 | 12,912 |
| 1998 (2) | 26,580,720 | 2,276 | 11,679 |
| 1997 (2) | 25,955,142 | 2,279 | 11,389 |
| 1996 (2) | 24,485,941 | 2,246 | 10,902 |
| 1995 (2) | 23,162,604 | 2,239 | 10,345 |
| 1994 (2) | 23,403,283 | 2,244 | 10,429 |
| 1993 | 20,378,822 | 2,232 | 9,130 |

Source: School District Financial Records.

(1) Includes Other Financing Uses.

(2) 1994 through 2002 on modified accrual basis.

Orange City School District
Teacher Education and Experience
 June 30, 2002

| <u>Degree</u> | <u>Number of Teachers</u> | <u>Percentage of Total</u> |
|-------------------|-----------------------------------|------------------------------------|
| Bachelor's Degree | 45 | 20.00% |
| Master's Degree | 176 | 78.22 |
| Ph.D. | 3 | 1.34 |
| Associates | 1 | 0.44 |
| Total | <u>225</u> | <u>100.00%</u> |

| <u>Years of Experience</u> | <u>Number of Teachers</u> | <u>Percentage of Total</u> |
|----------------------------|-----------------------------------|------------------------------------|
| 0 - 5 | 45 | 20.00% |
| 6 - 10 | 35 | 15.60 |
| 11 and Over | 145 | 64.40 |
| Total | <u>225</u> | <u>100.00%</u> |

Source: School District Personnel Records.

Orange City School District
Miscellaneous Demographic Statistics
Last Ten Years

| Year | Orange School Enrollment | Number of Families in the Orange School District | Percentage of Families in District with No Children | Percentage of School-age Children at Private/Parochial Schools |
|------|--------------------------------|---|--|--|
| 2002 | 2,361 | 5,474 | 71% | 21% |
| 2001 | 2,321 | 5,462 | 68 | 23 |
| 2000 | 2,251 | 5,438 | 65 | 21 |
| 1999 | 2,258 | 5,415 | 68 | 30 |
| 1998 | 2,276 | 5,259 | 70 | 17 |
| 1997 | 2,279 | 5,201 | 69 | 21 |
| 1996 | 2,246 | 5,197 | 68 | 21 |
| 1995 | 2,239 | 5,141 | 67 | 20 |
| 1994 | 2,244 | 5,151 | 67 | 19 |
| 1993 | 2,232 | 5,102 | 66 | 19 |

Source: Statistics compiled by the Census Coordinator of the Orange Schools.

Note: The Orange School District includes all of the suburbs of Pepper Pike, Woodmere and Orange, Moreland Hills, Hunting Valley, and parts of Bedford Heights, Warrensville Heights, and Solon, so statistics from state or city agencies are not valid in most cases.



STATE OF OHIO
OFFICE OF THE AUDITOR

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ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 11, 2003**