



**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State  
Betty Montgomery**



ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$23,544	\$0	\$23,544
National School Lunch Program	N/A	10.555	40,043	0	40,043	0
Total U.S. Department of Agriculture - Nutrition Cluster			40,043	23,544	40,043	23,544
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	6B-SF-04	84.027	3,669	0	90,391	0
Special Education: Grants to States	6B-SF-05	84.027	326,264	0	292,468	0
Total Special Education: Grants to States			329,933	0	382,859	0
Special Education: Preschool Grant	PG-S1-04	84.173	0	0	74	0
Special Education: Preschool Grant	PG-S1-05	84.173	20,396	0	18,448	0
Total Special Education: Preschool Grant			20,396	0	18,522	0
Total Special Education Cluster			350,329	0	401,381	0
Title I - Grants to Local Educational Agencies	C1-S1-04	84.010	8,774	0	15,313	0
Title I - Grants to Local Educational Agencies	C1-S1-05	84.010	131,052	0	118,349	0
Title I - Grants to Local Educational Agencies	C1-SN-05	84.010	48,052	0	44,420	0
Total Title I - Grants to Local Educational Agencies			187,878	0	178,082	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-04	84.186	(635)	0	745	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-05	84.186	8,362	0	4,975	0
Total Safe and Drug-Free Schools Grant			7,727	0	5,720	0
Innovative Education Program Strategies Grant	C2-S1-04	84.298	198	0	3,211	0
Innovative Education Program Strategies Grant	C2-S1-05	84.298	10,539	0	12,687	0
Total Innovative Education Program Strategies Grant			10,737	0	15,898	0
Title II-A Grant	TR-S1-04	84.367	3,877	0	7,618	0
Title II-A Grant	TR-S1-05	84.367	53,286	0	57,176	0
Total Title II-A Grant			57,163	0	64,794	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-04	84.318	(2,001)	0	35	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-05	84.318	4,772	0	3,531	0
Total Title II-D Technology Literacy Challenge Funds			2,771	0	3,566	0
Title III LEP - English Language Acquisition Grants	T3-S1-04	84.365	3,336	0	4,063	0
Title III LEP - English Language Acquisition Grants	T3-S1-05	84.365	9,202	0	6,371	0
Title III LEP - English Language Acquisition Grants	T3-S2-04	84.365	(320)	0	12	0
Title III LEP - English Language Acquisition Grants	T3-S2-05	84.365	320	0	320	0
Total Title III LEP - English Language Acquisition Grants			12,538	0	10,766	0
Title III, Part B - Grants for Supportive Services and Senior Centers	N/A	93.044	4,743	0	4,743	0
Title III, Part E - National Family Caregiver Support	N/A	93.052	350	0	350	0
Total U.S. Department of Education			634,236	0	685,300	0
<b>Total Federal Financial Assistance</b>			<b>\$674,279</b>	<b>\$23,544</b>	<b>\$725,343</b>	<b>\$23,544</b>

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

**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2005, the District had no significant food commodities in inventory.

**NOTE C – FEDERAL TRANSFERS**

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2004 grant year to the 2005 grant year for three separate grants. These amounts are shown as negative receipts for the 2004 grant year and positive receipts in the 2005 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.

CFDA – Catalog of Federal Domestic Assistance



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated November 18, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 18, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

November 18, 2005





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON 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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

#### Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when 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 have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated November 18, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

November 18, 2005

**ORANGE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

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

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

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

None

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

None



**ORANGE CITY  
SCHOOL DISTRICT**

**CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2005***

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



**Orange City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2005*  
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32000 Chagrin Boulevard • Pepper Pike, Ohio 44124-5974 • (216) 831-3600 • (216) 831-5049 FAX

November 18, 2005

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

We are pleased to submit to you the Orange City School District's (the "District") Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2005. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds as well as the District as a whole. This report will provide the taxpayers of the District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the local villages and cities comprising the 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 Letter of Transmittal, List of Principal Officials, an Organizational Chart of the District, GFOA Certificate of Achievement for Excellence in Financial Reporting and ASBO Certificate of Excellence in Financial Reporting.
2. The Financial Section, which begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, Basic Financial Statements and Notes thereto that provide an overview of the 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 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 12<sup>th</sup> grade were all educated in this one building. Dr. Terry Wickham, former president of Heidelberg College, was the School District's first superintendent. The first senior class graduated in 1927 with 11 members.

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

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

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

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

Orange High School was remodeled and expanded many times with the last two renovations taking place in 1973 and 2001. In the 1990-1991 school year, Orange High School was recognized as a National Blue Ribbon School of Excellence by the United States Department of Education. In 2003, the high school was awarded Tier One status in the Ohio Award for Excellence. Throughout the District's history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

### *Present*

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

The District's 2,367 students are bused daily to the campus consisting of three main school buildings: Moreland Hills Elementary School, Brady Middle School and Orange High School. The District's campus also includes an administration building, centralized maintenance and technology center and a transportation depot. The District also manages the Orange Community Education and Recreation Department, which encompasses preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The recreation department utilizes all District facilities in concert with the school system. The District includes 71 students who attend the Gund School, which adjoins the District's campus within the Beechbrook residential facility for students with special needs. The District also served 28 students from the New Directions residential drug treatment facility, which is located within the District's boundaries.

The population within the District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 28 percent of the student population in the District. Orange parents are generally college-educated and involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. More than 97 percent of the District's graduates pursue higher education. Over the past 25 years, residents have passed all school operating levies placed on the ballot for their approval. The last general operating levy of five mills, which was on the ballot in early November 2004, was approved by 58.4 percent of the voters. In addition, a \$36.5 million-dollar bond issue was approved in November 1998 by 68 percent of the voters and a one-mill permanent improvement levy was approved in November 2003 by 66 percent of the voters. The District is fortunate to have residents who believe in, and are willing to support with tax dollars, a high quality of education for all children.

## ***Organizational Structure***

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

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

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

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

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

The District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the Lakeshore Northeast Ohio Computer Association (LNOCA), the Ohio Schools Council, the Ohio School Plan and the Suburban Health Consortium. These organizations are presented in Notes 14 and 15 to the basic financial statements.

## ***Major Initiatives***

### *Focus on Authentically Engaged Students*

The District will authentically engage students in a positive, supportive, nurturing, and safe environment in order to develop critical-thinking and civic-minded 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, the District has a responsibility to provide programs and an environment to stimulate student engagement and growth.
- While the primary focus of the District is K-12 education, community participation and involvement is encouraged. This involvement enhances K-12 education, provides better use of facilities and fosters continued learning for all residents.

- High expectations promote high performance. All students and staff are expected to work to their highest potential.
- Given the current state of public education funding, financial support from the entire community, both business and personal, is vital to a successful program.
- The District will maintain excellence through a continuous improvement process.

The educational plan for the District consists of the following:

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

- Implement and maintain strong internal controls.
  - Seek out opportunities to increase efficiencies through the use of available technology, when feasible.
  - Pursue appropriate non-traditional school funding sources.
  - Provide a clear accounting of the revenues and expenditures from school operation, capital improvement and recreation levies.
  - Revise and implement an on-going marketing plan for the passage of future school tax issues.
  - Complete the appropriation process in a manner that allows the Board of Education to act prior to July 1 of each fiscal year.
3. Community Relations - To improve interaction with the community, the District will:
- Periodically survey residents to determine where further communication is necessary and evaluate the perceptions and the extent of satisfaction or dissatisfaction with the District.
  - Keep the community well-informed by frequently and routinely providing news about the District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondence, District web site, local media and letters to the community.
  - Identify and communicate with Orange Alumni.
4. Business Services - To maintain and improve buildings and facilities, transportation and food service, the District will:
- Work with the staff to analyze cost effectiveness of present programs and offer recommendations.
  - Involve support staff in continuous improvement opportunities.
  - Work with representative groups to formulate a plan and recommend solutions to issues of space, programming, and maintenance.
  - Periodically review and update the District's facility and equipment permanent improvement plan in order to effectively use available capital funds for such purposes. This will allow the District to adequately maintain and improve the utilization of its physical plant assets.
5. Board of Education Operations - To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education will:
- Maintain a long-range strategic plan including financial, programmatic, personnel and facility components.
  - Develop an appropriate plan to increase the Board of Education's visibility and knowledge.
  - Explain with more regularity and intensity the realities of Ohio school finance in general and the finances of the Orange Schools in particular.
  - Continue to re-evaluate 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 2004- 2005*

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

During fiscal year 2005, the Board, Treasurer and other key members of the District's administration developed a plan to educate voters and garner support for the need of additional operating revenue to maintain the District's excellent educational system. This plan resulted in the submission of a five-mill, continuous operating levy to the electorate of the District in November 2004, which ultimately passed with a 58.4 percent affirmative vote. This new levy will generate approximately \$4.7 million per year. Collection of this new levy commenced in January 2005. This levy should enable the District to maintain the current educational program for an additional four years before additional funding is needed.

During fiscal year 2005, the District engaged the firm of Fanning Howey Associates to perform an update of the detailed demographic study they performed during fiscal year 2004 to reasonably estimate student enrollment trends for the next ten years in order to adequately plan for future staffing and physical plant needs. The results of this study showed that the District could expect a modest upward trend in enrollment in the coming years based on a number of factors. These factors include, but are not limited to, the construction of new homes of varying types such as those located in the Sterling Lakes development within the corporate boundaries of Pepper Pike; the potential for the "recycling" of existing housing stock from "empty nester" individuals to families with school-age children; the potential for an increase in the birth rate within the District; and regional and national economic factors such as home mortgage interest rates changes, inflation, employment trends and the like. Although the demographic study shows the potential for increased costs for staffing and facility needs due to increasing enrollment, the new construction in the Sterling Lakes development will also result in additional property tax revenue to the District. In order to continually assess the validity of the assumptions and projections made in this study, the Board plans to continue to have Fanning Howey Associates update it on an annual basis.

During fiscal year 2005, the District also implemented an electronic purchasing system to replace the previous paper-based system used throughout the District in an effort to improve efficiency and achieve cost savings.

During fiscal year 2005, the Board reviewed and revised several Board policies to ensure compliance with current law and to more efficiently address operational areas within the District. This process was completed with the input of the Superintendent, Treasurer and school building-level management.

### *Future Projects*

The District will continue with a district-wide improvement process by continuing its participation with the Schlechty Center for Leadership and School Reform (CLSR) in fiscal year 2006. The Board of Education and District Administration believe that this process will enable the District to evolve into a Standard Bearer School District, which will greatly enhance the students' learning process. The District is currently in its fifth consecutive year of participation in this process. 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 District's curriculum. Some examples of their successes were:

- 1) A graduation rate of 99 percent with 97 percent of graduates continuing their education at an institution of higher learning.
- 2) Four hundred seventeen advanced placement exams taken with 91 percent of all scores being a 3 or better, placing the District's students in the top 1 percent of all test takers in the Country.
- 3) Ninety-four students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations. This number represents 44 percent of students taking advanced placement exams.
- 4) Sixteen national merit scholarship winners, ten finalists, six commended students, representing 11 percent of the graduating class.



- 5) Orange High School students who took the SAT exam in the 2004-2005 school year scored an average of 564 on the verbal section and 569 on the math section. This was well above the national average of 508 verbal and 518 math.

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

### ***Economic Outlook***

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

Eighty percent of the District's valuation is comprised of residential property, which proves the District is an ideal suburban setting. The property valuation has approximately doubled since fiscal year 1988. The homes in the 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 District through some local tax abatement for businesses. In addition, legislative changes in Ohio have resulted in a loss of revenue from the personal property tax on inventory. Similarly, the passage of the most recent State biennial budget, Am. Sub. House Bill 66, will result in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year.

Property taxes and related state entitlements made up approximately 93 percent of the District's total general fund revenue in fiscal year 2005. This shows that the District relies heavily upon the continued support of its residents through the passage of tax levies.

The Districts' enrollment has increased along with the growth of the five municipalities that make up the majority of enrollment. The 2004-2005 enrollment of 2,367 compared with the 1985-1986 enrollment of 1,886 reflects an increase of 481 students, or 26 percent, over the 19 year period. Based on the detailed demographic study mentioned previously, the District enrollment is projected to increase moderately over the next ten years.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. As a result, school districts throughout Ohio must regularly place funding issues on the ballot to receive significant revenue growth.

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

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

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

### ***Financial Information***

#### *Internal Accounting and Budgetary Control*

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

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

The District utilizes a fully automated accounting system as well as an automated system 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 the governmental funds, and the fund-cost center for the proprietary fund. Within the District's accounting system, a more stringent management budget is controlled at the object level within a function and fund. The Board finance committee reviews any budget transfers between and among budget accounts on a monthly basis. All purchase order requests must be approved by the Building Principal or another appropriate Supervisor and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports and transaction information that details year-to date expenditures and encumbrances versus the original appropriation plus any 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 District are fully described in Note 2 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

## *Financial Reporting*

For the fiscal year ending June 30, 2005, the District continued to report in accordance with 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 District reports its financial condition and results of operations as compared to previous years. The basic financial statements for reporting on the District's financial activities are as follows:

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

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

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

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

## *Cash Management*

The Board of Education has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash that is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government, STAR Ohio, corporate commercial paper and other investments allowed by State law and the District's Board approved investment policy. The District maintains depository relationships with several banking institutions in order to provide for competitive treasury management and investment options as well as to contain the cost of services. The School District retained the services of Productive Portfolios, Inc., a registered investment advisory firm, during fiscal year 2005 to assist the District in its investing strategy and to obtain even greater returns on investments while adhering to the principles of principal preservation and liquidity. The District also engaged Seasongood Asset Management, LLC during fiscal year 2005 to actively manage a portion of the District's investment portfolio in accordance with the District's investment policy and Ohio law. The total amount of interest earned on investments for the fiscal year ended June 30, 2005 was \$643,110, with \$474,881 being credited directly to the general fund.

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

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

### *Risk Management*

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

The District contracts for general liability insurance through the Ohio School Plan. The limits of coverage are \$1,000,000 per occurrence and \$3,000,000 in aggregate with no deductible. The District also has insurance contracts for its buildings and contents, vehicles and crime protection. The District also contracts with a private firm to assist in the management of its workers' compensation program.

### *Awards*

*GFOA Certificate of Achievement* - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

*ASBO Certificate* - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2004, 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, 2005, will conform to ASBO's principles and standards.

### *Independent Audit*

State statutes require the District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Auditor of State Betty Montgomery was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2005. The opinion appears at the beginning of the financial section of this report.

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

*Acknowledgments*

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

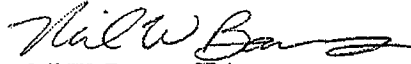
Special appreciation is expressed to the accounting firm of Julian & Grube Inc. for their assistance in preparing this financial report as well as to the communications staff of the District for designing the cover and divider pages of this report.

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

Respectfully submitted,



Dr. Daniel W. Lukich  
Superintendent



Neil W. Barnes, CPA  
Interim Treasurer

**Orange City School District  
List of Principal Officials  
As of June 30, 2005**

***Board of Education***

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

***Treasurer/Director of Budget Services***

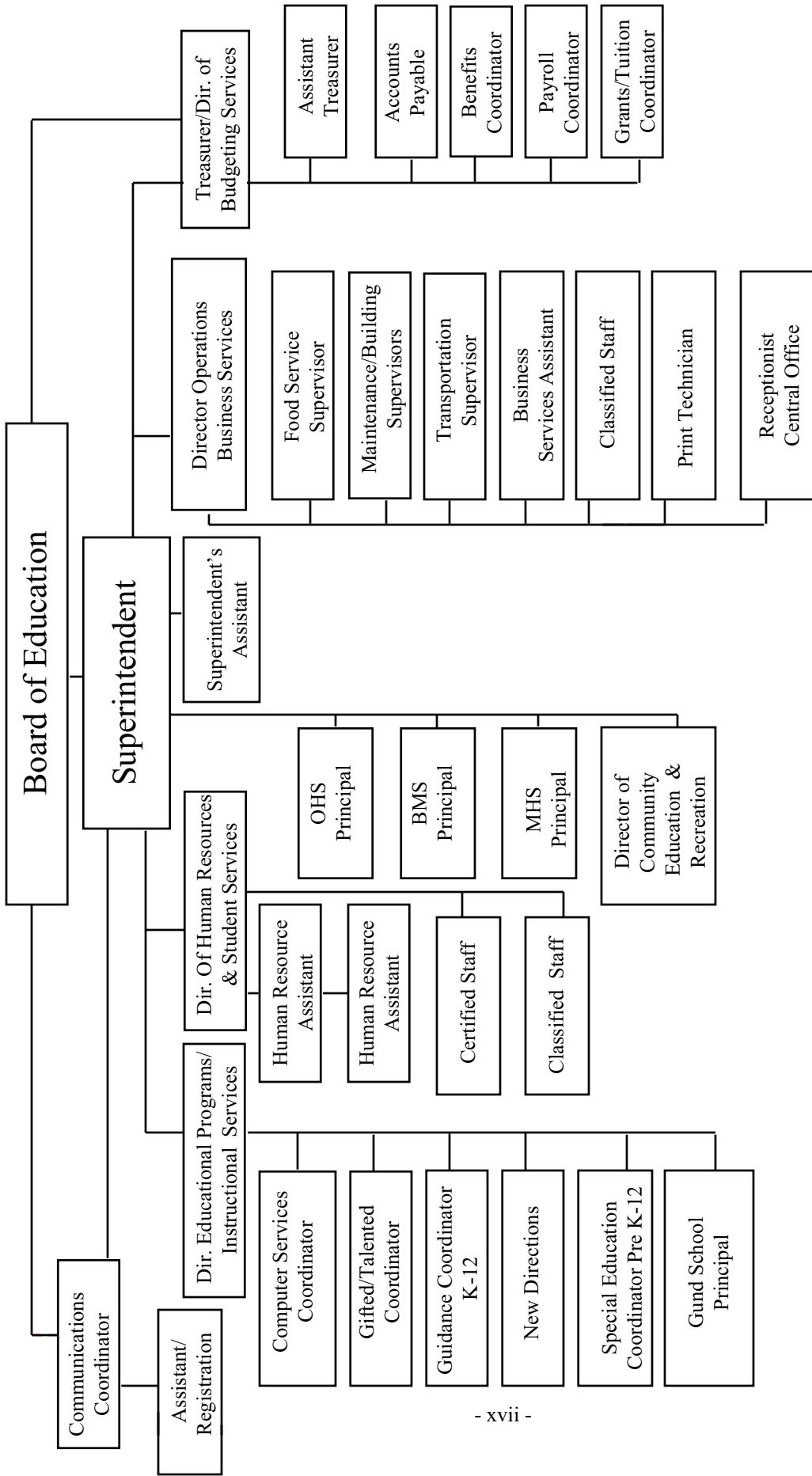
Mr. L. Greg Slemons, CPA

***Administration***

Dr. Daniel W. Lukich	Superintendent
Mr. David Burnison	Director of Human Resources/Student Services
Dr. Nancy Wingenbach	Director of Educational Programs and Instructional Services
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. Neil W. Barnes, CPA	Assistant Treasurer
Mr. Phil Dickinson	Director of Operations and Business Services
Ms. Cindy Finohr	Supervisor of Food Services
Ms. Nancy Belle-Gordon	Supervisor of Transportation Services
Mr. Jim Taylor	Campus Supervisor

# Orange Schools Administrative Position Chart

2004-2005



# 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, 2004

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.



*Nancy L. Zielle*

President

*Jeffrey R. Emer*

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, 2004

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

President

Executive Director

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of June 30, 2005, and the respective changes in financial position and 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2005 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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

**Betty Montgomery**  
Auditor of State

November 18, 2005

## ORANGE CITY SCHOOL DISTRICT

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED*

The discussion and analysis of Orange City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

#### **Financial Highlights**

Key financial highlights for 2005 are as follows:

- In total, net assets increased \$3,067,725. Net assets of governmental activities increased \$3,462,375, which represents a 9.77% increase from 2004. Net assets of business-type activities decreased \$394,650 or 7.15% from 2004.
- General revenues accounted for \$44,450,423 in revenue or 92.00% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,863,098 or 8.00% of total governmental revenues of \$48,313,521.
- The District had \$44,845,646 in expenses related to governmental activities; only \$3,863,098 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$44,450,423 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$43,138,631 in revenues and other financing sources and \$39,548,295 in expenditures and other financing uses. The general fund's fund balance increased \$3,590,336 from \$18,328,497 to \$21,918,833.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$2,310,485 in revenues and \$6,939,344 in expenditures. The bond retirement fund's fund balance decreased \$4,628,859 from \$5,878,620 to \$1,249,761.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$969,159 in revenues and \$550,835 in expenditures. The permanent improvement fund's fund balance increased \$418,324 from \$1,812,691 to \$2,231,015.
- Net assets for the District's enterprise fund, the recreation fund, decreased \$394,650 or 7.15%. The recreation fund's net assets decreased from \$5,521,668 to \$5,127,018 on expenses of \$2,311,856 versus revenues (both operating and non-operating) of \$1,917,206.

#### **Using this Comprehensive Annual Financial Report (CAFR)**

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

## ORANGE CITY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED

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

#### **Reporting the District as a Whole**

##### *Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question: How did we do financially during 2005? The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

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

##### *Fund Financial Statements*

The analysis of the District's major governmental funds and major enterprise fund begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the bond retirement fund and the permanent improvement fund.

## ORANGE CITY SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED

#### ***Governmental Funds***

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

#### ***Proprietary Funds***

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

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

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

#### ***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-63 of this report.

#### **The District as a Whole**

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2005 and 2004.

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED*

**Net Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b><u>Assets</u></b>						
Current assets	\$ 66,985,308	\$ 63,481,194	\$ 2,935,652	\$ 3,254,107	\$ 69,920,960	\$ 66,735,301
Capital assets, net	<u>42,302,925</u>	<u>43,380,110</u>	<u>2,502,295</u>	<u>2,598,355</u>	<u>44,805,220</u>	<u>45,978,465</u>
Total assets	<u>109,288,233</u>	<u>106,861,304</u>	<u>5,437,947</u>	<u>5,852,462</u>	<u>114,726,180</u>	<u>112,713,766</u>
<b><u>Liabilities</u></b>						
Current liabilities	37,689,568	33,130,269	298,006	315,849	37,987,574	33,446,118
Long-term liabilities	<u>32,680,349</u>	<u>38,275,094</u>	<u>12,923</u>	<u>14,945</u>	<u>32,693,272</u>	<u>38,290,039</u>
Total liabilities	<u>70,369,917</u>	<u>71,405,363</u>	<u>310,929</u>	<u>330,794</u>	<u>70,680,846</u>	<u>71,736,157</u>
<b><u>Net Assets</u></b>						
Invested in capital assets, net of related debt	13,879,066	8,994,910	2,502,295	2,598,355	16,381,361	11,593,265
Restricted	4,258,217	8,517,577	-	-	4,258,217	8,517,577
Unrestricted	<u>20,781,033</u>	<u>17,943,454</u>	<u>2,624,723</u>	<u>2,923,313</u>	<u>23,405,756</u>	<u>20,866,767</u>
Total net assets	<u>\$ 38,918,316</u>	<u>\$ 35,455,941</u>	<u>\$ 5,127,018</u>	<u>\$ 5,521,668</u>	<u>\$ 44,045,334</u>	<u>\$ 40,977,609</u>

Total governmental assets increased by \$2,426,929 while total governmental liabilities decreased by \$1,035,446 resulting in an increase to net assets of \$3,462,375. Total assets of business-type activities decreased \$414,515 while total liabilities of business-type activities decreased by \$19,865 resulting in a decrease to net assets of \$394,650.

Taxes receivable contributed to 38.29% or \$41,851,034 of total governmental assets. Of this amount \$32,659,791 is offset as deferred revenue, revenue to be used in future periods. Liabilities for Governmental Activities totaled \$70,369,917; of this amount \$32,680,349 or 46.44 % is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the District is good. The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$44,450,423 or 92.00% of total governmental revenue. The most significant portion of the general revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equaled to \$3,863,098 or 8.00% of total governmental revenue.

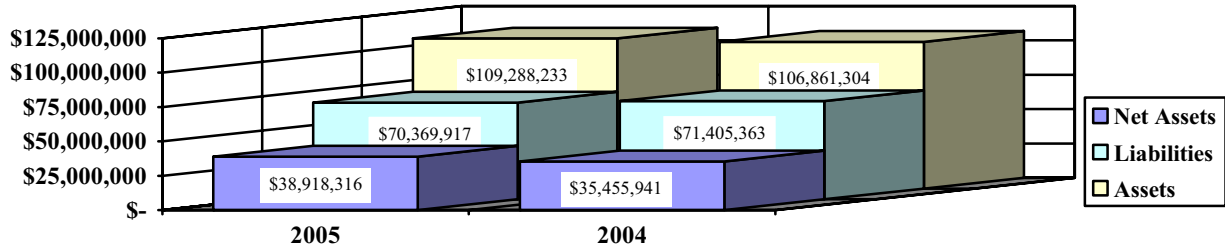
The graphs below present the District's governmental and business-type net assets for fiscal years 2005 and 2004.



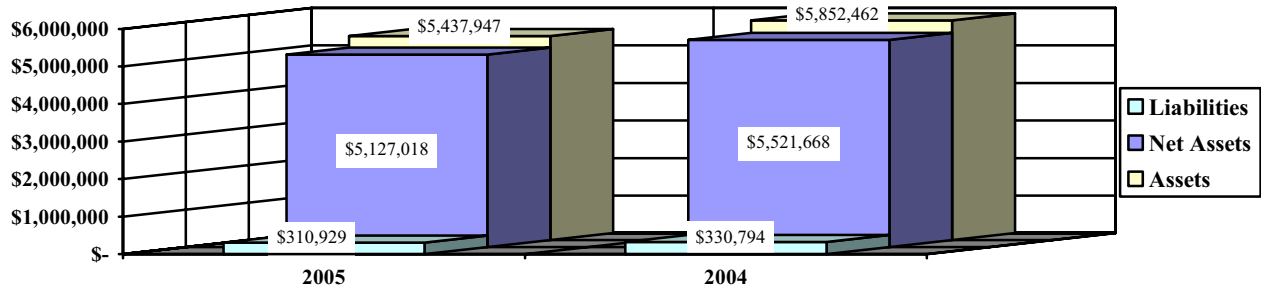
**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED*

**Governmental - Net Assets**



**Business-Type - Net Assets**



The table below shows the changes in net assets for fiscal year 2005 and 2004.

	<b>Change in Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 2,546,139	\$ 3,026,288	\$ 1,453,400	\$ 1,463,320	\$ 3,999,539	\$ 4,489,608
Operating grants and contributions	1,254,895	1,154,123	138,219	185,204	1,393,114	1,339,327
Capital grants and contributions	62,064	59,445	11,000	-	73,064	59,445
<b>Total program revenues</b>	<b>3,863,098</b>	<b>4,239,856</b>	<b>1,602,619</b>	<b>1,648,524</b>	<b>5,465,717</b>	<b>5,888,380</b>
General revenues:						
Property taxes	37,246,254	36,198,792	230,367	679,573	37,476,621	36,878,365
Grants and entitlements, not restricted	6,581,853	6,377,995	-	-	6,581,853	6,377,995
Investment earnings	575,766	268,877	65,348	26,811	641,114	295,688
Gain on sale of capital assets	-	2,124	-	-	-	2,124
Miscellaneous	46,550	139,337	13,372	34,035	59,922	173,372
<b>Total general revenues</b>	<b>44,450,423</b>	<b>42,987,125</b>	<b>309,087</b>	<b>740,419</b>	<b>44,759,510</b>	<b>43,727,544</b>
<b>Total revenues</b>	<b>\$ 48,313,521</b>	<b>\$ 47,226,981</b>	<b>\$ 1,911,706</b>	<b>\$ 2,388,943</b>	<b>\$ 50,225,227</b>	<b>\$ 49,615,924</b>

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED*

**Change in Net Assets (Continued)**

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Expenses</b>						
Program expenses:						
Instruction:						
Regular	\$ 16,379,861	\$ 16,320,163	\$ -	\$ -	\$ 16,379,861	\$ 16,320,163
Special	6,202,166	5,028,484	-	-	6,202,166	5,028,484
Vocational	253,802	280,092	-	-	253,802	280,092
Other	-	23,649	-	-	-	23,649
Support services:						
Pupil	2,648,841	2,734,653	-	-	2,648,841	2,734,653
Instructional staff	2,681,775	3,081,414	-	-	2,681,775	3,081,414
Board of Education	163,202	141,777	-	-	163,202	141,777
Administration	2,603,395	2,606,354	-	-	2,603,395	2,606,354
Fiscal	1,115,331	1,053,898	-	-	1,115,331	1,053,898
Business	443,553	432,204	-	-	443,553	432,204
Operations and maintenance of plant	4,441,976	3,386,491	-	-	4,441,976	3,386,491
Pupil transportation	3,029,567	3,162,885	-	-	3,029,567	3,162,885
Central	924,539	938,416	-	-	924,539	938,416
Operation of non-instructional services	23,129	20,045	-	-	23,129	20,045
Extracurricular activities	1,469,294	1,385,763	-	-	1,469,294	1,385,763
Intergovernmental pass through	380,069	356,394	-	-	380,069	356,394
Interest and fiscal charges	1,452,048	1,335,954	-	-	1,452,048	1,335,954
Food service	633,098	592,915	-	-	633,098	592,915
Recreation	-	-	2,311,856	2,254,392	2,311,856	2,254,392
Total expenses	44,845,646	42,881,551	2,311,856	2,254,392	47,157,502	45,135,943
Special item-insurance proceeds	-	260,089	-	-	-	260,089
Transfers	(5,500)	-	5,500	-	-	-
Changes in net assets	3,462,375	4,605,519	(394,650)	134,551	3,067,725	4,740,070
Net assets at beginning of year	35,455,941	30,850,422	5,521,668	5,387,117	40,977,609	36,237,539

**Governmental Activities**

Net assets of the District's governmental activities increased \$3,462,375. Total governmental expenses of \$44,845,646 were offset by program revenues of \$3,863,098 and general revenues of \$44,450,423. Program revenues supported 8.61% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 90.72% of total governmental revenue. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past twenty-five years, residents of the District have, without exception, supported all operating levies placed on the ballot. In November of 2004, the District successfully passed a 5-mill operating levy that will generate approximately \$4.7 million in revenue per year. Collections on this new levy began during the second half of fiscal year 2005 with full collection of this levy realized in fiscal year 2006. The additional income will be dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation) and is expected to cover four years of operation. Ohio H.B. 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This state law, enacted in 1976, also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

**ORANGE CITY SCHOOL DISTRICT**

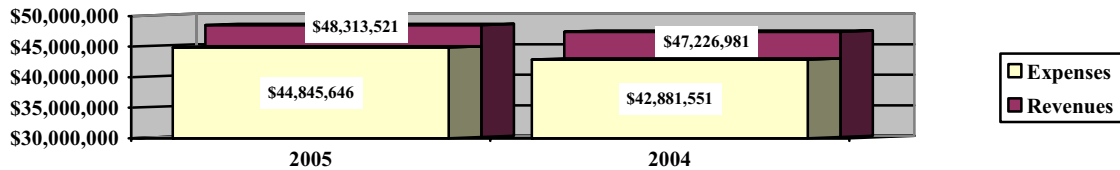
*MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Approximately 50.92% of the District's budget is used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 40.25%. The remaining amount of program expenses, roughly 8.83%, is budgeted to facilitate other obligations of the District such as interest and fiscal charges, food service operations and extracurricular activities.

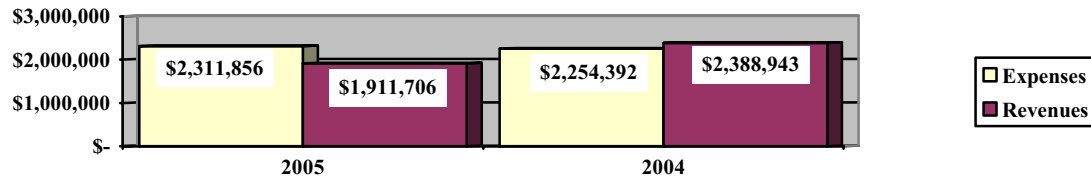
Actual expenses were relatively consistent with annual budget expectations and the District even reflected an increase of net assets in 2005 of \$3,462,375. The increase was attributable to the District's continued maintenance of a revenue stream fueled by local property taxes and the related entitlements from the State that exceeded operating expenses. The voters of the District again displayed their support in November of 2004 with the passage of a 5-mill operating levy, which enabled the District to continue the aforementioned trend.

The graphs below present the District's governmental and business-type activities revenues and expenses for fiscal year 2005 and 2004.

**Governmental Activities - Revenues and Expenses**



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



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 and 2004. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED*

**Governmental Activities**

	Total Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2005</u>	Net Cost of Services <u>2004</u>
Program expenses:				
Instruction:				
Regular	\$ 16,379,861	\$ 16,320,163	\$ 14,429,706	\$ 13,839,901
Special	6,202,166	5,028,484	5,913,654	4,752,724
Vocational	253,802	280,092	253,802	280,092
Other	-	23,649	-	23,649
Support services:				
Pupil	2,648,841	2,734,653	2,294,015	2,504,342
Instructional staff	2,681,775	3,081,414	2,608,665	3,030,645
Board of Education	163,202	141,777	163,202	141,777
Administration	2,603,395	2,606,354	2,596,707	2,592,589
Fiscal	1,115,331	1,053,898	1,115,331	1,053,898
Business	443,553	432,204	443,553	432,204
Operations and maintenance of plant	4,441,976	3,386,491	4,389,175	3,318,030
Pupil transportation	3,029,567	3,162,885	3,010,151	3,158,997
Central	924,539	938,416	886,656	917,603
Operation of non-instructional services	23,129	20,045	15,233	15,599
Food service operations	633,098	592,915	124,546	74,861
Extracurricular activities	1,469,294	1,385,763	1,287,882	1,173,467
Intergovernmental pass through	380,069	356,394	(1,778)	(4,637)
Interest and fiscal charges	<u>1,452,048</u>	<u>1,335,954</u>	<u>1,452,048</u>	<u>1,335,954</u>
 Total expenses	 <u>\$ 44,845,646</u>	 <u>\$ 42,881,551</u>	 <u>\$ 40,982,548</u>	 <u>\$ 38,641,695</u>

The dependence upon tax revenues during fiscal year 2005 for governmental activities is apparent, as 90.20% of 2005 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 91.39% in 2005. The District's taxpayers, as a whole, are by far the primary support for the District's students.

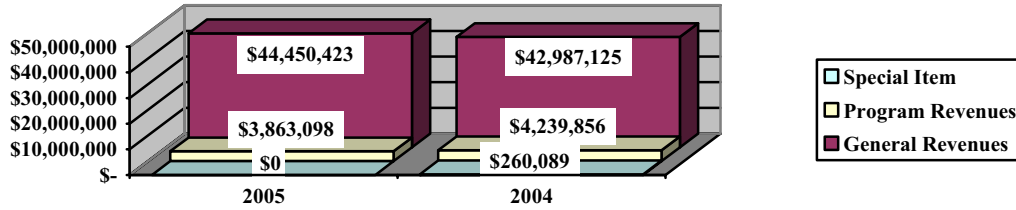
**The communities of Hunting Valley, Orange, Pepper Pike, Moreland Hills, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.**

**ORANGE CITY SCHOOL DISTRICT**

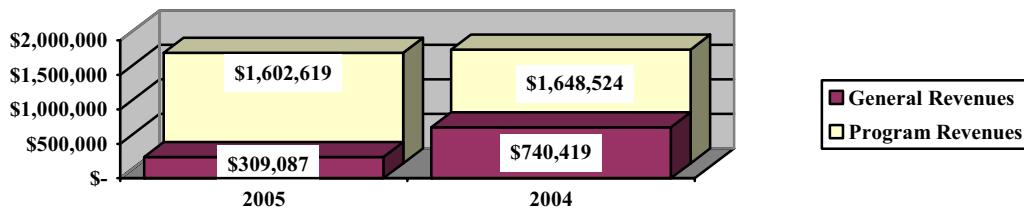
*MANAGEMENT'S DISCUSSION AND ANALYSIS  
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UNAUDITED*

The graphs below present the District's governmental and business-type activities revenues for fiscal years 2005 and 2004.

**Governmental Activities - General and Program Revenues**



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



**Business-Type Activities**

Business-type activities include the recreation operation. This program had revenues of \$1,911,706 and expenses of \$2,311,856 for fiscal year 2005. During fiscal year 2005, the District's business activities received \$230,367 in support from tax revenues, which represents a decrease from the prior year of \$449,206 on an accrual basis of accounting. The decrease is attributable to the December 31, 2005 expiration date of the current levy that supports the recreation fund. The voters of the District approved a new recreation levy in November of 2005 that replaces this expiring levy. Collections for this replacement levy will commence in January of 2006.

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$26,136,292, which is below last year's total of \$27,100,625. The June 30, 2004 fund balances have been restated as described in Note 3 to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2005 and 2004.

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
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	Fund Balance <u>June 30, 2005</u>	Restated Fund Balance <u>June 30, 2004</u>	Increase <u>(Decrease)</u>
General	\$ 21,918,833	\$ 18,328,497	\$ 3,590,336
Bond retirement	1,249,761	5,878,620	(4,628,859)
Permanent improvement	2,231,015	1,812,691	418,324
Other Governmental	<u>736,683</u>	<u>1,080,817</u>	<u>(344,134)</u>
 Total	 <u>\$ 26,136,292</u>	 <u>\$ 27,100,625</u>	 <u>\$ (964,333)</u>

**General Fund**

The District's general fund is by far the District's most significant fund. The fund balance of the general fund increased \$3,590,336. The table that follows assists in illustrating the revenues of the general fund.

	<u>2005 Amount</u>	<u>2004 Amount</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 33,890,614	\$ 32,879,710	3.07 %
Tuition and fees	2,476,688	3,474,021	(28.71) %
Interest earnings	474,881	207,948	128.37 %
Intergovernmental	6,224,780	6,026,584	3.29 %
Other revenues	<u>71,451</u>	<u>88,804</u>	(19.54) %
 Total	 <u>\$ 43,138,414</u>	 <u>\$ 42,677,067</u>	 1.08 %

Tax revenue increased \$1,010,904 or 3.07% from the prior year. This is the result of an increase in the amount of taxes collected by the Cuyahoga County Auditor and available to the District as an advance at fiscal year end. These amounts vary depending upon when the tax bills are sent. On a cash basis, fiscal 2005 tax revenue actually increased \$2,673,873 from fiscal 2004. The increase in tax revenue is caused by the application of GAAP and the requirement to record tax revenue for amounts collected by the County Auditor at June 30 and available to the District as an advance. These amounts are reserved on the fund financial statements as tax advance unavailable for appropriation.

Intergovernmental revenue increased \$198,196 or 3.29% from the prior year. This increase is attributed to an increase in Homestead and rollback reimbursements received from the State. These reimbursements are directly related to the amount of tax revenues received. The decrease in tuition and fees is a function of the anomaly that occurred during fiscal years 2002 through 2004. That is, a number of districts were delinquent in paying tuition to Orange City Schools or were not billed in a timely fashion relative to fiscal years 2001 and prior. Over the three-year period ended in fiscal year 2004, the Grants/Tuition Coordinator was able to successfully bill and collect from the majority of such districts and restore Orange City School's tuition accounts receivables listing to a more current state. The decrease in these revenues during the current year was expected as is a leveling off of these revenues going forward. The increase in interest earnings was due to a hike in rates by the Federal Reserve coupled with the availability of additional funds to invest due to the passage of the most recent levy. All other revenue remained comparable to 2004.

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The table that follows assists in illustrating the expenditures of the general fund.

	<u>2005</u>	<u>2004</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Restated Amount</u>	<u>Change</u>
<b><u>Expenditures</u></b>			
Instruction	\$ 21,377,441	\$ 20,469,126	4.44 %
Support services	16,912,836	16,544,985	2.22 %
Operation of non-instructional services	5,240	-	100.00 %
Extracurricular activities	1,051,774	975,167	7.86 %
Debt service	<u>45,004</u>	<u>54,913</u>	(18.04) %
 Total	 <u>\$ 39,392,295</u>	 <u>\$ 38,044,191</u>	 3.54 %

Instruction and support services expenditures remained consistent with 2004 experiencing modest increases due to anticipated salary/wage increases. All other expenditure line items shown are deemed immaterial amounts relative to total expenditures or were consistent with 2004 and do not warrant further analysis.

***General Fund Budgeting Highlights***

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

During the course of fiscal 2005, the District amended its general fund budget on only three occasions, none significant. The District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses, but provide flexibility for site based decision-making by management.

The general fund's final budgeted revenues and other financing sources totaled \$43,171,851 this was above original budget estimates of \$40,267,325. Actual budget basis revenues and other financing sources of \$42,278,923 were less than final budgeted revenues by \$892,928 primarily due to the previously mentioned drop off in tuition and fees revenues. The final budgeted expenditures and other financing uses totaled \$41,516,138 compared to original estimates of \$41,467,973. Actual budget basis expenditures and other financing uses of \$40,076,771 were \$1,439,367 lower than the final budgeted expenditures.

The District's ending unencumbered cash balance totaled \$19,388,344, which was higher than that originally budgeted.

**Bond Retirement Fund**

The bond retirement fund had \$2,310,485 in revenues and \$6,939,344 in expenditures. The bond retirement fund's fund balance decreased \$4,628,859 from \$5,878,620 to \$1,249,761. The fund balance decrease resulted from the repayment of a \$4,500,000 general obligation note during the fiscal year.

**Permanent Improvement Fund**

The permanent improvement fund had \$969,159 in revenues and \$550,835 in expenditures. The permanent improvement fund's fund balance increased \$418,324 from \$1,812,691 to \$2,231,015. The fund balance increase resulted from the District having sufficient revenue sources (primarily taxes) to finance capital improvement projects undertaken during fiscal year.

**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Capital Assets and Debt Administration**

**Capital Assets**

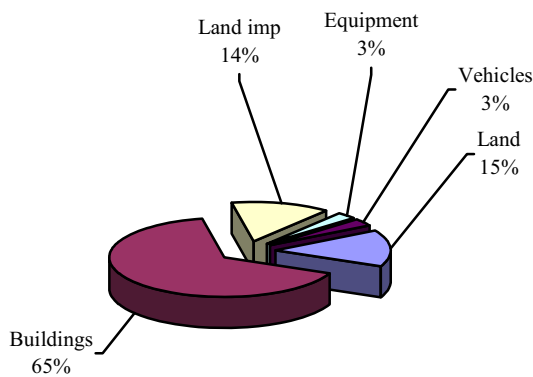
At the end of fiscal 2005, the District had \$44,805,220 invested in land, land improvements, buildings, equipment and vehicles. Of this total, \$42,302,925 was reported in governmental activities and \$2,502,295 was reported in business-type activities. The following table shows fiscal 2005 balances compared to 2004:

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

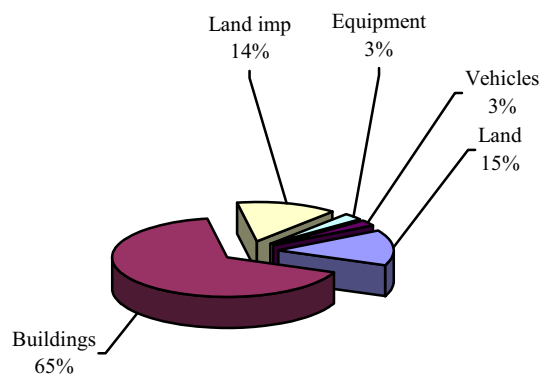
	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Land improvements	5,878,294	6,205,322	60,228	60,058	5,938,522	6,265,380
Building	27,547,417	28,380,439	2,366,379	2,457,795	29,913,796	30,838,234
Equipment	1,245,813	1,236,608	33,743	42,892	1,279,556	1,279,500
Vehicles	1,261,251	1,187,591	41,945	37,610	1,303,196	1,225,201
<b>Total</b>	<b>\$42,302,925</b>	<b>\$43,380,110</b>	<b>\$ 2,502,295</b>	<b>\$ 2,598,355</b>	<b>\$ 44,805,220</b>	<b>\$ 45,978,465</b>

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2005 and 2004.

**Capital Assets - Governmental Activities  
2005**



**Capital Assets - Governmental Activities  
2004**

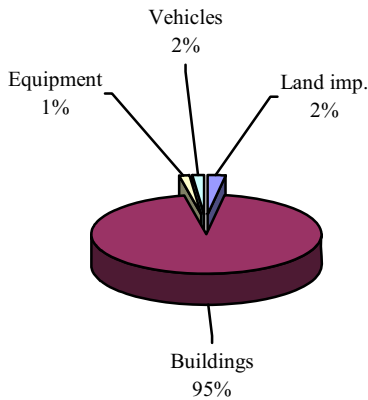




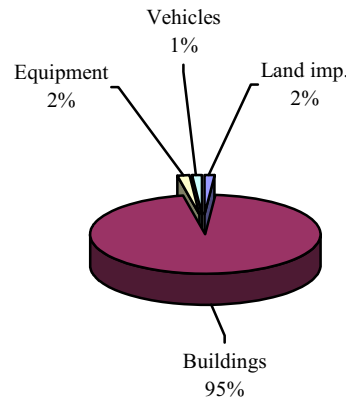
**ORANGE CITY SCHOOL DISTRICT**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
UNAUDITED*

**Capital Assets - Business-Type Activities  
2005**



**Capital Assets - Business-Type Activities  
2004**



See Note 7 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

At June 30, 2005 the District had \$28,866,304 in general obligation bonds outstanding. The following table summarizes the bonds outstanding.

	<b>Outstanding Debt, at Year End</b>	
	Governmental Activities 2005	Governmental Activities 2004
General obligation bonds	\$ 28,866,304	\$ 29,785,978
Notes payable	-	4,500,000
<b>Total</b>	<b><u>\$ 28,866,304</u></b>	<b><u>\$ 34,285,978</u></b>

In an election held on November 3, 1998 the electors of the 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 2026.

See Note 12 to the basic financial statements for additional information on the District's debt administration.

## ORANGE CITY SCHOOL DISTRICT

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED*

#### ***Current Financial Related Activities***

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

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

Overall, the district continues to 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 the District's students achieving a perfect 23 out of 23.

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

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

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

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

## **ORANGE CITY SCHOOL DISTRICT**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 UNAUDITED*

The District has committed itself to financial and educational excellence for many years. The District has received the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 1996. Orange City School District is committed to continuous improvement in financial reporting to our communities.

#### **Contacting the 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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Neil W. Barnes, CPA, Assistant Treasurer, Orange City School District, 32000 Chagrin Blvd., Cleveland, Ohio 44124-5974. Or e-mail at [nbarnes@orange.k12.oh.us](mailto:nbarnes@orange.k12.oh.us).

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**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF NET ASSETS*

*JUNE 30, 2005*

	Governmental Activities	Business-Type Activity	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 23,812,733	\$ 2,650,384	\$ 26,463,117
Receivables:			
Taxes . . . . .	41,851,034	273,577	42,124,611
Accounts. . . . .	3,651	267	3,918
Accrued interest . . . . .	80,785	9,904	90,689
Intergovernmental . . . . .	721,850	-	721,850
Inventory held for resale . . . . .	29,644	-	29,644
Materials and supplies inventory . . . . .	302,233	1,520	303,753
Prepaid items. . . . .	94,570	-	94,570
Unamortized bond issue costs . . . . .	88,808	-	88,808
Capital assets:			
Nondepreciable capital assets. . . . .	6,370,150	-	6,370,150
Depreciable capital assets, net . . . . .	35,932,775	2,502,295	38,435,070
Total capital assets, net . . . . .	<u>42,302,925</u>	<u>2,502,295</u>	<u>44,805,220</u>
<i>Total assets</i> . . . . .	<u>109,288,233</u>	<u>5,437,947</u>	<u>114,726,180</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	108,577	35,719	144,296
Contracts payable. . . . .	42,150	-	42,150
Accrued wages payable. . . . .	3,609,180	85,696	3,694,876
Intergovernmental payable . . . . .	117,721	2,182	119,903
Pension obligation payable . . . . .	1,031,286	174,409	1,205,695
Deferred revenue . . . . .	32,659,791	-	32,659,791
Undistributed monies. . . . .	5,487	-	5,487
Accrued interest payable . . . . .	115,376	-	115,376
Long-term liabilities:			
Due within one year. . . . .	1,132,108	3,912	1,136,020
Due in more than one year . . . . .	31,548,241	9,011	31,557,252
<i>Total liabilities</i> . . . . .	<u>70,369,917</u>	<u>310,929</u>	<u>70,680,846</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt. . . . .	13,879,066	2,502,295	16,381,361
Restricted for:			
Capital projects . . . . .	2,521,928	-	2,521,928
Debt service. . . . .	1,288,147	-	1,288,147
Set-asides . . . . .	162,370	-	162,370
Locally funded programs . . . . .	7,371	-	7,371
State funded programs . . . . .	3,854	-	3,854
Federally funded programs . . . . .	137,373	-	137,373
Student activities . . . . .	63,616	-	63,616
Public school support . . . . .	73,558	-	73,558
Unrestricted . . . . .	<u>20,781,033</u>	<u>2,624,723</u>	<u>23,405,756</u>
<i>Total net assets</i> . . . . .	<u>\$ 38,918,316</u>	<u>\$ 5,127,018</u>	<u>\$ 44,045,334</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 16,379,861	\$ 1,856,569	\$ 93,586	\$ -
Special . . . . .	6,202,166	3,773	284,739	-
Vocational . . . . .	253,802	-	-	-
Support services:				
Pupil . . . . .	2,648,841	44,702	310,124	-
Instructional staff . . . . .	2,681,775	2,425	70,685	-
Board of education . . . . .	163,202	-	-	-
Administration . . . . .	2,603,395	-	6,688	-
Fiscal . . . . .	1,115,331	-	-	-
Business . . . . .	443,553	-	-	-
Operations and maintenance of plant . . . . .	4,441,976	6,692	2,315	43,794
Pupil transportation . . . . .	3,029,567	19,416	-	-
Central . . . . .	924,539	-	19,613	18,270
Operation of non-instructional services . . . . .				
	23,129	-	7,896	-
Food service operations . . . . .	633,098	441,373	67,179	-
Intergovernmental pass through . . . . .	380,069	-	381,847	-
Extracurricular activities . . . . .	1,469,294	171,189	10,223	-
Interest and fiscal charges . . . . .	1,452,048	-	-	-
<i>Total governmental activities . . . . .</i>	<u>44,845,646</u>	<u>2,546,139</u>	<u>1,254,895</u>	<u>62,064</u>
<b>Business-Type activity:</b>				
Recreation . . . . .	2,311,856	1,453,400	138,219	11,000
<i>Totals . . . . .</i>	<u>\$ 47,157,502</u>	<u>\$ 3,999,539</u>	<u>\$ 1,393,114</u>	<u>\$ 73,064</u>

**General Revenues:**

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

*Total general revenues . . . . .*

Transfers . . . . .

*Total general revenues and transfers . . . . .*

Change in net assets . . . . .

*Net assets at beginning of year . . . . .*

*Net assets at end of year . . . . .*

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
\$ (14,429,706)	\$ -	\$ (14,429,706)
(5,913,654)	-	(5,913,654)
(253,802)	-	(253,802)
(2,294,015)	-	(2,294,015)
(2,608,665)	-	(2,608,665)
(163,202)	-	(163,202)
(2,596,707)	-	(2,596,707)
(1,115,331)	-	(1,115,331)
(443,553)	-	(443,553)
(4,389,175)	-	(4,389,175)
(3,010,151)	-	(3,010,151)
(886,656)	-	(886,656)
(15,233)	-	(15,233)
(124,546)	-	(124,546)
1,778	-	1,778
(1,287,882)	-	(1,287,882)
(1,452,048)	-	(1,452,048)
(40,982,548)	-	(40,982,548)
-	(709,237)	(709,237)
(40,982,548)	(709,237)	(41,691,785)
34,448,820	-	34,448,820
2,021,985	-	2,021,985
775,449	-	775,449
-	230,367	230,367
6,581,853	-	6,581,853
575,766	65,348	641,114
46,550	13,372	59,922
44,450,423	309,087	44,759,510
(5,500)	5,500	-
44,444,923	314,587	44,759,510
3,462,375	(394,650)	3,067,725
35,455,941	5,521,668	40,977,609
\$ 38,918,316	\$ 5,127,018	\$ 44,045,334

**ORANGE CITY SCHOOL DISTRICT**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005*

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 19,842,371	\$ 924,616	\$ 2,137,484	\$ 745,892	\$ 23,650,363
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	162,370	-	-	-	162,370
Receivables:					
Taxes . . . . .	38,816,440	2,175,528	859,066	-	41,851,034
Accounts . . . . .	3,051	-	600	-	3,651
Accrued interest . . . . .	67,840	3,455	7,987	1,503	80,785
Intergovernmental . . . . .	537,561	-	-	184,289	721,850
Interfund loan . . . . .	34,652	-	-	-	34,652
Inventory held for resale . . . . .	-	-	-	29,644	29,644
Materials and supplies inventory . . . . .	301,445	-	-	788	302,233
Prepaid items . . . . .	94,570	-	-	-	94,570
<i>Total assets</i> . . . . .	<u>\$ 59,860,300</u>	<u>\$ 3,103,599</u>	<u>\$ 3,005,137</u>	<u>\$ 962,116</u>	<u>\$ 66,931,152</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 89,703	\$ -	\$ -	\$ 18,874	\$ 108,577
Contracts payable . . . . .	-	-	42,150	-	42,150
Accrued wages payable . . . . .	3,527,090	-	-	82,090	3,609,180
Interfund loan payable . . . . .	-	-	-	34,652	34,652
Compensated absences payable . . . . .	124,675	-	-	-	124,675
Pension obligation payable . . . . .	975,570	-	-	55,716	1,031,286
Intergovernmental payable . . . . .	116,012	-	-	1,709	117,721
Deferred revenue . . . . .	33,108,417	1,853,838	731,972	26,905	35,721,132
Undistributed monies . . . . .	-	-	-	5,487	5,487
<i>Total liabilities</i> . . . . .	<u>37,941,467</u>	<u>1,853,838</u>	<u>774,122</u>	<u>225,433</u>	<u>40,794,860</u>
<b>Fund Balances:</b>					
Reserved for encumbrances . . . . .	575,046	-	145,701	101,542	822,289
Reserved for property taxes . . . . .	5,668,319	318,160	125,623	-	6,112,102
Reserved for debt service . . . . .	-	931,601	-	-	931,601
Reserved for budget stabilization . . . . .	162,370	-	-	-	162,370
Unreserved:					
Undesignated, reported in:					
General fund . . . . .	15,513,098	-	-	-	15,513,098
Special revenue funds . . . . .	-	-	-	447,072	447,072
Capital projects funds . . . . .	-	-	1,959,691	188,069	2,147,760
<i>Total fund balances</i> . . . . .	<u>21,918,833</u>	<u>1,249,761</u>	<u>2,231,015</u>	<u>736,683</u>	<u>26,136,292</u>
<i>Total liabilities and fund balances</i> . . . . .	<u>\$ 59,860,300</u>	<u>\$ 3,103,599</u>	<u>\$ 3,005,137</u>	<u>\$ 962,116</u>	<u>\$ 66,931,152</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, 2005*

<b>Total governmental fund balances</b>		\$	26,136,292
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			42,302,925
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	2,953,889	
Intergovernmental		107,452	
Total			3,061,341
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.			(115,376)
Unamortized premiums on bond issuances are not recognized in the funds.			(187,742)
Unamortized bond issuance costs are not recognized in the funds			88,808
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		28,866,304	
Compensated absences		3,406,088	
Capital lease obligation		60,640	
Arbitrage payable		34,900	
Total			(32,367,932)
 <i>Net assets of governmental activities</i>		 \$	 38,918,316

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES*

*GOVERNMENTAL FUNDS*

*FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 33,890,614	\$ 2,006,450	\$ 774,009	\$ -	\$ 36,671,073
Intergovernmental . . . . .	6,224,780	256,851	100,222	1,267,465	7,849,318
Interest . . . . .	474,881	38,804	51,134	10,947	575,766
Tuition and fees . . . . .	2,476,688	-	-	-	2,476,688
Extracurricular activities . . . . .	-	-	-	217,569	217,569
Classroom materials and fees . . . . .	3,783	-	-	88,011	91,794
Charges for services . . . . .	-	-	-	441,373	441,373
Rentals . . . . .	6,692	-	-	-	6,692
Miscellaneous . . . . .	60,976	8,380	43,794	34,853	148,003
<i>Total revenue</i> . . . . .	<u>43,138,414</u>	<u>2,310,485</u>	<u>969,159</u>	<u>2,060,218</u>	<u>48,478,276</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	15,378,836	-	-	184,483	15,563,319
Special . . . . .	5,766,845	-	-	266,537	6,033,382
Vocational . . . . .	231,760	-	-	-	231,760
Other . . . . .	-	-	-	314,102	314,102
Support Services:					
Pupil . . . . .	2,289,821	-	-	314,189	2,604,010
Instructional staff . . . . .	2,572,969	-	-	77,271	2,650,240
Board of education . . . . .	163,202	-	-	-	163,202
Administration . . . . .	2,535,137	-	-	6,602	2,541,739
Fiscal . . . . .	1,114,715	-	-	-	1,114,715
Business . . . . .	418,029	-	-	-	418,029
Operations and maintenance of plant . . . . .	3,935,930	-	-	2,315	3,938,245
Pupil transportation . . . . .	3,072,781	-	-	-	3,072,781
Central . . . . .	810,252	-	3,500	40,297	854,049
Operation of non-instructional services . . . . .	5,240	-	-	7,497	12,737
Food service operations . . . . .	-	-	-	589,150	589,150
Extracurricular activities . . . . .	1,051,774	-	-	325,025	1,376,799
Facilities acquisition and construction . . . . .	-	-	547,335	25,867	573,202
Intergovernmental pass through . . . . .	-	-	-	407,017	407,017
Debt service:					
Principal retirement . . . . .	38,582	5,530,000	-	-	5,568,582
Interest and fiscal charges . . . . .	6,422	1,409,344	-	-	1,415,766
Bond issuance costs . . . . .	-	-	-	-	-
<i>Total expenditures</i> . . . . .	<u>39,392,295</u>	<u>6,939,344</u>	<u>550,835</u>	<u>2,560,352</u>	<u>49,442,826</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	3,746,119	(4,628,859)	418,324	(500,134)	(964,550)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	-	156,000	156,000
Transfers out . . . . .	(156,000)	-	-	-	(156,000)
Proceeds from sale of capital assets . . . . .	217	-	-	-	217
<i>Total other financing sources (uses)</i> . . . . .	<u>(155,783)</u>	<u>-</u>	<u>-</u>	<u>156,000</u>	<u>217</u>
<i>Net change in fund balances</i> . . . . .	3,590,336	(4,628,859)	418,324	(344,134)	(964,333)
<i>Fund balances at beginning of year (restated)</i> . . . . .	18,328,497	5,878,620	1,812,691	1,080,817	27,100,625
<i>Fund balances at end of year</i> . . . . .	<u>\$ 21,918,833</u>	<u>\$ 1,249,761</u>	<u>\$ 2,231,015</u>	<u>\$ 736,683</u>	<u>\$ 26,136,292</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, 2005*

**Net change in fund balances - total governmental funds** \$ (964,333)

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

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

Capital asset additions	639,192	
Current year depreciation	<u>(1,704,352)</u>	
Total		(1,065,160)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (12,025)

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

Decrease in accrued interest payable	69,198	
Accretion of interest on "capital appreciation" bonds	(110,326)	
Amortization of bond premium	9,196	
Amortization of bond issue costs	<u>(4,350)</u>	
		(36,282)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (164,755)

Repayment of bond, note and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds	1,030,000	
Notes	4,500,000	
Capital lease	38,582	
Total	<u>5,568,582</u>	5,568,582

Repayment of the arbitrage liability is reported as an expenditure in the governmental funds, however, the repayment reduces long-term liabilities on the statement of net assets. 314,102

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (177,754)

***Change in net assets of governmental activities*** \$ 3,462,375

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 30,961,081	\$ 33,427,244	\$ 33,425,769	\$ (1,475)
Intergovernmental . . . . .	5,917,975	6,356,338	6,224,780	(131,558)
Interest . . . . .	345,500	345,500	432,607	87,107
Tuition and fees . . . . .	2,959,200	2,959,200	2,110,251	(848,949)
Transportation fees . . . . .	-	-	19,416	19,416
Classroom materials and fees . . . . .	2,000	2,000	3,783	1,783
Rentals . . . . .	7,000	7,000	6,692	(308)
Miscellaneous . . . . .	73,569	73,569	45,037	(28,532)
<i>Total revenue</i> . . . . .	<u>40,266,325</u>	<u>43,170,851</u>	<u>42,268,335</u>	<u>(902,516)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	15,692,530	15,709,278	15,573,822	135,456
Special . . . . .	4,561,383	4,656,710	4,586,646	70,064
Vocational . . . . .	347,077	309,884	308,198	1,686
Other . . . . .	24,860	-	-	-
Support Services:				
Pupil . . . . .	2,683,135	2,628,046	2,518,107	109,939
Instructional staff . . . . .	3,170,997	3,144,205	3,101,395	42,810
Board of education . . . . .	212,694	206,659	170,336	36,323
Administration . . . . .	2,640,639	2,762,022	2,719,202	42,820
Fiscal . . . . .	1,120,258	1,128,229	1,111,782	16,447
Business . . . . .	467,433	464,471	417,014	47,457
Operations and maintenance of plant . . . . .	4,718,902	4,628,856	4,198,791	430,065
Pupil transportation . . . . .	3,005,072	3,120,021	3,118,092	1,929
Central . . . . .	1,205,010	1,218,249	1,008,239	210,010
Operation of non-instructional services . . . . .	2,179	4,086	2,178	1,908
Extracurricular activities . . . . .	1,074,804	1,093,822	1,051,969	41,853
<i>Total expenditures</i> . . . . .	<u>40,926,973</u>	<u>41,074,538</u>	<u>39,885,771</u>	<u>1,188,767</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(660,648)</u>	<u>2,096,313</u>	<u>2,382,564</u>	<u>286,251</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure . . . . .	-	-	5,971	5,971
Refund of prior year receipts . . . . .	-	(600)	(600)	-
Transfers out . . . . .	(191,000)	(191,000)	(156,000)	35,000
Advances in . . . . .	-	-	4,400	4,400
Advances out . . . . .	-	-	(34,400)	(34,400)
Proceeds from sale of capital assets . . . . .	1,000	1,000	217	(783)
Contingencies . . . . .	(350,000)	(250,000)	-	250,000
<i>Total other financing sources (uses)</i> . . . . .	<u>(540,000)</u>	<u>(440,600)</u>	<u>(180,412)</u>	<u>260,188</u>
<i>Net change in fund balance</i> . . . . .	<u>(1,200,648)</u>	<u>1,655,713</u>	<u>2,202,152</u>	<u>546,439</u>
<i>Fund balance at beginning of year</i> . . . . .	16,705,360	16,705,360	16,705,360	-
Prior year encumbrances appropriated . . . . .	480,832	480,832	480,832	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 15,985,544</u>	<u>\$ 18,841,905</u>	<u>\$ 19,388,344</u>	<u>\$ 546,439</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF FUND NET ASSETS  
 PROPRIETARY FUND  
 JUNE 30, 2005*

	<u>Recreation</u>
<b>Assets:</b>	
<i>Current assets:</i>	
Equity in pooled cash and cash equivalents. . . . .	\$ 2,650,384
Receivables:	
Taxes . . . . .	273,577
Accounts . . . . .	267
Accrued interest . . . . .	9,904
Materials and supplies inventory . . . . .	<u>1,520</u>
<i>Total current assets.</i> . . . . .	<u>2,935,652</u>
<i>Noncurrent assets:</i>	
Depreciable capital assets, net . . . . .	<u>2,502,295</u>
<i>Total assets.</i> . . . . .	<u>5,437,947</u>
<b>Liabilities:</b>	
<i>Current Liabilities:</i>	
Accounts payable . . . . .	35,719
Accrued wages payable . . . . .	85,696
Compensated absences payable . . . . .	3,912
Pension obligation payable . . . . .	174,409
Intergovernmental payable. . . . .	<u>2,182</u>
<i>Total current liabilities</i> . . . . .	<u>301,918</u>
<i>Long-term liabilities:</i>	
Compensated absences payable . . . . .	<u>9,011</u>
<i>Total liabilities</i> . . . . .	<u>310,929</u>
<b>Net assets:</b>	
Invested in capital assets. . . . .	2,502,295
Unrestricted . . . . .	<u>2,624,723</u>
<i>Total net assets</i> . . . . .	<u>\$ 5,127,018</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	<u>Recreation</u>
<b>Operating revenues:</b>	
Tuition and fees . . . . .	\$ 1,323,567
Sales/charges for services . . . . .	129,833
Other . . . . .	<u>13,372</u>
<i>Total operating revenues . . . . .</i>	<u>1,466,772</u>
<b>Operating expenses:</b>	
Salaries. . . . .	1,123,057
Fringe benefits . . . . .	347,866
Purchased services. . . . .	597,926
Materials and supplies . . . . .	117,595
Depreciation . . . . .	112,560
Other. . . . .	<u>12,852</u>
<i>Total operating expenses. . . . .</i>	<u>2,311,856</u>
<i>Operating loss . . . . .</i>	<u>(845,084)</u>
<b>Nonoperating revenues:</b>	
Interest . . . . .	65,348
Property taxes . . . . .	230,367
Contributions and donations. . . . .	48,305
Grants and subsidies . . . . .	<u>89,914</u>
<i>Total nonoperating revenues. . . . .</i>	<u>433,934</u>
Loss before capital contributions . . . . .	(411,150)
Capital contributions . . . . .	<u>16,500</u>
<i>Change in net assets . . . . .</i>	(394,650)
<i>Net assets at beginning of year . . . . .</i>	<u>5,521,668</u>
<i>Net assets at end of year. . . . .</i>	<u>\$ 5,127,018</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	<u>Recreation</u>
<b><i>Increase (decrease) in cash and cash equivalents</i></b>	
<b>Cash flows from operating activities:</b>	
Cash received from customers . . . . .	\$ 1,454,909
Cash received from other operating revenues . . . . .	14,776
Cash payments to suppliers for goods and services . . . . .	(575,748)
Cash payments to employees for services . . . . .	(1,131,406)
Cash payments for employee benefits . . . . .	(383,160)
Cash payments for materials and supplies . . . . .	(110,368)
Cash payments for other operating expenses . . . . .	<u>(12,204)</u>
<i>Net cash used in operating activities . . . . .</i>	<u>(743,201)</u>
<b>Cash flows from noncapital financing activities:</b>	
Property taxes . . . . .	670,893
Transfers in from other funds . . . . .	2,454
Transfers out to other funds. . . . .	(2,454)
Contributions and donations . . . . .	48,305
Grants and subsidies . . . . .	<u>89,914</u>
<i>Net cash provided by noncapital financing activities. . . . .</i>	<u>809,112</u>
<b>Cash flows from investing activities:</b>	
Interest on investments. . . . .	<u>64,544</u>
<i>Net cash provided by investing activities . . . . .</i>	<u>64,544</u>
<i>Net increase in cash and cash equivalents . . . . .</i>	130,455
<i>Cash and cash equivalents at beginning of year . . . . .</i>	2,519,929
<i>Cash and cash equivalents at end of year. . . . .</i>	<u><u>\$ 2,650,384</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
<i>Operating loss . . . . .</i>	\$ (845,084)
<i>Adjustments:</i>	
Depreciation . . . . .	112,560
<b>Changes in assets and liabilities:</b>	
Decrease in accounts receivable . . . . .	2,913
Decrease in materials and supplies inventory. . . . .	5,545
Decrease in prepaid items . . . . .	730
Increase in accounts payable . . . . .	24,672
(Decrease) in accrued wages and benefits. . . . .	(7,999)
(Decrease) in compensated absences payable. . . . .	(2,022)
(Decrease) in intergovernmental payable . . . . .	(1,212)
(Decrease) in pension obligation payable. . . . .	<u>(33,304)</u>
<i>Net cash used in operating activities. . . . .</i>	<u><u>\$ (743,201)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005*

	Private-Purpose Trust		Agency
	<u>Scholarship</u>		<u>Agency</u>
<b>Assets:</b>			
Equity in pooled cash			
and cash equivalents . . . . .	\$ 76,091	\$	94,871
Accrued interest receivable . . . . .	267		-
	<u>76,358</u>		<u>-</u>
<i>Total assets</i> . . . . .	<u>\$ 76,358</u>	<u>\$</u>	<u>94,871</u>
<b>Liabilities:</b>			
Undistributed monies . . . . .	\$ -	\$	6,665
Due to students . . . . .	-		88,206
	<u>-</u>		<u>88,206</u>
<i>Total liabilities</i> . . . . .	<u>\$ -</u>	<u>\$</u>	<u>94,87</u>
<b>Net Assets:</b>			
Held in trust for scholarships. . . . .	<u>\$ 76,358</u>		

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**ORANGE CITY SCHOOL DISTRICT**

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	
<b>Additions:</b>		
Interest . . . . .	\$	1,996
Contributions and donations . . . . .		<u>1,550</u>
<i>Total additions.</i> . . . . .		<u>3,546</u>
<b>Deductions:</b>		
Scholarships awarded . . . . .		<u>2,500</u>
<i>Total deductions.</i> . . . . .		<u>2,500</u>
<i>Change in net assets.</i> . . . . .		1,046
<i>Net assets at beginning of year.</i> . . . . .		<u>75,312</u>
<i>Net assets at end of year.</i> . . . . .	\$	<u><u>76,358</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## ORANGE CITY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

#### NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The District provides educational services as mandated by State and federal agencies. The Board of Education controls the District's three instructional support facilities staffed by 192 classified employees, 239 certified teaching personnel, and 31 administrators/supervisors who provide services to 2,367 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 223<sup>rd</sup> largest by enrollment among the 613 public school districts in the state. The District operates one elementary school (K-5), one middle school (6-8) and a high school (9-12).

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### A. Reporting Entity

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

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

The District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Plan and the Suburban Health Consortium. These organizations are discussed in Notes 14 and 15 to the basic financial statements.

##### B. Basis of Presentation

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

## ORANGE CITY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

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

#### C. Fund Accounting

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

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

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

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

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

## ORANGE CITY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

Enterprise Fund – The enterprise fund is used to account for any activity for which a fee is charged to external users for goods or services. The District's major enterprise fund is:

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one private-purpose trust fund and three agency funds. The District's private-purpose trust accounts for scholarship programs for students. The agency funds are used to account for funds held on behalf of others, employee benefits collected but not yet remitted and student activities.

#### D. Measurement Focus

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

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

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

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

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

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

**E. Basis of Accounting**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

*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, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

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

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

**F. Budgetary Data**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate that were 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. During fiscal year 2005, the District made amendments to the original appropriations; however, none of these amendments were significant. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**G. Cash and Cash Equivalents**

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

During fiscal year 2005, investments were limited to federal agency securities, repurchase agreements, nonnegotiable certificates of deposit, U.S. Government money market mutual funds, and STAR Ohio, the State Treasurer's Investment Pool.

**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2005.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2005 amounted to \$474,881 which includes \$40,348 assigned from other District funds.

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2005, 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.

**I. Inventory**

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

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

**J. 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 18 for additional information regarding set-asides.



**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

**K. 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 District maintains a capitalization threshold of two thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**L. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at June 30, 2005.

**M. Compensated Absences**

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

**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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

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

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

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

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

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

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

**O. Net Assets**

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

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

**P. Fund Balance Reserves**

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

The reserve for property taxes represents taxes recognized as revenue under GAAP 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.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

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

**Q. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are 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.

**R. Interfund Activity**

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

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

**S. Estimates**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures", GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers" and GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

GASB Statement No. 39 further defines the guidelines of GASB Statement No. 14, "The Financial Reporting Entity".

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the District, however additional note disclosure can be found in Note 4. The implementation of GASB Statement No. 39 did not have an effect on the financial statements of the District. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and non-major governmental funds of the District as they were previously reported as of June 30, 2004:

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Nonmajor</u>
Fund Balances, June 30, 2004	\$ 18,680,826	\$ 5,878,620	\$ 1,812,691	\$ 1,113,330
GASB Technical Bulletin No. 2004-2	<u>(352,329)</u>	<u>-</u>	<u>-</u>	<u>(32,513)</u>
Restated Fund Balance, June 30, 2004	<u>\$ 18,328,497</u>	<u>\$ 5,878,620</u>	<u>\$ 1,812,691</u>	<u>\$ 1,080,817</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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;

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed 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.

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

**A. Cash on Hand**

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

**B. Deposits with Financial Institutions**

At June 30, 2005, the carrying amount of all District deposits was \$6,250,243. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2005, \$6,373,321 of the District's bank balance of \$6,621,609 was exposed to custodial risk as discussed below, while \$248,288 was covered by Federal Deposit Insurance Corporation.

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

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of June 30, 2005, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				Total
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	
FHLB	\$ 2,612,250	\$ -	\$ 1,976,250	\$ 636,000	\$ -	\$ 2,612,250
FHLB DN	1,005,345	1,005,345	-	-	-	1,005,345
US Treasury Notes	246,406	-	246,406	-	-	246,406
FHLMC	1,891,908	1,497,658	394,250	-	-	1,891,908
FHLMC DN	5,213,520	4,058,380	1,155,140	-	-	5,213,520
FNMA DN	730,650	-	730,650	-	-	730,650
FNMA	6,351,532	897,095	1,484,065	1,970,620	1,999,752	6,351,532
US Govt. MM Mutual Funds	51,519	51,519	-	-	-	51,519
Repurchase Agreements	825,566	825,566	-	-	-	825,566
STAR Ohio	1,454,990	1,454,990	-	-	-	1,454,990
	<u>\$ 20,383,686</u>	<u>\$ 9,790,553</u>	<u>\$ 5,986,761</u>	<u>\$ 2,606,620</u>	<u>\$ 1,999,752</u>	<u>\$ 20,383,686</u>

The weighted average maturity of investments is .69 years.

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

*Credit Risk:* The District's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2005:

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 2,612,250	12.82
HLB DN	1,005,345	4.93
US Treasury Notes	246,406	1.21
FHLMC	1,891,908	9.28
FHLMC DN	5,213,520	25.58
FNMA DN	730,650	3.58
FNMA DN	6,351,532	31.16
US Govt. MM Mutual Fund	51,519	0.25
Repurchase Agreements	825,566	4.05
STAROhio	<u>1,454,990</u>	<u>7.14</u>
	<u>\$ 20,383,686</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2005:

Cash and Investments per footnote

Carrying amount of deposits	\$ 6,250,243
Investments	20,383,686
Cash on hand	<u>150</u>
Total	<u>\$ 26,634,079</u>

Cash and investments per Financial Statements

Governmental activities	\$ 23,812,733
Business-type activities	2,650,384
Private-purpose trust funds	76,091
Agency Funds	<u>94,871</u>
Total	<u>\$ 26,634,079</u>

**NOTE 5 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2005 for real and public utility property taxes represents collections of calendar 2004 taxes. Property tax payments received during calendar 2005 for tangible personal property (other than public utility property) are for calendar 2005 taxes.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 5 - PROPERTY TAXES - (Continued)**

Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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. 2004 public utility property taxes became a lien December 31, 2003, are levied after April 1, 2004 and are collected in 2005 with real property taxes.

Tangible personal property taxes received in calendar year 2005 (other than public utility property) represent the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2003. Tangible personal property assessments are twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 904,032,290	95.11	\$ 916,393,060	94.81
Public utility personal	10,764,920	1.13	12,473,120	1.29
Tangible personal property	<u>35,735,048</u>	<u>3.76</u>	<u>37,692,694</u>	<u>3.90</u>
Total	<u>\$ 950,532,258</u>	<u>100.00</u>	<u>\$ 966,558,874</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$81.10		\$86.10

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 District prior to June 30. This year, the June 2005 tangible personal property tax settlement was not received until July of 2005.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.



**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 5 - PROPERTY TAXES - (Continued)**

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2005 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 at June 30, 2005, was \$6,151,972 and is recognized as revenue. \$5,668,319 was available to the general fund, \$318,160 was available to the Bond Retirement fund, \$125,623 was available to the Permanent Improvement fund and \$39,870 was available to the Recreation fund. The amount available as an advance for governmental funds at June 30, 2004 was \$5,771,809. \$5,190,321 was available to the general fund, \$328,830 was available to the Bond Retirement fund, \$141,002 was available to the permanent improvement fund and \$111,656 was available to the Recreation 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 the past year. 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.

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2005 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

<b>Governmental Activities</b>	
Taxes	\$ 41,851,034
Accounts	3,651
Intergovernmental	721,850
Accrued interest	80,785
<b>Business-type Activities</b>	
Taxes	273,577
Accounts	267
Accrued interest	9,904
Total receivables	<u>\$ 42,941,068</u>

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

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 7 - CAPITAL ASSETS**

**A. Governmental Activities**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/05</u>
<b>Governmental Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Total capital assets, not being depreciated	<u>6,370,150</u>	<u>-</u>	<u>-</u>	<u>6,370,150</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,423,180	44,836	-	8,468,016
Buildings	38,308,797	47,499	(9,327)	38,346,969
Equipment	3,203,860	301,772	(112,005)	3,393,627
Vehicles	3,159,555	245,085	(211,524)	3,193,116
Total capital assets, being depreciated	<u>53,095,392</u>	<u>639,192</u>	<u>(332,856)</u>	<u>53,401,728</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(2,217,858)	(371,864)	-	(2,589,722)
Buildings	(9,928,358)	(872,127)	933	(10,799,552)
Equipment	(1,967,252)	(288,936)	108,374	(2,147,814)
Vehicles	(1,971,964)	(171,425)	211,524	(1,931,865)
Total accumulated depreciation	<u>(16,085,432)</u>	<u>(1,704,352)</u>	<u>320,831</u>	<u>(17,468,953)</u>
Total capital assets, being depreciated	<u>37,009,960</u>	<u>(1,065,160)</u>	<u>(12,025)</u>	<u>35,932,775</u>
Governmental activities capital assets, net	<u>\$ 43,380,110</u>	<u>\$ (1,065,160)</u>	<u>\$ (12,025)</u>	<u>\$ 42,302,925</u>

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 7 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 728,431
Special	118,766
Vocational	20,056
<u>Support Services:</u>	
Pupil	48,753
Instructional staff	35,671
Administration	54,676
Fiscal	2,369
Business	31,498
Operations and maintenance	205,713
Pupil transportation	219,028
Central	81,609
Noninstructional operations	10,392
Extracurricular activities	86,576
Intergovernmental pass through	8,247
Food service operations	<u>52,567</u>
Total depreciation expense	<u>\$ 1,704,352</u>

**B. Business-Type Activities**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/05</u>
<b>Business-Type Activities:</b>				
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 166,357	\$ 5,500	\$ -	\$ 171,857
Buildings	3,582,289	-	-	3,582,289
Equipment	169,028	-	(2,070)	166,958
Vehicles	<u>50,147</u>	<u>11,000</u>	<u>-</u>	<u>61,147</u>
Total capital assets, being depreciated	<u>3,967,821</u>	<u>16,500</u>	<u>(2,070)</u>	<u>3,982,251</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(106,299)	(5,330)	-	(111,629)
Buildings	(1,124,494)	(91,416)	-	(1,215,910)
Equipment	(126,136)	(9,149)	2,070	(133,215)
Vehicles	<u>(12,537)</u>	<u>(6,665)</u>	<u>-</u>	<u>(19,202)</u>
Total accumulated depreciation	<u>(1,369,466)</u>	<u>(112,560)</u>	<u>2,070</u>	<u>(1,479,956)</u>
Business-type activities capital assets, net	<u>\$ 2,598,355</u>	<u>\$ (96,060)</u>	<u>\$ -</u>	<u>\$ 2,502,295</u>

**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 8 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2005, the District maintained comprehensive insurance coverage for liability, violence, real property, building contents and vehicles. The District obtains insurance coverage through the Ohio Schools Plan (See Note 15.A.). Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Building and Contents - Replacement Cost	\$62,660,338
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Employer's Liability	1,000,000

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

**B. Workers' Compensation**

The District obtains Workers' Compensation coverage directly through the State of Ohio Bureau of Workers' Compensation. The District has hired the firm of Sheakley Uniserve, Inc. to process and assist in claims filed. During fiscal 2005, the District paid administration fees in the amount of \$10,080 for these services.

**C. Employee Health Benefits**

The District participates in the Suburban Health Consortium, a shared risk pool (Note 15.B.) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The District's Board of Education pays the entire cost of a monthly premium.

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

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 9 - 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 225 days per year receive 22 days of vacation annually. Classified employees and administrators who receive vacation are paid for accumulated unused vacation time upon separation of employment in accordance with Ohio Revised Code Section 3319.084. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit as to the amount of sick leave that may be accumulated. Upon retirement, classified OAPSE employees receive payment for one-fourth of total sick leave accumulation with no maximum accumulation. Classified CESSA employees receive payment for one-fourth of total sick leave accumulation up to a maximum accumulation of 336 days. For certified employees, upon retirement, employees receive one-fourth of total sick leave accumulation up to a maximum accumulation of 320 days plus eight percent of sick leave accumulation over the last five years of service less sick leave used over the last five years of service.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem in the amount of \$100,000 for all certified and union exempt employees, \$200,000 for all administrators, \$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 10 - PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$855,323, \$699,245 and \$600,590; 45.09 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 10 - PENSION PLANS - (Continued)**

**B. State Teachers Retirement System**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,361,756, \$2,216,619 and \$2,099,683; 83.45 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$29,000 made by the District and \$55,963 made by the plan members.

**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

The 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 funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents 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. All benefit recipients pay a portion of health care cost 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, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$181,674 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. 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 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, District paid \$432,128 to fund health care benefits, including the surcharge.

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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 12 - LONG-TERM OBLIGATIONS**

A. During fiscal 2005, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/05</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement					
Current Interest Bonds					
3.3 - 5.1%, 12/01/23 maturity	\$ 24,105,000	\$ -	\$ (1,030,000)	\$ 23,075,000	\$ 610,000
Series 1999, Improvement					
Capital Appreciation Bonds					
8.16% (average effective)					
12/01/12 and 12/01/13 maturity	788,221	-	-	788,221	-
Series 1999, Improvement					
Capital Appreciation Bonds					
Accreted Interest	392,759	98,324	-	491,083	-
Series 2004, Improvement					
Current Interest Bonds					
2.0 - 4.625%, 12/01/26 maturity	4,460,000	-	-	4,460,000	160,000
Series 2004, Improvement					
Capital Appreciation Bonds					
24.185% (average effective)					
12/01/13 and 12/01/14 maturity	39,998	-	-	39,998	-
Series 2004, Improvement					
Capital Appreciation Bonds					
Accreted Interest	-	12,002	-	12,002	-
<b>Total, general obligation bonds</b>	<u>29,785,978</u>	<u>110,326</u>	<u>(1,030,000)</u>	<u>28,866,304</u>	<u>770,000</u>
<u>General Obligation Notes:</u>					
School Improvement, 2003					
1.38%, 07/15/04 maturity	4,500,000	-	(4,500,000)	-	-
<b>Total, general obligation notes</b>	<u>4,500,000</u>	<u>-</u>	<u>(4,500,000)</u>	<u>-</u>	<u>-</u>



**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

	Balance Outstanding <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/05</u>	Amount Due in One Year
<b>Other Obligations:</b>					
Capital lease obligation	\$ 99,222	\$ -	\$ (38,582)	\$ 60,640	\$ 29,104
Compensated absences	3,343,954	470,281	(283,472)	3,530,763	298,104
Arbitrage	<u>349,002</u>	<u>-</u>	<u>(314,102)</u>	<u>34,900</u>	<u>34,900</u>
Total, other obligations	<u>3,792,178</u>	<u>470,281</u>	<u>(636,156)</u>	<u>3,626,303</u>	<u>362,108</u>
 Total, all governmental activities long-term liabilities	 <u>\$ 38,078,156</u>	 <u>\$ 580,607</u>	 <u>\$ (6,166,156)</u>	 32,492,607	 <u>\$ 1,132,108</u>
Add: Unamortized premium on bonds				<u>187,742</u>	
Total on statement of net assets				<u>\$ 32,680,349</u>	
<b>Business-Type Activity:</b>					
Compensated absences	<u>\$ 14,945</u>	<u>\$ 304</u>	<u>\$ (2,326)</u>	<u>\$ 12,923</u>	<u>\$ 3,912</u>
Total business-type activities, long-term obligations	<u>\$ 14,945</u>	<u>\$ 304</u>	<u>\$ (2,326)</u>	<u>\$ 12,923</u>	<u>\$ 3,912</u>

The general obligation bonds will be paid with property tax revenue from the Bond Retirement fund. Compensated absences will be paid from the fund which the employee is paid. Capital lease obligations were paid from the general fund because it utilized the assets. The Building Improvements capital projects fund (a nonmajor governmental fund) will pay the arbitrage liability.

Series 2004 School Improvement General Obligation Bonds

On April 8, 2004, the District issued \$4,499,998 in general obligation bonds. The proceeds of the bond issue will be used to retire the Series 2003 School Improvement Notes which mature on July 15, 2004. The Series 2004 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$4,460,000 and capital appreciation bonds, par value \$400,000. The capital appreciation bonds mature on December 1, 2013 and December 1, 2014 (effective interest 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2005 was \$39,998. A total of \$12,002 in accreted interest has been included in the statement of net assets at June 30, 2005. The capital appreciation bonds are not subject to redemption prior to maturity. The current interest bonds maturing on December 1, 2026 (the 2026 Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption of the 2026 Term Bonds is to occur on December 1 in each of the years 2024 and 2025 (with the balance of \$320,000 to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

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

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

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

General Obligation Notes

The \$4,500,000 school improvement note issued at 1.38 percent and outstanding at June 30, 2004 was repaid in fiscal 2005. The repayment was made from the Bond Retirement fund.

Arbitrage Liability

If debt proceeds are retained by the District beyond the scheduled deadlines, the District is required to pay the federal government a portion of the interest earnings. For the Series 1999 general obligation bonds, the District did not meet the expenditure deadlines. The arbitrage liability at June 30, 2004 was \$349,002. The due date of the first rebate payment with respect to the bonds was July 19, 2004 at which time the District paid \$314,102. The remaining arbitrage liability at June 30, 2005 is \$34,900. This amount will be repaid in fiscal 2006 from the Building Improvement fund (a nonmajor governmental fund).

- B.** Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2005 are as follows:

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 1999)			Capital Appreciation G.O. Bonds (Series 1999)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 610,000	\$ 1,111,883	\$ 1,721,883	\$ -	\$ -	\$ -
2007	685,000	1,084,993	1,769,993	-	-	-
2008	735,000	1,054,989	1,789,989	-	-	-
2009	835,000	1,021,418	1,856,418	-	-	-
2010	905,000	983,555	1,888,555	788,221	1,636,779	2,425,000
2011 - 2015	2,020,000	4,453,580	6,473,580	-	-	-
2016 - 2020	7,425,000	3,618,875	11,043,875	-	-	-
2021 - 2024	9,860,000	1,325,363	11,185,363	-	-	-
<b>Total</b>	<u>\$ 23,075,000</u>	<u>\$ 14,654,656</u>	<u>\$ 37,729,656</u>	<u>\$ 788,221</u>	<u>\$ 1,636,779</u>	<u>\$ 2,425,000</u>

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2004)			Capital Appreciation G.O. Bonds (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 160,000	\$ 172,057	\$ 332,057	\$ -	\$ -	\$ -
2007	165,000	168,808	333,808	-	-	-
2008	170,000	162,245	332,245	-	-	-
2009	170,000	160,995	330,995	-	-	-
2010	175,000	156,033	331,033	-	-	-
2011 - 2015	565,000	699,300	1,264,300	39,998	360,002	400,000
2016 - 2020	1,090,000	562,863	1,652,863	-	-	-
2021 - 2025	1,340,000	302,775	1,642,775	-	-	-
2026 - 2027	625,000	29,253	654,253	-	-	-
<b>Total</b>	<b>\$ 4,460,000</b>	<b>\$ 2,414,329</b>	<b>\$ 6,874,329</b>	<b>\$ 39,998</b>	<b>\$ 360,002</b>	<b>\$ 400,000</b>

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2005 are a voted debt margin of \$59,373,756 (including available funds of \$1,249,761) an unvoted debt margin of \$966,559.

**NOTE 13 - CAPITALIZED LEASE**

In prior years, the District entered into capitalized leases for a mower and copiers. All leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$169,374, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2005 was \$136,974, leaving a current book value of \$32,400.

A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in the 2005 fiscal year totaled \$38,582 and \$6,422, respectively. These amounts are reported as debt service payments of the general fund.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 13 - CAPITALIZED LEASE - (Continued)**

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, 2005.

<u>Fiscal Year</u>	<u>Amount</u>
2006	\$ 32,936
2007	<u>32,935</u>
Total minimum lease payments	65,871
Less: amount representing interest	<u>(5,231)</u>
Present value of minimum lease payments	<u>\$ 60,640</u>

**NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Lakeshore Northeast Ohio Computer Association**

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among eleven Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LNOCA based on a per pupil charge. The District contributed \$48,791 to LNOCA during fiscal year 2005. 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 2005, the District paid \$7,644 to the Council for membership and other services and \$269,624 for the Council's prepaid natural gas program. Financial information can be obtained by contacting Dr. David Cuttrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The 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.

## ORANGE CITY SCHOOL DISTRICT

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

#### NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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 District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2001. 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.

#### NOTE 15 - PUBLIC ENTITY RISK POOLS

##### A. Insurance Purchasing Pool

The 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's 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 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.

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

**B. Litigation**

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

- C. 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 District is currently unable to determine what effect, if any, this decision will have on its future state funding and its financial operations.

**NOTE 17 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable consisted of the following at June 30, 2005, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 34,652</u>

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

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

- B. Interfund transfers for the year ended June 30, 2005, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental fund	<u>\$ 156,000</u>

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 17 - INTERFUND TRANSACTIONS - (Continued)**

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

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

**NOTE 18 - SET-ASIDES**

The District is required by state statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the District was also required to set aside money for budget stabilization. At June 30, 2005, only the unspent portion of certain workers' compensation refunds continue to be a set-aside for budget stabilization.

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 Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2004	\$ (428,915)	\$ -	\$ 162,370
Current year set-aside requirement	345,586	345,586	-
Qualifying disbursements	<u>(415,780)</u>	<u>(1,959,884)</u>	<u>-</u>
Total	<u>\$ (499,109)</u>	<u>\$ (1,614,298)</u>	<u>\$ 162,370</u>
Balance carried forward to FY 2006	<u>\$ (499,109)</u>	<u>\$ -</u>	<u>\$ 162,370</u>

The 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 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.

A schedule of the governmental restricted assets at June 30, 2005 follows:

Amounts restricted for budget stabiliiation	<u>\$ 162,370</u>
Total restricted assets	<u>\$ 162,370</u>

**ORANGE CITY SCHOOL DISTRICT**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 19 - CONTRACTUAL COMMITMENTS**

As of June 30, 2005, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Martin Audio Visual	Purchase of Data Projectors	\$ 16,950
Educational Service Center of Cuyahoga County	Consulting Services	26,916
Beechwood City Schools	Vocational Education Services	19,194
Mayfield City Schools	Vocational/Special Education Services	73,790
Beech Brook	Special Education Services	19,288
PSx	Video Camera System Upgrade	11,869
OBS, Inc.	Bus Repairs	11,305
Lorain Glass Company	Orange High School Door Replacement	55,360
Martin Public Seating	Brady Middle School Cafeteria Chairs	15,138
Brumbaugh Construction	Pepper Pike Learning Center Restroom	14,980
Phillip Berardinelli, Inc.	Pepper Pike Learning Center Restroom	17,800
Valley Frod	F450 4x4 Dump Truck	31,908
Fanning Howey Associates	Master Plan Improvement Study	25,030
Grunwell-Cashero Co.	Pepper Pike Learning Center Restoration	21,000
Generator Systems	Purchase of Generator	66,733
Warren Roofing & Insulating C.o.	Maintenance Building Re-Roofing Project	206,000
David Williams & Associates	Moreland Hills Elementary Playground Equip.	10,900
Total		<u>\$ 644,161</u>

**NOTE 20 - BUDGETARY BASIS OF ACCOUNTING**

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

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



**ORANGE CITY SCHOOL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE 20 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General Fund</u>
Budget basis	\$ 2,202,152
Net adjustment for revenue accruals	870,079
Net adjustment for expenditure accruals	(147,250)
Net adjustment for other financing sources/(uses)	24,629
Adjustment for encumbrances	<u>640,726</u>
GAAP basis	<u>\$ 3,590,336</u>

**NOTE 21 – SIGNIFICANT SUBSEQUENT EVENT**

On November 8, 2005, voters approved a .95 mill replacement levy to support the Orange Community Education and Recreation Program. This replacement levy is expected to generate approximately \$900,000 per year.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES  
SUPPLEMENTAL INFORMATION

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 30,961,081	\$ 33,427,244	\$ 33,425,769	\$ (1,475)
Intergovernmental. . . . .	5,917,975	6,356,338	6,224,780	(131,558)
Interest. . . . .	345,500	345,500	432,607	87,107
Tuition and fees . . . . .	2,959,200	2,959,200	2,110,251	(848,949)
Transportation fees . . . . .	-	-	19,416	19,416
Classroom materials and fees . . . . .	2,000	2,000	3,783	1,783
Rentals . . . . .	7,000	7,000	6,692	(308)
Miscellaneous. . . . .	73,569	73,569	45,037	(28,532)
<i>Total revenues.</i> . . . .	<u>40,266,325</u>	<u>43,170,851</u>	<u>42,268,335</u>	<u>(902,516)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	11,304,585	11,304,585	11,300,400	4,185
Fringe benefits . . . . .	3,527,264	3,490,561	3,480,413	10,148
Purchased services . . . . .	144,773	205,197	175,515	29,682
Materials and supplies. . . . .	499,130	482,289	401,648	80,641
Capital outlay . . . . .	216,778	226,646	215,846	10,800
<i>Total instruction-regular.</i> . . . .	<u>15,692,530</u>	<u>15,709,278</u>	<u>15,573,822</u>	<u>135,456</u>
Instruction-special:				
Salaries and wages . . . . .	2,680,500	2,734,086	2,719,937	14,149
Fringe benefits . . . . .	940,345	932,856	902,007	30,849
Purchased services . . . . .	893,369	893,579	885,632	7,947
Materials and supplies. . . . .	39,332	42,452	28,191	14,261
Capital outlay . . . . .	7,837	53,737	50,879	2,858
<i>Total instruction-special . . . . .</i>	<u>4,561,383</u>	<u>4,656,710</u>	<u>4,586,646</u>	<u>70,064</u>
Instruction-vocational:				
Salaries and wages . . . . .	80,500	82,008	82,008	-
Fringe benefits . . . . .	30,444	30,444	30,164	280
Purchased services . . . . .	232,033	193,332	191,945	1,387
Materials and supplies. . . . .	4,100	4,100	4,081	19
<i>Total instruction-vocational . . . . .</i>	<u>347,077</u>	<u>309,884</u>	<u>308,198</u>	<u>1,686</u>
Instruction-other:				
Purchased services . . . . .	24,860	-	-	-
<i>Total instruction-other . . . . .</i>	<u>24,860</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-pupil:				
Salaries and wages . . . . .	1,942,250	1,888,063	1,837,985	50,078
Fringe benefits . . . . .	672,542	672,542	626,570	45,972
Purchased services . . . . .	36,600	29,665	28,358	1,307
Materials and supplies. . . . .	31,743	33,531	23,205	10,326
Capital outlay . . . . .	-	4,245	1,989	2,256
<i>Total support services-pupil. . . . .</i>	<u>2,683,135</u>	<u>2,628,046</u>	<u>2,518,107</u>	<u>109,939</u>

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**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages . . . . .	\$ 2,028,474	\$ 1,995,207	\$ 1,993,104	\$ 2,103
Fringe benefits . . . . .	947,287	947,287	914,230	33,057
Purchased services . . . . .	119,512	126,352	122,352	4,000
Materials and supplies. . . . .	54,600	54,235	51,349	2,886
Capital outlay . . . . .	21,124	21,124	20,360	764
Total support services-instructional staff . . . . .	<u>3,170,997</u>	<u>3,144,205</u>	<u>3,101,395</u>	<u>42,810</u>
Support services-board of education:				
Salaries and wages . . . . .	9,600	9,600	7,680	1,920
Fringe benefits . . . . .	1,676	1,676	1,369	307
Purchased services . . . . .	22,000	17,900	17,900	-
Other . . . . .	179,418	177,483	143,387	34,096
Total support services-board of education . . . . .	<u>212,694</u>	<u>206,659</u>	<u>170,336</u>	<u>36,323</u>
Support services-administration:				
Salaries and wages . . . . .	1,495,850	1,509,939	1,509,691	248
Fringe benefits . . . . .	658,992	659,860	662,021	(2,161)
Purchased services . . . . .	414,422	523,275	482,523	40,752
Materials and supplies. . . . .	36,925	33,710	30,871	2,839
Capital outlay . . . . .	5,000	8,325	8,102	223
Other . . . . .	29,450	26,913	25,994	919
Total support services-administration. . . . .	<u>2,640,639</u>	<u>2,762,022</u>	<u>2,719,202</u>	<u>42,820</u>
Support services-fiscal:				
Salaries and wages . . . . .	306,250	308,259	308,259	-
Fringe benefits . . . . .	165,408	164,308	156,812	7,496
Purchased services . . . . .	67,500	73,934	70,541	3,393
Materials and supplies. . . . .	9,600	8,200	5,449	2,751
Capital outlay . . . . .	12,500	13,500	12,915	585
Other . . . . .	559,000	560,028	557,806	2,222
Total support services-fiscal . . . . .	<u>1,120,258</u>	<u>1,128,229</u>	<u>1,111,782</u>	<u>16,447</u>
Support services-business:				
Salaries and wages . . . . .	192,000	192,000	191,984	16
Fringe benefits . . . . .	77,121	77,355	77,355	-
Purchased services . . . . .	96,500	100,763	93,774	6,989
Materials and supplies. . . . .	52,200	51,741	26,855	24,886
Capital outlay . . . . .	45,662	38,662	25,296	13,366
Other . . . . .	3,950	3,950	1,750	2,200
Total support services-business . . . . .	<u>467,433</u>	<u>464,471</u>	<u>417,014</u>	<u>47,457</u>

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**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance:				
Salaries and wages . . . . .	\$ 1,625,000	\$ 1,536,989	\$ 1,515,920	\$ 21,069
Fringe benefits . . . . .	666,347	666,447	645,898	20,549
Purchased services . . . . .	2,046,065	2,046,471	1,712,287	334,184
Materials and supplies. . . . .	256,500	270,500	232,070	38,430
Capital outlay . . . . .	99,990	83,449	78,057	5,392
Other . . . . .	25,000	25,000	14,559	10,441
Total support services-operations and maintenance . . . . .	<u>4,718,902</u>	<u>4,628,856</u>	<u>4,198,791</u>	<u>430,065</u>
Support services-pupil transportation:				
Salaries and wages . . . . .	1,590,750	1,678,761	1,678,761	-
Fringe benefits . . . . .	750,453	777,392	777,392	-
Purchased services . . . . .	139,801	134,244	133,274	970
Materials and supplies. . . . .	204,428	259,802	258,902	900
Capital outlay . . . . .	319,640	269,822	269,763	59
Total support services-pupil transportation . . . . .	<u>3,005,072</u>	<u>3,120,021</u>	<u>3,118,092</u>	<u>1,929</u>
Support services-central:				
Salaries and wages . . . . .	417,000	417,000	406,479	10,521
Fringe benefits . . . . .	509,806	521,535	364,837	156,698
Purchased services . . . . .	184,247	170,672	144,335	26,337
Materials and supplies. . . . .	70,657	79,737	65,470	14,267
Capital outlay . . . . .	23,300	29,305	27,118	2,187
Total support services-central . . . . .	<u>1,205,010</u>	<u>1,218,249</u>	<u>1,008,239</u>	<u>210,010</u>
Operation of non-instructional services:				
Fringe benefits . . . . .	179	179	(506)	685
Materials and supplies. . . . .	2,000	3,907	2,684	1,223
Total operation of non-instructional services . . . . .	<u>2,179</u>	<u>4,086</u>	<u>2,178</u>	<u>1,908</u>
Extracurricular activities:				
Salaries and wages . . . . .	871,925	889,094	861,534	27,560
Fringe benefits . . . . .	202,679	204,528	190,235	14,293
Purchased services . . . . .	200	200	200	-
Total extracurricular activities. . . . .	<u>1,074,804</u>	<u>1,093,822</u>	<u>1,051,969</u>	<u>41,853</u>
Total expenditures . . . . .	<u>40,926,973</u>	<u>41,074,538</u>	<u>39,885,771</u>	<u>1,188,767</u>

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**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues over (under) expenditures . . . . .</i>	<u>(660,648)</u>	<u>2,096,313</u>	<u>2,382,564</u>	<u>286,251</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	-	-	5,971	5,971
Refund of prior year's receipts . . . . .	-	(600)	(600)	-
Transfers out . . . . .	(191,000)	(191,000)	(156,000)	35,000
Advances in . . . . .	-	-	4,400	4,400
Advances out . . . . .	-	-	(34,400)	(34,400)
Proceeds from the sale of capital assets . . . .	1,000	1,000	217	(783)
Contingencies . . . . .	<u>(350,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
<i>Total other financing sources (uses) . . . . .</i>	<u>(540,000)</u>	<u>(440,600)</u>	<u>(180,412)</u>	<u>260,188</u>
<i>Net change in fund balance . . . . .</i>	(1,200,648)	1,655,713	2,202,152	546,439
<i>Fund balance at beginning of year . . . . .</i>	16,705,360	16,705,360	16,705,360	-
<i>Prior year encumbrances appropriated. . . . .</i>	<u>480,832</u>	<u>480,832</u>	<u>480,832</u>	<u>-</u>
<i>Fund balance at end of year. . . . .</i>	<u>\$ 15,985,544</u>	<u>\$ 18,841,905</u>	<u>\$ 19,388,344</u>	<u>\$ 546,439</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 1,996,670	\$ 2,017,562	\$ 2,017,762	\$ 200
Intergovernmental. . . . .	264,943	270,058	256,851	(13,207)
Interest. . . . .	30,050	30,050	37,060	7,010
Miscellaneous. . . . .	-	-	8,379	8,379
<i>Total revenues.</i> . . . .	<u>2,291,663</u>	<u>2,317,670</u>	<u>2,320,052</u>	<u>2,382</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	5,530,000	5,530,000	5,530,000	-
Interest and fiscal charges . . . . .	<u>1,409,688</u>	<u>1,409,688</u>	<u>1,409,343</u>	<u>345</u>
Total debt service . . . . .	<u>6,939,688</u>	<u>6,939,688</u>	<u>6,939,343</u>	<u>345</u>
<i>Total expenditures</i> . . . . .	<u>6,939,688</u>	<u>6,939,688</u>	<u>6,939,343</u>	<u>345</u>
<i>Net change in fund balance</i> . . . . .	(4,648,025)	(4,622,018)	(4,619,291)	2,727
<i>Fund balance at beginning of year</i> . . . . .	<u>5,545,146</u>	<u>5,545,146</u>	<u>5,545,146</u>	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 897,121</u>	<u>\$ 923,128</u>	<u>\$ 925,855</u>	<u>\$ 2,727</u>



**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 785,018	\$ 789,760	\$ 789,655	\$ (105)
Interest . . . . .	40,100	40,100	46,168	6,068
Miscellaneous . . . . .	25,000	25,000	43,194	18,194
Intergovernmental . . . . .	105,189	105,135	100,222	(4,913)
<i>Total revenues</i> . . . . .	<u>955,307</u>	<u>959,995</u>	<u>979,239</u>	<u>19,244</u>
<b>Expenditures:</b>				
Current:				
Support services-central				
Purchased services . . . . .	-	3,500	3,500	-
Total support services-central . . . . .	-	3,500	3,500	-
Facilities acquisition and construction:				
Capital outlay . . . . .	755,081	841,374	834,405	6,969
Total facilities acquisition and construction . . . . .	755,081	841,374	834,405	6,969
<i>Total expenditures</i> . . . . .	<u>755,081</u>	<u>844,874</u>	<u>837,905</u>	<u>6,969</u>
<i>Net change in fund balance</i> . . . . .	200,226	115,121	141,334	26,213
<i>Fund balance at beginning of year</i> . . . . .	1,590,839	1,590,839	1,590,839	-
<i>Prior year encumbrances appropriated</i> . . . . .	255,081	255,081	255,081	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 2,046,146</u>	<u>\$ 1,961,041</u>	<u>\$ 1,987,254</u>	<u>\$ 26,213</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
RECREATION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Property taxes . . . . .	\$ 645,629	\$ 670,391	\$ 670,893	\$ 502
Tuition and fees . . . . .	1,618,515	1,702,515	1,325,076	(377,439)
Transportation . . . . .	40,504	40,504	12,817	(27,687)
Interest . . . . .	22,750	22,750	59,211	36,461
Extracurricular activities . . . . .	121,041	121,041	62,124	(58,917)
Sales . . . . .	5,549	5,549	4,496	(1,053)
Rentals . . . . .	8,500	8,500	34,595	26,095
Contributions and donations . . . . .	46,812	72,919	45,830	(27,089)
Miscellaneous . . . . .	22,900	22,900	31,093	8,193
<i>Total operating revenues</i> . . . . .	<u>2,532,200</u>	<u>2,667,069</u>	<u>2,246,135</u>	<u>(420,934)</u>
<b>Operating expenses:</b>				
Salaries and wages . . . . .	1,226,251	1,222,436	1,131,406	91,030
Fringe benefits . . . . .	432,129	432,044	383,160	48,884
Purchased services . . . . .	873,883	934,239	608,528	325,711
Materials and supplies . . . . .	170,310	170,368	92,028	78,340
Capital outlay . . . . .	55,376	54,426	20,176	34,250
Other operating expenses . . . . .	17,615	17,615	12,204	5,411
<i>Total operating expenses</i> . . . . .	<u>2,775,564</u>	<u>2,831,128</u>	<u>2,247,502</u>	<u>583,626</u>
<i>Operating loss</i> . . . . .	<u>(243,364)</u>	<u>(164,059)</u>	<u>(1,367)</u>	<u>162,692</u>
<b>Nonoperating revenues:</b>				
Grants and subsidies . . . . .	189,605	89,903	89,914	11
Refund of prior year's expense . . . . .	-	-	1,959	1,959
<i>Total nonoperating revenues</i> . . . . .	<u>189,605</u>	<u>89,903</u>	<u>91,873</u>	<u>1,970</u>
<i>Net income (loss) before transfers</i> . . . . .	<u>(53,759)</u>	<u>(74,156)</u>	<u>90,506</u>	<u>164,662</u>
<b>Transfers:</b>				
Transfers in . . . . .	35,500	37,954	2,454	(35,500)
Transfers out . . . . .	-	-	(2,454)	(2,454)
<i>Total transfers</i> . . . . .	<u>35,500</u>	<u>37,954</u>	<u>-</u>	<u>(37,954)</u>
<i>Net change in fund balance</i> . . . . .	<u>(18,259)</u>	<u>(36,202)</u>	<u>90,506</u>	<u>126,708</u>
<i>Fund equity at beginning of year</i> . . . . .	2,511,825	2,511,825	2,511,825	-
<i>Prior year encumbrances appropriated</i> . . . . .	16,989	16,989	16,989	-
<i>Fund equity at end of year</i> . . . . .	<u>\$ 2,510,555</u>	<u>\$ 2,492,612</u>	<u>\$ 2,619,320</u>	<u>\$ 126,708</u>

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**ORANGE CITY SCHOOL DISTRICT**

*COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 512,664	\$ 233,228	\$ 745,892
Accrued interest receivable. . . . .	632	871	1,503
Intergovernmental receivable. . . . .	184,289	-	184,289
Inventory held for resale . . . . .	29,644	-	29,644
Materials and supplies inventory . . . . .	788	-	788
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total assets.</i> . . . .	<u>\$ 728,017</u>	<u>\$ 234,099</u>	<u>\$ 962,116</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 14,976	\$ 3,898	\$ 18,874
Accrued wages payable. . . . .	82,090	-	82,090
Interfund loan payable . . . . .	34,652	-	34,652
Pension obligation payable. . . . .	55,716	-	55,716
Intergovernmental payable . . . . .	1,709	-	1,709
Deferred revenue . . . . .	26,905	-	26,905
Undistributed monies. . . . .	5,487	-	5,487
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total liabilities.</i> . . . .	<u>221,535</u>	<u>3,898</u>	<u>225,433</u>
 <b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	59,410	42,132	101,542
Unreserved, undesignated, reported in:			
Special revenue funds . . . . .	447,072	-	447,072
Capital projects funds . . . . .	-	188,069	188,069
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total fund balances</i> . . . . .	<u>506,482</u>	<u>230,201</u>	<u>736,683</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total liabilities and fund balances.</i> . . . .	<u>\$ 728,017</u>	<u>\$ 234,099</u>	<u>\$ 962,116</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, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ 1,249,195	\$ 18,270	\$ 1,267,465
Interest . . . . .	5,079	5,868	10,947
Extracurricular activities . . . . .	217,569	-	217,569
Classroom materials and fees . . . . .	88,011	-	88,011
Charges for services . . . . .	441,373	-	441,373
Miscellaneous . . . . .	34,853	-	34,853
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total revenue . . . . .</i>	<u>2,036,080</u>	<u>24,138</u>	<u>2,060,218</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	184,483	-	184,483
Special . . . . .	266,537	-	266,537
Other . . . . .	-	314,102	314,102
Support services:			
Pupil . . . . .	314,189	-	314,189
Instructional staff . . . . .	77,271	-	77,271
Administration . . . . .	6,602	-	6,602
Operations and maintenance of plant . . . . .	2,315	-	2,315
Central . . . . .	22,027	18,270	40,297
Operation of non-instructional services . . . . .	7,497	-	7,497
Food service operations . . . . .	589,150	-	589,150
Extracurricular activities . . . . .	325,025	-	325,025
Facilities acquisition and construction . . . . .	-	25,867	25,867
Intergovernmental pass through . . . . .	407,017	-	407,017
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total expenditures . . . . .</i>	<u>2,202,113</u>	<u>358,239</u>	<u>2,560,352</u>
<i>Excess of revenues over (under)   expenditures . . . . .</i>	<u>(166,033)</u>	<u>(334,101)</u>	<u>(500,134)</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	156,000	-	156,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Total other financing sources . . . . .</i>	<u>156,000</u>	<u>-</u>	<u>156,000</u>
<i>Net change in fund balances . . . . .</i>	(10,033)	(334,101)	(344,134)
<i>Fund balances at beginning of year . . . . .</i>	516,515	564,302	1,080,817
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Fund balances at end of year . . . . .</i>	<u>\$ 506,482</u>	<u>\$ 230,201</u>	<u>\$ 736,683</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

*Nonmajor Special Revenue Funds*

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

***Public School Support Fund***

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

***Miscellaneous Grants Fund***

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

***District Managed Activity Fund***

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

***Auxiliary Services Fund***

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

***Education Management Information System Fund***

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

***Entry Year Programs Fund***

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

***OneNet Connect Subsidy Fund***

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

***SchoolNet Professional Development Fund***

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

***Student Intervention Fund***

A fund used to account for student intervention services satisfying criteria defined in division (E) of Section 3313.608 of the Revised Code.

***Miscellaneous State Grants***

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

***Title VI-B Fund***

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

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

**Nonmajor Special Revenue Funds - (Continued)**

***Title III Fund***

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

***Title I Fund***

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

***Title VI Fund***

To account for State of Ohio and federal tech-prep grants that provide for assessing students' vocational interests and aptitudes, and planning an implementing intervention for those students at risk.

***Drug Free Schools Grant Fund***

A fund provided to account for federal monies which support the implementation of programs for drug abuse education and prevention.

***Preschool Disability Fund***

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

***Title VI-R Fund***

To account for grant monies used for the hiring of additional teachers.

***Miscellaneous Federal Grants***

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

***Food Service Fund***

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

***Memorial Fund***

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

***Uniform School Supplies Fund***

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

**ORANGE CITY SCHOOL DISTRICT**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005*

	<u>Public School Support</u>	<u>Miscellaneous Grants</u>	<u>District Managed Activity</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 73,758	\$ 7,648	\$ 64,178
Accrued interest receivable . . . . .	-	-	-
Intergovernmental receivable . . . . .	-	-	-
Inventory held for resale . . . . .	-	-	-
Materials and supplies inventory . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total assets.</i> . . . . .	<u>\$ 73,758</u>	<u>\$ 7,648</u>	<u>\$ 64,178</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 200	\$ 277	\$ 40
Accrued wages payable . . . . .	-	-	-
Interfund loan payable . . . . .	-	-	-
Pension obligation payable . . . . .	-	-	522
Intergovernmental payable . . . . .	-	-	-
Deferred revenue . . . . .	-	-	-
Undistributed monies . . . . .	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total liabilities.</i> . . . . .	<u>200</u>	<u>277</u>	<u>562</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	10,886	-	-
Unreserved, undesignated . . . . .	62,672	7,371	63,616
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i> . . . . .	<u>73,558</u>	<u>7,371</u>	<u>63,616</u>
	<hr/>	<hr/>	<hr/>
<i>Total liabilities and fund balances</i> . . . . .	<u>\$ 73,758</u>	<u>\$ 7,648</u>	<u>\$ 64,178</u>



Auxiliary Services	Education Management Information Systems	SchoolNet Professional Development	Miscellaneous State Grants	Title VI-B
\$ 31,984	\$ 2,334	\$ 1,461	\$ 59	\$ 61,715
-	-	-	-	-
-	-	-	-	104,113
-	-	-	-	-
-	-	-	-	-
<u>\$ 31,984</u>	<u>\$ 2,334</u>	<u>\$ 1,461</u>	<u>\$ 59</u>	<u>\$ 165,828</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,459
27,488	-	-	-	11,260
-	-	-	-	28,200
3,304	-	-	-	6,140
491	-	-	-	366
-	-	-	-	-
-	-	-	-	-
<u>31,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,425</u>
-	-	-	-	47,215
<u>701</u>	<u>2,334</u>	<u>1,461</u>	<u>59</u>	<u>58,188</u>
<u>701</u>	<u>2,334</u>	<u>1,461</u>	<u>59</u>	<u>105,403</u>
<u>\$ 31,984</u>	<u>\$ 2,334</u>	<u>\$ 1,461</u>	<u>\$ 59</u>	<u>\$ 165,828</u>

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**ORANGE CITY SCHOOL DISTRICT**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2005*

	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Preschool Disability</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 2,831	\$ 16,335	\$ 52	\$ 3,387	\$ 2,230
Accrued interest receivable . . . . .	-	-	-	-	-
Intergovernmental receivable . . . . .	11,440	22,021	8,511	1,484	1,646
Inventory held for resale . . . . .	-	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-	-
<i>Total assets.</i> . . . .	<u>\$ 14,271</u>	<u>\$ 38,356</u>	<u>\$ 8,563</u>	<u>\$ 4,871</u>	<u>\$ 3,876</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages payable . . . . .	-	22,771	-	-	-
Interfund loan payable . . . . .	-	-	2,200	-	-
Pension obligation payable . . . . .	-	2,664	-	-	-
Intergovernmental payable . . . . .	-	553	-	-	-
Deferred revenue . . . . .	11,440	5,158	6,311	1,484	1,646
Undistributed monies . . . . .	-	-	-	-	-
<i>Total liabilities.</i> . . . .	<u>11,440</u>	<u>31,146</u>	<u>8,511</u>	<u>1,484</u>	<u>1,646</u>
<b>Fund Balances:</b>					
Reserved for encumbrances . . . . .	-	-	-	-	1,309
Unreserved, undesignated . . . . .	2,831	7,210	52	3,387	921
<i>Total fund balances</i> . . . . .	<u>2,831</u>	<u>7,210</u>	<u>52</u>	<u>3,387</u>	<u>2,230</u>
<i>Total liabilities and fund balances</i> . . . . .	<u>\$ 14,271</u>	<u>\$ 38,356</u>	<u>\$ 8,563</u>	<u>\$ 4,871</u>	<u>\$ 3,876</u>

Title VI-R	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 110	\$ 1,241	\$ 123,833	\$ 45,124	\$ 74,384	\$ 512,664
-	-	463	169	-	632
21,956	866	12,252	-	-	184,289
-	-	4,390	-	25,254	29,644
-	-	788	-	-	788
<u>\$ 22,066</u>	<u>\$ 2,107</u>	<u>\$ 141,726</u>	<u>\$ 45,293</u>	<u>\$ 99,638</u>	<u>\$ 728,017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,976
11,528	-	9,043	-	-	82,090
4,000	-	-	252	-	34,652
1,434	-	41,652	-	-	55,716
297	-	2	-	-	1,709
-	866	-	-	-	26,905
-	-	-	5,487	-	5,487
<u>17,259</u>	<u>866</u>	<u>50,697</u>	<u>5,739</u>	<u>-</u>	<u>221,535</u>
-	-	-	-	-	59,410
<u>4,807</u>	<u>1,241</u>	<u>91,029</u>	<u>39,554</u>	<u>99,638</u>	<u>447,072</u>
<u>4,807</u>	<u>1,241</u>	<u>91,029</u>	<u>39,554</u>	<u>99,638</u>	<u>506,482</u>
<u>\$ 22,066</u>	<u>\$ 2,107</u>	<u>\$ 141,726</u>	<u>\$ 45,293</u>	<u>\$ 99,638</u>	<u>\$ 728,017</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, 2005*

	<u>Public School Support</u>	<u>Miscellaneous Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ -	\$ 4,715	\$ -	\$ 381,847	\$ 7,613
Interest . . . . .	-	-	-	671	-
Extracurricular activities . . . . .	133,918	-	83,651	-	-
Classroom materials and fees . . . . .	4,520	-	-	-	-
Charges for services . . . . .	-	-	-	-	-
Miscellaneous . . . . .	20,393	-	11,840	-	-
<i>Total revenue . . . . .</i>	<u>158,831</u>	<u>4,715</u>	<u>95,491</u>	<u>382,518</u>	<u>7,613</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	-	11,622	-	-	-
Special . . . . .	3,640	-	-	-	-
Support services:					
Pupil . . . . .	43,123	277	-	-	-
Instructional staff . . . . .	2,339	-	-	-	-
Administration . . . . .	-	464	-	-	-
Operations and maintenance of plant . . . . .	-	-	-	-	-
Central . . . . .	-	-	-	-	9,828
Operation of non-instructional services . . . . .	-	-	-	-	-
Food service operations . . . . .	-	-	-	-	-
Extracurricular activities . . . . .	84,446	600	239,979	-	-
Intergovernmental pass through . . . . .	-	-	-	407,017	-
<i>Total expenditures . . . . .</i>	<u>133,548</u>	<u>12,963</u>	<u>239,979</u>	<u>407,017</u>	<u>9,828</u>
<i>Excess of revenues over (under)   expenditures . . . . .</i>	<u>25,283</u>	<u>(8,248)</u>	<u>(144,488)</u>	<u>(24,499)</u>	<u>(2,215)</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	-	-	106,000	-	-
<i>Total other financing sources . . . . .</i>	<u>-</u>	<u>-</u>	<u>106,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances . . . . .</i>	25,283	(8,248)	(38,488)	(24,499)	(2,215)
<i>Fund balances at beginning of year . . . . .</i>	<u>48,275</u>	<u>15,619</u>	<u>102,104</u>	<u>25,200</u>	<u>4,549</u>
<i>Fund balances at end of year . . . . .</i>	<u>\$ 73,558</u>	<u>\$ 7,371</u>	<u>\$ 63,616</u>	<u>\$ 701</u>	<u>\$ 2,334</u>

Entry Year Programs	OneNet Connect Subsidy	SchoolNet Professional Development	Student Intervention	Miscellaneous State Grants
\$ 4,400	\$ 12,000	\$ -	\$ 25,419	\$ 2,315
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,400	12,000	-	25,419	2,315
4,717	-	4,080	26,197	965
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
513	-	-	-	-
-	-	-	-	2,315
-	12,199	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,230	12,199	4,080	26,197	3,280
(830)	(199)	(4,080)	(778)	(965)
-	-	-	-	-
-	-	-	-	-
(830)	(199)	(4,080)	(778)	(965)
830	199	5,541	778	1,024
\$ -	\$ -	\$ 1,461	\$ -	\$ 59

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**ORANGE CITY SCHOOL DISTRICT**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ 430,377	\$ 9,203	\$ 190,271	\$ 10,720	\$ 7,727
Interest . . . . .	-	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-	-
Classroom materials and fees . . . . .	-	-	-	-	-
Charges for services . . . . .	-	-	-	-	-
Miscellaneous . . . . .	-	-	-	-	-
<i>Total revenue . . . . .</i>	<u>430,377</u>	<u>9,203</u>	<u>190,271</u>	<u>10,720</u>	<u>7,727</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	-	1,915	-	6,527	4,250
Special . . . . .	76,116	6,327	168,345	-	-
Support services:					
Pupil . . . . .	219,431	44	20,365	6,047	-
Instructional staff . . . . .	58,651	435	-	-	-
Administration . . . . .	5,625	-	-	-	-
Operations and maintenance of plant . . . . .	-	-	-	-	-
Central . . . . .	-	-	-	-	-
Operation of non-instructional services . . . . .	2,163	-	-	2,167	725
Food service operations . . . . .	-	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-	-
Intergovernmental pass through . . . . .	-	-	-	-	-
<i>Total expenditures . . . . .</i>	<u>361,986</u>	<u>8,721</u>	<u>188,710</u>	<u>14,741</u>	<u>4,975</u>
<i>Excess of revenues over (under)   expenditures . . . . .</i>	<u>68,391</u>	<u>482</u>	<u>1,561</u>	<u>(4,021)</u>	<u>2,752</u>
<b>Other financing sources:</b>					
Transfers in . . . . .	-	-	-	-	-
<i>Total other financing sources . . . . .</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances . . . . .</i>	<u>68,391</u>	<u>482</u>	<u>1,561</u>	<u>(4,021)</u>	<u>2,752</u>
<i>Fund balances at beginning of year . . . . .</i>	<u>37,012</u>	<u>2,349</u>	<u>5,649</u>	<u>4,073</u>	<u>635</u>
<i>Fund balances at end of year . . . . .</i>	<u>\$ 105,403</u>	<u>\$ 2,831</u>	<u>\$ 7,210</u>	<u>\$ 52</u>	<u>\$ 3,387</u>

Preschool Disability	Title VI-R	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 19,496	\$ 72,242	\$ 3,671	\$ 67,179	\$ -	\$ -	\$ 1,249,195
-	-	-	3,738	670	-	5,079
-	-	-	-	-	-	217,569
-	-	-	-	-	83,491	88,011
-	-	-	441,373	-	-	441,373
-	-	-	-	2,620	-	34,853
<u>19,496</u>	<u>72,242</u>	<u>3,671</u>	<u>512,290</u>	<u>3,290</u>	<u>83,491</u>	<u>2,036,080</u>
-	51,369	900	-	-	71,941	184,483
12,109	-	-	-	-	-	266,537
4,665	17,774	2,463	-	-	-	314,189
493	-	-	-	15,353	-	77,271
-	-	-	-	-	-	6,602
-	-	-	-	-	-	2,315
-	-	-	-	-	-	22,027
-	1,376	1,066	-	-	-	7,497
-	-	-	589,150	-	-	589,150
-	-	-	-	-	-	325,025
-	-	-	-	-	-	407,017
<u>17,267</u>	<u>70,519</u>	<u>4,429</u>	<u>589,150</u>	<u>15,353</u>	<u>71,941</u>	<u>2,202,113</u>
<u>2,229</u>	<u>1,723</u>	<u>(758)</u>	<u>(76,860)</u>	<u>(12,063)</u>	<u>11,550</u>	<u>(166,033)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>156,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>156,000</u>
<u>2,229</u>	<u>1,723</u>	<u>(758)</u>	<u>(26,860)</u>	<u>(12,063)</u>	<u>11,550</u>	<u>(10,033)</u>
<u>1</u>	<u>3,084</u>	<u>1,999</u>	<u>117,889</u>	<u>51,617</u>	<u>88,088</u>	<u>516,515</u>
<u>\$ 2,230</u>	<u>\$ 4,807</u>	<u>\$ 1,241</u>	<u>\$ 91,029</u>	<u>\$ 39,554</u>	<u>\$ 99,638</u>	<u>\$ 506,482</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Extracurricular activities . . . . .	\$ 129,550	\$ 142,050	\$ 133,968	\$ (8,082)
Classroom materials and fees . . . . .	5,760	5,760	4,520	(1,240)
Miscellaneous . . . . .	28,500	29,000	20,393	(8,607)
<i>Total revenues.</i> . . . .	<u>163,810</u>	<u>176,810</u>	<u>158,881</u>	<u>(17,929)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Purchased services . . . . .	3,960	1,632	1,632	-
Materials and supplies . . . . .	1,800	4,128	2,187	1,941
<i>Total instruction-special</i> . . . . .	<u>5,760</u>	<u>5,760</u>	<u>3,819</u>	<u>1,941</u>
Support services-pupil:				
Materials and supplies . . . . .	37,000	40,047	40,047	-
Capital outlay . . . . .	9,000	5,953	3,076	2,877
<i>Total support services-pupil.</i> . . . .	<u>46,000</u>	<u>46,000</u>	<u>43,123</u>	<u>2,877</u>
Support services-instructional staff:				
Purchased services . . . . .	6,300	6,300	-	6,300
Materials and supplies . . . . .	10,150	10,150	2,339	7,811
Capital outlay . . . . .	2,400	2,400	-	2,400
<i>Total support services-instructional staff.</i> . . . .	<u>18,850</u>	<u>18,850</u>	<u>2,339</u>	<u>16,511</u>
Extracurricular activities:				
Purchased services . . . . .	77,850	77,950	54,392	23,558
Materials and supplies . . . . .	19,800	28,700	26,768	1,932
Capital outlay . . . . .	7,500	18,500	14,237	4,263
<i>Total extracurricular activities.</i> . . . .	<u>105,150</u>	<u>125,150</u>	<u>95,397</u>	<u>29,753</u>
<i>Total expenditures</i> . . . . .	<u>175,760</u>	<u>195,760</u>	<u>144,678</u>	<u>51,082</u>
<i>Net change in fund balance</i> . . . . .	(11,950)	(18,950)	14,203	33,153
<i>Fund balance at beginning of year</i> . . . . .	48,477	48,477	48,477	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 36,527</u>	<u>\$ 29,527</u>	<u>\$ 62,680</u>	<u>\$ 33,153</u>



**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 4,815	\$ 4,715	\$ (100)
<i>Total revenues.</i> . . . .	<u>-</u>	<u>4,815</u>	<u>4,715</u>	<u>(100)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	3,270	3,212	2,750	462
Materials and supplies. . . . .	2,610	3,267	1,090	2,177
Capital outlay . . . . .	<u>8,175</u>	<u>8,474</u>	<u>7,782</u>	<u>692</u>
Total instruction-regular. . . . .	<u>14,055</u>	<u>14,953</u>	<u>11,622</u>	<u>3,331</u>
Support services-pupil				
Materials and supplies. . . . .	-	600	-	600
Total support services-pupil. . . . .	<u>-</u>	<u>600</u>	<u>-</u>	<u>600</u>
Support services-instructional staff:				
Materials and supplies. . . . .	703	703	-	703
Total support services-instructional staff . . . . .	<u>703</u>	<u>703</u>	<u>-</u>	<u>703</u>
Support services-administration:				
Materials and supplies. . . . .	468	1,068	464	604
Capital outlay . . . . .	-	2,415	-	2,415
Total support services-administration. . . . .	<u>468</u>	<u>3,483</u>	<u>464</u>	<u>3,019</u>
Extracurricular activities:				
Purchased services . . . . .	-	300	250	50
Materials and supplies. . . . .	395	395	350	45
Total extracurricular activities. . . . .	<u>395</u>	<u>695</u>	<u>600</u>	<u>95</u>
<i>Total expenditures</i> . . . . .	<u>15,621</u>	<u>20,434</u>	<u>12,686</u>	<u>7,748</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(15,621)</u>	<u>(15,619)</u>	<u>(7,971)</u>	<u>7,648</u>
<b>Other financing uses:</b>				
Advances (out) . . . . .	-	-	(1,400)	(1,400)
Total other financing uses . . . . .	<u>-</u>	<u>-</u>	<u>(1,400)</u>	<u>(1,400)</u>
<i>Net change in fund balance</i> . . . . .	<u>(15,621)</u>	<u>(15,619)</u>	<u>(9,371)</u>	<u>6,248</u>
<i>Fund balance at beginning of year</i> . . . . .	16,669	16,669	16,669	-
<i>Prior year encumbrances appropriated.</i> . . . .	<u>350</u>	<u>350</u>	<u>350</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ 1,398</u>	<u>\$ 1,400</u>	<u>\$ 7,648</u>	<u>\$ 6,248</u>

**ORANCE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISTRICT MANAGED ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Extracurricular activities . . . . .	\$ 237,774	\$ 237,774	\$ 83,651	\$ (154,123)
Miscellaneous . . . . .	29,050	29,050	11,840	(17,210)
<i>Total revenues.</i> . . . .	266,824	266,824	95,491	(171,333)
<b>Expenditures:</b>				
<b>Current:</b>				
Extracurricular activities:				
Salaries and wages . . . . .	14,050	15,067	14,317	750
Fringe benefits . . . . .	2,446	2,597	2,360	237
Purchased services . . . . .	248,379	251,302	97,761	153,541
Materials and supplies . . . . .	99,165	96,624	75,182	21,442
Capital outlay . . . . .	68,078	66,528	51,145	15,383
Total extracurricular activities. . . . .	432,118	432,118	240,765	191,353
<i>Total expenditures</i> . . . . .	432,118	432,118	240,765	191,353
<i>Excess of revenues over (under) expenditures</i> . . . . .	(165,294)	(165,294)	(145,274)	20,020
<b>Other financing sources:</b>				
Transfers in . . . . .	104,000	104,000	106,000	2,000
<i>Total other financing sources</i> . . . . .	104,000	104,000	106,000	2,000
<i>Net change in fund balance</i> . . . . .	(61,294)	(61,294)	(39,274)	22,020
<i>Fund balance at beginning of year</i> . . . . .	53,909	53,909	53,909	-
<i>Prior year encumbrances appropriated.</i> . . . .	49,543	49,543	49,543	-
<i>Fund balance at end of year.</i> . . . .	\$ 42,158	\$ 42,158	\$ 64,178	\$ 22,020

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest . . . . .	\$ 750	\$ 750	\$ 671	\$ (79)
Intergovernmental . . . . .	361,704	381,847	381,847	-
<i>Total revenues.</i> . . . .	<u>362,454</u>	<u>382,597</u>	<u>382,518</u>	<u>(79)</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services:				
Salaries and wages . . . . .	162,639	164,211	140,614	23,597
Fringe benefits . . . . .	52,449	49,635	42,142	7,493
Purchased services . . . . .	161,250	167,078	166,105	973
Materials and supplies . . . . .	-	5,585	5,585	-
Capital outlay . . . . .	<u>41,225</u>	<u>51,197</u>	<u>51,197</u>	<u>-</u>
Total operation of non-instructional services . . . . .	<u>417,563</u>	<u>437,706</u>	<u>405,643</u>	<u>32,063</u>
<i>Total expenditures</i> . . . . .	<u>417,563</u>	<u>437,706</u>	<u>405,643</u>	<u>32,063</u>
<i>Net change in fund balance</i> . . . . .	(55,109)	(55,109)	(23,125)	31,984
<i>Fund balance at beginning of year</i> . . . . .	54,345	54,345	54,345	-
<i>Prior year encumbrances appropriated.</i> . . . .	764	764	764	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,984</u>	<u>\$ 31,984</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 7,613	\$ 7,613	\$ -
<i>Total revenues</i> . . . . .	<u>-</u>	<u>7,613</u>	<u>7,613</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-central:				
Purchased services . . . . .	1,928	3,096	2,133	963
Materials and supplies . . . . .	2,031	1,214	572	642
Capital outlay . . . . .	<u>590</u>	<u>7,755</u>	<u>7,026</u>	<u>729</u>
Total support services-central . . . . .	<u>4,549</u>	<u>12,065</u>	<u>9,731</u>	<u>2,334</u>
<i>Total expenditures</i> . . . . .	<u>4,549</u>	<u>12,065</u>	<u>9,731</u>	<u>2,334</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	(4,549)	(4,452)	(2,118)	2,334
<b>Other financing sources (uses):</b>				
Refund of prior year's receipts . . . . .	-	(97)	(97)	-
<i>Total other financing sources (uses)</i> . . . . .	<u>-</u>	<u>(97)</u>	<u>(97)</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	(4,549)	(4,549)	(2,215)	2,334
<i>Fund balance at beginning of year</i> . . . . .	<u>4,549</u>	<u>4,549</u>	<u>4,549</u>	<u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334</u>	<u>\$ 2,334</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ENTRY LEVEL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 4,400	\$ 4,400	\$ -
Total revenues . . . . .	-	4,400	4,400	-
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	811	4,122	4,122	-
Fringe benefits . . . . .	240	717	717	-
Materials and supplies . . . . .	226	216	216	-
Total instruction-regular . . . . .	1,277	5,055	5,055	-
Support services-administration				
Purchased services . . . . .	-	513	513	-
Total support services-administration . . . . .	-	513	513	-
Total expenditures . . . . .	1,277	5,568	5,568	-
Excess of revenues over (under) expenditures . . . . .	(1,277)	(1,168)	(1,168)	-
<b>Other financing uses:</b>				
Refund of prior year's receipts . . . . .	-	(109)	(109)	-
Total other financing uses . . . . .	-	(109)	(109)	-
Net change in fund balance . . . . .	(1,277)	(1,277)	(1,277)	-
Fund balance at beginning of year . . . . .	1,061	1,061	1,061	-
Prior year encumbrances appropriated . . . . .	216	216	216	-
Fund balance at end of year . . . . .	\$ -	\$ -	\$ -	\$ -

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
<i>Total revenues.</i> . . . .	<u>4,140</u>	<u>4,140</u>	<u>4,140</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	1,145	845	-	845
Fringe benefits . . . . .	248	148	-	148
Purchased services . . . . .	8	4,348	4,080	268
Materials and supplies . . . . .	-	200	-	200
Total instruction-regular. . . . .	<u>1,401</u>	<u>5,541</u>	<u>4,080</u>	<u>1,461</u>
<i>Total expenditures</i> . . . . .	<u>1,401</u>	<u>5,541</u>	<u>4,080</u>	<u>1,461</u>
<i>Net change in fund balance</i> . . . . .	2,739	(1,401)	60	1,461
<i>Fund balance at beginning of year</i> . . . . .	<u>1,401</u>	<u>1,401</u>	<u>1,401</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ 4,140</u>	<u>\$ -</u>	<u>\$ 1,461</u>	<u>\$ 1,461</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ONENET CONNECT SUBSIDY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 12,000	\$ 12,000	\$ -
<i>Total revenues</i> . . . . .	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-central:				
Purchased services . . . . .	199	12,199	12,199	-
Total support services-central . . . . .	<u>199</u>	<u>12,199</u>	<u>12,199</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>199</u>	<u>12,199</u>	<u>12,199</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	(199)	(199)	(199)	-
<i>Fund balance at beginning of year</i> . . . . .	199	199	199	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STUDENT INTERVENTION FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 34,078	\$ 34,078	\$ 34,078	\$ -
<i>Total revenues.</i> . . . .	<u>34,078</u>	<u>34,078</u>	<u>34,078</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	22,112	30,337	30,337	-
Fringe benefits . . . . .	9,930	1,603	1,603	-
Materials and supplies. . . . .	<u>3,442</u>	<u>2,846</u>	<u>2,846</u>	<u>-</u>
Total instruction-regular. . . . .	<u>35,484</u>	<u>34,786</u>	<u>34,786</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>35,484</u>	<u>34,786</u>	<u>34,786</u>	<u>-</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(1,406)</u>	<u>(708)</u>	<u>(708)</u>	<u>-</u>
<b>Other financing uses:</b>				
Advances (out) . . . . .	-	-	(1,500)	(1,500)
Refund of prior year's receipts . . . . .	-	(698)	(698)	-
<i>Total other financing uses.</i> . . . .	<u>-</u>	<u>(698)</u>	<u>(2,198)</u>	<u>(1,500)</u>
<i>Net change in fund balance</i> . . . . .	<u>(1,406)</u>	<u>(1,406)</u>	<u>(2,906)</u>	<u>(1,500)</u>
<i>Fund balance at beginning of year</i> . . . . .	88	88	88	-
<i>Prior year encumbrances appropriated.</i> . . . .	<u>2,818</u>	<u>2,818</u>	<u>2,818</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ (1,500)</u>



**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 2,315	\$ 2,315	\$ -
<i>Total revenues.</i> . . . . .	<u>-</u>	<u>2,315</u>	<u>2,315</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	921	150	150	-
Materials and supplies . . . . .	103	145	155	(10)
Capital outlay . . . . .	-	729	660	69
Total instruction-regular . . . . .	<u>1,024</u>	<u>1,024</u>	<u>965</u>	<u>59</u>
Support services-operations and maintenance:				
Purchased services . . . . .	-	2,315	2,315	-
Total support services-operations and maintenance . . . . .	<u>-</u>	<u>2,315</u>	<u>2,315</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>1,024</u>	<u>3,339</u>	<u>3,280</u>	<u>59</u>
<i>Net change in fund balance</i> . . . . .	(1,024)	(1,024)	(965)	59
<i>Fund balance at beginning of year</i> . . . . .	<u>1,024</u>	<u>1,024</u>	<u>1,024</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ 59</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 448,131	\$ 448,131	\$ 344,018	\$ (104,113)
<i>Total revenues</i> . . . . .	<u>448,131</u>	<u>448,131</u>	<u>344,018</u>	<u>(104,113)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	3,036	26,129	9,329	16,800
Fringe benefits . . . . .	541	4,558	1,607	2,951
Purchased services . . . . .	6,685	2,036	1,701	335
Materials and supplies . . . . .	43,246	43,518	40,635	2,883
Capital outlay . . . . .	25,658	24,190	24,188	2
<i>Total instruction-special</i> . . . . .	<u>79,166</u>	<u>100,431</u>	<u>77,460</u>	<u>22,971</u>
Support services-pupil:				
Salaries and wages . . . . .	107,248	98,671	77,830	20,841
Fringe benefits . . . . .	19,039	17,398	13,448	3,950
Purchased services . . . . .	196,793	194,744	187,921	6,823
Materials and supplies . . . . .	15,386	13,358	13,358	-
Capital outlay . . . . .	12,001	2,520	2,517	3
<i>Total support services-pupil</i> . . . . .	<u>350,467</u>	<u>326,691</u>	<u>295,074</u>	<u>31,617</u>
Support services-instructional staff:				
Salaries and wages . . . . .	54,625	54,625	43,168	11,457
Fringe benefits . . . . .	12,168	12,168	3,126	9,042
Purchased services . . . . .	5,300	2,650	2,580	70
Materials and supplies . . . . .	2,964	1,276	976	300
<i>Total support services-instructional staff</i> . . . . .	<u>75,057</u>	<u>70,719</u>	<u>49,850</u>	<u>20,869</u>
Support services-administration:				
Purchased services . . . . .	4,122	2,320	2,316	4
Materials and supplies . . . . .	3,026	2,672	2,470	202
Capital outlay . . . . .	5,038	1,686	1,436	250
<i>Total support services-administration</i> . . . . .	<u>12,186</u>	<u>6,678</u>	<u>6,222</u>	<u>456</u>
Operation of non-instructional services				
Purchased services . . . . .	3,890	2,163	2,163	-
<i>Total operation of non-instructional services</i> . . . . .	<u>3,890</u>	<u>2,163</u>	<u>2,163</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>520,766</u>	<u>506,682</u>	<u>430,769</u>	<u>75,913</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(72,635)</u>	<u>(58,551)</u>	<u>(86,751)</u>	<u>(28,200)</u>
<b>Other financing sources (uses):</b>				
Advances in . . . . .	-	-	28,200	28,200
Refund of prior year's receipts . . . . .	-	(14,084)	(14,084)	-
<i>Total other financing sources (uses)</i> . . . . .	<u>-</u>	<u>(14,084)</u>	<u>14,116</u>	<u>28,200</u>
<i>Net change in fund balance</i> . . . . .	<u>(72,635)</u>	<u>(72,635)</u>	<u>(72,635)</u>	<u>-</u>
<i>Fund balance at beginning of year</i> . . . . .	2,002	2,002	2,002	-
<i>Prior year encumbrances appropriated</i> . . . . .	70,635	70,635	70,635	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE III FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 22,779	\$ 24,297	\$ 12,538	\$ (11,759)
<i>Total revenues.</i> . . . .	<u>22,779</u>	<u>24,297</u>	<u>12,538</u>	<u>(11,759)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	4,933	1,650	1,650	-
Fringe benefits . . . . .	1,200	264	264	-
Purchased services . . . . .	262	-	-	-
Materials and supplies . . . . .	156	12	12	-
<i>Total instruction-regular.</i> . . . .	<u>6,551</u>	<u>1,926</u>	<u>1,926</u>	<u>-</u>
Instruction-special				
Salaries and wages . . . . .	10,636	15,444	5,405	10,039
Fringe benefits . . . . .	2,414	3,253	922	2,331
<i>Total instruction-special</i> . . . . .	<u>13,050</u>	<u>18,697</u>	<u>6,327</u>	<u>12,370</u>
Support services-pupil				
Purchased services . . . . .	-	1,944	44	1,900
<i>Total support services-pupil.</i> . . . .	<u>-</u>	<u>1,944</u>	<u>44</u>	<u>1,900</u>
Support services-instructional staff:				
Purchased services . . . . .	-	320	320	-
Materials and supplies . . . . .	1,564	649	649	-
Capital outlay . . . . .	1,175	-	-	-
<i>Total support services-instructional staff.</i> . . . .	<u>2,739</u>	<u>969</u>	<u>969</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>22,340</u>	<u>23,536</u>	<u>9,266</u>	<u>14,270</u>
<i>Excess of revenues over expenditures</i> . . . . .	<u>439</u>	<u>761</u>	<u>3,272</u>	<u>2,511</u>
<b>Other financing uses:</b>				
Advances (out) . . . . .	-	-	(1,500)	(1,500)
<i>Total other financing uses</i> . . . . .	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
<i>Net change in fund balance</i> . . . . .	439	761	1,772	1,011
<i>Fund balance at beginning of year</i> . . . . .	332	332	332	-
<i>Prior year encumbrances appropriated.</i> . . . .	727	727	727	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 1,498</u>	<u>\$ 1,820</u>	<u>\$ 2,831</u>	<u>\$ 1,011</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 212,320	\$ 209,899	\$ 187,878	\$ (22,021)
<i>Total revenues.</i> . . . .	<u>212,320</u>	<u>209,899</u>	<u>187,878</u>	<u>(22,021)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	138,974	136,073	112,988	23,085
Fringe benefits . . . . .	54,382	54,900	43,948	10,952
Materials and supplies. . . . .	1,937	2,370	695	1,675
Total instruction-special . . . . .	<u>195,293</u>	<u>193,343</u>	<u>157,631</u>	<u>35,712</u>
Support services-pupil				
Salaries and wages . . . . .	8,000	8,000	6,380	1,620
Fringe benefits . . . . .	1,396	1,396	1,088	308
Purchased services . . . . .	12,051	12,205	12,188	17
Materials and supplies. . . . .	1,000	1,494	795	699
Capital outlay . . . . .	-	-	-	-
Total support services-pupil. . . . .	<u>22,447</u>	<u>23,095</u>	<u>20,451</u>	<u>2,644</u>
Support services-instructional staff:				
Salaries and wages . . . . .	789	-	-	-
Fringe benefits . . . . .	330	-	-	-
Total support services-instructional staff . . . . .	<u>1,119</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>218,859</u>	<u>216,438</u>	<u>178,082</u>	<u>38,356</u>
<i>Net change in fund balance</i> . . . . .	(6,539)	(6,539)	9,796	16,335
<i>Fund balance at beginning of year</i> . . . . .	6,539	6,539	6,539	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,335</u>	<u>\$ 16,335</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE V FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 19,248	\$ 19,248	\$ 10,737	\$ (8,511)
<i>Total revenues.</i> . . . .	<u>19,248</u>	<u>19,248</u>	<u>10,737</u>	<u>(8,511)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	6,875	8,261	6,140	2,121
Fringe benefits . . . . .	1,403	1,524	1,008	516
Purchased services . . . . .	65	-	-	-
Materials and supplies . . . . .	1,205	850	150	700
<i>Total instruction-regular.</i> . . . .	<u>9,548</u>	<u>10,635</u>	<u>7,298</u>	<u>3,337</u>
Support services-pupil				
Purchased services . . . . .	5,900	7,947	5,347	2,600
Materials and supplies . . . . .	918	699	699	-
<i>Total support services-pupil.</i> . . . .	<u>6,818</u>	<u>8,646</u>	<u>6,046</u>	<u>2,600</u>
Support services-instructional staff				
Purchased services . . . . .	2,093	87	87	-
Materials and supplies . . . . .	355	-	-	-
<i>Total support services-instructional staff.</i> . . . .	<u>2,448</u>	<u>87</u>	<u>87</u>	<u>-</u>
Operation of non-instructional services:				
Purchased services . . . . .	1,909	1,909	1,484	425
Materials and supplies . . . . .	1,538	984	983	1
<i>Total operation of non-instructional services.</i> . . . .	<u>3,447</u>	<u>2,893</u>	<u>2,467</u>	<u>426</u>
<i>Total expenditures</i> . . . . .	<u>22,261</u>	<u>22,261</u>	<u>15,898</u>	<u>6,363</u>
<i>Excess of revenues over (under) expenditures.</i> . . . .	<u>(3,013)</u>	<u>(3,013)</u>	<u>(5,161)</u>	<u>(2,148)</u>
<b>Other financing sources:</b>				
Advances in . . . . .	-	-	2,200	2,200
<i>Total other financing sources</i> . . . . .	<u>-</u>	<u>-</u>	<u>2,200</u>	<u>2,200</u>
<i>Net change in fund balance</i> . . . . .	<u>(3,013)</u>	<u>(3,013)</u>	<u>(2,961)</u>	<u>52</u>
<i>Fund balance at beginning of year</i> . . . . .	2,418	2,418	2,418	-
<i>Prior year encumbrances appropriated.</i> . . . .	595	595	595	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ 52</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DRUG FREE SCHOOLS GRANT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 9,211	\$ 9,211	\$ 7,727	\$ (1,484)
<i>Total revenues.</i> . . . .	<u>9,211</u>	<u>9,211</u>	<u>7,727</u>	<u>(1,484)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Purchased services . . . . .	7,637	7,637	4,250	3,387
Materials and supplies. . . . .	849	1,484	-	1,484
Total instruction-regular. . . . .	<u>8,486</u>	<u>9,121</u>	<u>4,250</u>	<u>4,871</u>
Support services-pupil:				
Purchased services . . . . .	635	-	-	-
Total support services-pupil. . . . .	<u>635</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of non-instructional services:				
Purchased services . . . . .	725	725	725	-
Materials and supplies. . . . .	745	745	745	-
Total operation of non-instructional services . . . . .	<u>1,470</u>	<u>1,470</u>	<u>1,470</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>10,591</u>	<u>10,591</u>	<u>5,720</u>	<u>4,871</u>
<i>Net change in fund balance</i> . . . . .	(1,380)	(1,380)	2,007	3,387
<i>Fund balance at beginning of year</i> . . . . .	635	635	635	-
<i>Prior year encumbrances appropriated.</i> . . . .	745	745	745	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,387</u>	<u>\$ 3,387</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRESCHOOL DISABILITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 19,533	\$ 21,142	\$ 19,496	\$ (1,646)
<i>Total revenues.</i> . . . .	<u>19,533</u>	<u>21,142</u>	<u>19,496</u>	<u>(1,646)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	-	1,370	1,370	-
Fringe benefits . . . . .	-	239	232	7
Purchased services . . . . .	1,200	415	386	29
Materials and supplies. . . . .	10,180	13,733	11,475	2,258
Capital outlay . . . . .	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction-special . . . . .	<u>12,380</u>	<u>15,757</u>	<u>13,463</u>	<u>2,294</u>
Support services-pupil:				
Purchased services . . . . .	4,027	4,027	4,027	-
Materials and supplies. . . . .	2,000	938	665	273
Capital outlay . . . . .	<u>601</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total support services-pupil. . . . .	<u>6,628</u>	<u>4,966</u>	<u>4,693</u>	<u>273</u>
Support services-instructional staff:				
Purchased services . . . . .	<u>600</u>	<u>494</u>	<u>494</u>	<u>-</u>
Total support services-instructional staff . . . . .	<u>600</u>	<u>494</u>	<u>494</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>19,608</u>	<u>21,217</u>	<u>18,650</u>	<u>2,567</u>
<i>Net change in fund balance</i> . . . . .	(75)	(75)	846	921
<i>Fund balance at beginning of year</i> . . . . .	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921</u>	<u>\$ 921</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-R FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 78,781	\$ 79,118	\$ 57,163	\$ (21,955)
<i>Total revenues</i> . . . . .	<u>78,781</u>	<u>79,118</u>	<u>57,163</u>	<u>(21,955)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	46,473	46,473	36,387	10,086
Fringe benefits . . . . .	15,343	14,230	9,051	5,179
Purchased services . . . . .	722	-	-	-
Materials and supplies . . . . .	2,743	-	-	-
<i>Total instruction-regular</i> . . . . .	<u>65,281</u>	<u>60,703</u>	<u>45,438</u>	<u>15,265</u>
Support services-pupil:				
Salaries and wages . . . . .	2,500	-	-	-
Fringe benefits . . . . .	550	-	-	-
Purchased services . . . . .	10,885	18,530	16,407	2,123
Materials and supplies . . . . .	1,000	2,043	1,366	677
<i>Total support services-pupil</i> . . . . .	<u>14,935</u>	<u>20,573</u>	<u>17,773</u>	<u>2,800</u>
Operation of non-instructional services:				
Purchased services . . . . .	2,306	1,583	1,583	-
<i>Total operation of non-instructional services</i> . . . . .	<u>2,306</u>	<u>1,583</u>	<u>1,583</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>82,522</u>	<u>82,859</u>	<u>64,794</u>	<u>18,065</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(3,741)</u>	<u>(3,741)</u>	<u>(7,631)</u>	<u>(3,890)</u>
<b>Other financing sources:</b>				
Advances in . . . . .	-	-	4,000	4,000
<i>Total other financing sources</i> . . . . .	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
<i>Net change in fund balance</i> . . . . .	<u>(3,741)</u>	<u>(3,741)</u>	<u>(3,631)</u>	<u>110</u>
<i>Fund balance at beginning of year</i> . . . . .	3,534	3,534	3,534	-
<i>Prior year encumbrances appropriated</i> . . . . .	207	207	207	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 110</u>



**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 5,237	\$ 4,537	\$ 3,671	\$ (866)
<i>Total revenues.</i> . . . .	<u>5,237</u>	<u>4,537</u>	<u>3,671</u>	<u>(866)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	-	42	42	-
Materials and supplies. . . . .	-	858	858	-
Total instruction-regular. . . . .	<u>-</u>	<u>900</u>	<u>900</u>	<u>-</u>
Support services-pupil				
Salaries and wages . . . . .	700	700	175	525
Fringe benefits . . . . .	122	122	31	91
Purchased services . . . . .	2,000	2,000	2,000	-
Materials and supplies. . . . .	706	1,106	122	984
Capital outlay . . . . .	<u>627</u>	<u>627</u>	<u>137</u>	<u>490</u>
Total support services-pupil. . . . .	<u>4,155</u>	<u>4,555</u>	<u>2,465</u>	<u>2,090</u>
Support services-instructional staff				
Salaries and wages . . . . .	934	-	-	-
Fringe benefits . . . . .	192	-	-	-
Purchased services . . . . .	2	-	-	-
Materials and supplies. . . . .	<u>758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support services-instructional staff . . . . .	<u>1,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of non-instructional services				
Materials and supplies. . . . .	<u>1,233</u>	<u>1,119</u>	<u>1,102</u>	<u>17</u>
Total operation of non-instructional services . . . . .	<u>1,233</u>	<u>1,119</u>	<u>1,102</u>	<u>17</u>
<i>Total expenditures</i> . . . . .	<u>7,274</u>	<u>6,574</u>	<u>4,467</u>	<u>2,107</u>
<i>Net change in fund balance</i> . . . . .	(2,037)	(2,037)	(796)	1,241
<i>Fund balance at beginning of year</i> . . . . .	2,002	2,002	2,002	-
<i>Prior year encumbrances appropriated.</i> . . . .	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241</u>	<u>\$ 1,241</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest . . . . .	\$ 3,510	\$ 3,510	\$ 3,453	\$ (57)
Charges for services . . . . .	417,500	417,500	441,373	23,873
Intergovernmental . . . . .	35,800	35,800	41,461	5,661
<i>Total revenues . . . . .</i>	<u>456,810</u>	<u>456,810</u>	<u>486,287</u>	<u>29,477</u>
<b>Expenditures:</b>				
Current:				
Food service operations:				
Salaries and wages . . . . .	214,000	232,489	232,489	-
Fringe benefits . . . . .	110,010	110,010	109,487	523
Purchased services . . . . .	1,000	1,000	233	767
Materials and supplies . . . . .	180,500	205,921	205,620	301
Capital outlay . . . . .	1,000	4,090	3,494	596
<i>Total food service operations . . . . .</i>	<u>506,510</u>	<u>553,510</u>	<u>551,323</u>	<u>2,187</u>
<i>Total expenditures . . . . .</i>	<u>506,510</u>	<u>553,510</u>	<u>551,323</u>	<u>2,187</u>
<i>Excess of revenues over (under) expenditures . . . . .</i>	<u>(49,700)</u>	<u>(96,700)</u>	<u>(65,036)</u>	<u>31,664</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	85,000	85,000	50,000	(35,000)
<i>Total other financing sources . . . . .</i>	<u>85,000</u>	<u>85,000</u>	<u>50,000</u>	<u>(35,000)</u>
<i>Net change in fund balance . . . . .</i>	35,300	(11,700)	(15,036)	(3,336)
<i>Fund balance at beginning of year . . . . .</i>	139,035	139,035	139,035	-
<i>Fund balance at end of year . . . . .</i>	<u>\$ 174,335</u>	<u>\$ 127,335</u>	<u>\$ 123,999</u>	<u>\$ (3,336)</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MEMORIAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Interest . . . . .	\$ 601	\$ 536	\$ 566	\$ 30
Miscellaneous . . . . .	3,000	2,950	3,620	670
<i>Total revenues.</i> . . . . .	<u>3,601</u>	<u>3,486</u>	<u>4,186</u>	<u>700</u>
<b>Expenditures:</b>				
Current:				
Support services-instructional staff:				
Materials and supplies . . . . .	6,035	6,035	85	5,950
Capital outlay . . . . .	515	515	-	515
Total support services-instructional staff . . . . .	<u>6,550</u>	<u>6,550</u>	<u>85</u>	<u>6,465</u>
Support services-operations and maintenance:				
Materials and supplies . . . . .	255	255	-	255
Total support services-operations and maintenance . . . . .	<u>255</u>	<u>255</u>	<u>-</u>	<u>255</u>
Operation of non-instructional services				
Purchased services . . . . .	-	300	-	300
Other . . . . .	1,500	1,800	1,000	800
Total operation of non-instructional services . . . . .	<u>1,500</u>	<u>2,100</u>	<u>1,000</u>	<u>1,100</u>
Extracurricular activities:				
Materials and supplies . . . . .	755	755	-	755
Total extracurricular activities . . . . .	<u>755</u>	<u>755</u>	<u>-</u>	<u>755</u>
<i>Total expenditures</i> . . . . .	<u>9,060</u>	<u>9,660</u>	<u>1,085</u>	<u>8,575</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(5,459)</u>	<u>(6,174)</u>	<u>3,101</u>	<u>9,275</u>
<b>Other financing uses:</b>				
Refund of prior year's (receipts) . . . . .	-	(15,085)	(15,268)	(183)
<i>Total other financing uses</i> . . . . .	<u>-</u>	<u>(15,085)</u>	<u>(15,268)</u>	<u>(183)</u>
<i>Net change in fund balance</i> . . . . .	(5,459)	(21,259)	(12,167)	9,092
<i>Fund balance at beginning of year</i> . . . . .	57,351	57,351	57,351	-
<i>Fund balance at end of year.</i> . . . . .	<u>\$ 51,892</u>	<u>\$ 36,092</u>	<u>\$ 45,184</u>	<u>\$ 9,092</u>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services. . . . .	\$ 96,860	\$ 96,860	\$ 83,491	\$ (13,369)
<i>Total revenues.</i> . . . .	<u>96,860</u>	<u>96,860</u>	<u>83,491</u>	<u>(13,369)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Materials and supplies. . . . .	93,980	93,980	64,429	29,551
<i>Total instruction-regular.</i> . . . .	<u>93,980</u>	<u>93,980</u>	<u>64,429</u>	<u>29,551</u>
Instruction-vocational:				
Materials and supplies. . . . .	2,880	2,880	2,626	254
<i>Total instruction-vocational.</i> . . . .	<u>2,880</u>	<u>2,880</u>	<u>2,626</u>	<u>254</u>
<i>Total expenditures</i> . . . . .	<u>96,860</u>	<u>96,860</u>	<u>67,055</u>	<u>29,805</u>
<i>Net change in fund balance</i> . . . . .	-	-	16,436	16,436
<i>Fund balance at beginning of year</i> . . . . .	57,948	57,948	57,948	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 57,948</u>	<u>\$ 57,948</u>	<u>\$ 74,384</u>	<u>\$ 16,436</u>

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

**Nonmajor Capital Projects Funds**

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

***Building Improvement Fund***

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

***SchoolNet Plus Fund***

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

**ORANGE CITY SCHOOL DISTRICT**  
*COMBINING BALANCE SHEET*  
*NONMAJOR CAPITAL PROJECTS FUNDS*  
*JUNE 30, 2005*

	Building Improvement	Total Nonmajor Capital Projects Funds
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ 233,228	\$ 233,228
Accrued interest receivable. . . . .	871	871
	<u>234,099</u>	<u>234,099</u>
<i>Total assets.</i> . . . . .	<u>\$ 234,099</u>	<u>\$ 234,099</u>
 <b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable. . . . .	\$ 3,898	\$ 3,898
	<u>3,898</u>	<u>3,898</u>
<i>Total liabilities.</i> . . . . .	3,898	3,898
 <b>Fund Balances:</b>		
Reserved for encumbrances . . . . .	42,132	42,132
Unreserved, undesignated . . . . .	188,069	188,069
	<u>230,201</u>	<u>230,201</u>
<i>Total fund balances</i> . . . . .	230,201	230,201
<i>Total liabilities and fund balances.</i> . . . . .	<u>\$ 234,099</u>	<u>\$ 234,099</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, 2005*

	<u>Building Improvement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ -	\$ 18,270	\$ 18,270
Interest . . . . .	5,868	-	5,868
	<hr/>	<hr/>	<hr/>
<i>Total revenue . . . . .</i>	<i>5,868</i>	<i>18,270</i>	<i>24,138</i>
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Instruction:			
Other . . . . .	314,102	-	314,102
Support services:			
Central . . . . .	-	18,270	18,270
Facilities acquisition and construction . . . . .	25,867	-	25,867
	<hr/>	<hr/>	<hr/>
<i>Total expenditures . . . . .</i>	<i>339,969</i>	<i>18,270</i>	<i>358,239</i>
	<hr/>	<hr/>	<hr/>
<i>Net change in fund balances . . . . .</i>	<i>(334,101)</i>	<i>-</i>	<i>(334,101)</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at beginning of year . . . . .</i>	<i>564,302</i>	<i>-</i>	<i>564,302</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at end of year . . . . .</i>	<i>\$ 230,201</i>	<i>\$ -</i>	<i>\$ 230,201</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING IMPROVEMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Interest . . . . .	\$ 4,560	\$ 4,560	\$ 5,358	\$ 798
<i>Total revenues.</i> . . . .	<u>4,560</u>	<u>4,560</u>	<u>5,358</u>	<u>798</u>
<b>Expenditures:</b>				
Current:				
Facilities acquisition and construction:				
Purchased services . . . . .	-	49,817	46,999	2,818
Capital outlay . . . . .	<u>62,190</u>	<u>51,088</u>	<u>21,000</u>	<u>30,088</u>
Total facilities acquisition and construction. . . . .	<u>62,190</u>	<u>100,905</u>	<u>67,999</u>	<u>32,906</u>
<i>Total expenditures</i> . . . . .	<u>62,190</u>	<u>100,905</u>	<u>67,999</u>	<u>32,906</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(57,630)</u>	<u>(96,345)</u>	<u>(62,641)</u>	<u>33,704</u>
<b>Other financing uses:</b>				
Refund of prior year's receipts . . . . .	<u>(350,000)</u>	<u>(314,102)</u>	<u>(314,102)</u>	<u>-</u>
<i>Total other financing uses.</i> . . . .	<u>(350,000)</u>	<u>(314,102)</u>	<u>(314,102)</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	<u>(407,630)</u>	<u>(410,447)</u>	<u>(376,743)</u>	<u>33,704</u>
<i>Fund balance at beginning of year</i> . . . . .	561,437	561,437	561,437	-
<i>Prior year encumbrances appropriated.</i> . . . .	<u>2,817</u>	<u>2,817</u>	<u>2,817</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ 156,624</u>	<u>\$ 153,807</u>	<u>\$ 187,511</u>	<u>\$ 33,704</u>



**ORANGE CITY SCHOOL DISTRICT**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PLUS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 18,270	\$ 18,270	\$ -
<i>Total revenues</i> . . . . .	<u>-</u>	<u>18,270</u>	<u>18,270</u>	<u>-</u>
<b>Expenditures:</b>				
Support services-central:				
Capital outlay . . . . .	-	18,270	18,270	-
Total support services-central . . . . .	<u>-</u>	<u>18,270</u>	<u>18,270</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>-</u>	<u>18,270</u>	<u>18,270</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	-	-	-	-
<i>Fund balance at beginning of year</i> . . . . .	-	-	-	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORANGE CITY SCHOOL DISTRICT**

**COMBINING STATEMENTS - FIDUCIARY FUNDS**

***FIDUCIARY FUNDS***

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

***PRIVATE-PURPOSE TRUST FUND***

***Scholarship Fund***

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

***AGENCY FUNDS***

***District Agency Fund***

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

***Employee Benefits Fund***

This fund accounts for monies withheld from employees' paychecks for 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**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOLARSHIP FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Contributions and donations . . . . .	\$ -	\$ 550	\$ 550	\$ -
<i>Total operating revenues</i> . . . . .	<u>-</u>	<u>550</u>	<u>550</u>	<u>-</u>
<b>Operating expenses:</b>				
Scholarships awarded . . . . .	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
<i>Total operating expenses</i> . . . . .	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
<i>Operating loss</i> . . . . .	<u>(1,500)</u>	<u>(950)</u>	<u>(950)</u>	<u>-</u>
<b>Nonoperating revenues:</b>				
Earnings on investments . . . . .	<u>1,805</u>	<u>2,025</u>	<u>1,831</u>	<u>(194)</u>
<i>Total nonoperating revenues</i> . . . . .	<u>1,805</u>	<u>2,025</u>	<u>1,831</u>	<u>(194)</u>
<i>Net income before transfers</i> . . . . .	<u>305</u>	<u>1,075</u>	<u>881</u>	<u>(194)</u>
<b>Transfers:</b>				
Transfers in . . . . .	-	4,437	4,437	-
Transfers out . . . . .	<u>(3,931)</u>	<u>(4,437)</u>	<u>(4,437)</u>	<u>-</u>
<i>Total transfers</i> . . . . .	<u>(3,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	<u>(3,626)</u>	<u>1,075</u>	<u>881</u>	<u>(194)</u>
<i>Fund equity at beginning of year</i> . . . . .	<u>75,306</u>	<u>75,306</u>	<u>75,306</u>	<u>-</u>
<i>Fund equity at end of year</i> . . . . .	<u>\$ 71,680</u>	<u>\$ 76,381</u>	<u>\$ 76,187</u>	<u>\$ (194)</u>

**ORANGE CITY SCHOOL DISTRICT**

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005*

	<u>Beginning Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2005</u>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	<u>\$ 2,419</u>	<u>\$ 90,318</u>	<u>\$ 90,896</u>	<u>\$ 1,841</u>
<b>Liabilities:</b>				
Undistributed monies. . . . .	<u>\$ 2,419</u>	<u>\$ 90,318</u>	<u>\$ 90,896</u>	<u>\$ 1,841</u>
 <b>Employee Benefits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	<u>\$ 12,687</u>	<u>\$ 39,433</u>	<u>\$ 47,296</u>	<u>\$ 4,824</u>
<b>Liabilities:</b>				
Undistributed monies. . . . .	<u>\$ 12,687</u>	<u>\$ 39,433</u>	<u>\$ 47,296</u>	<u>\$ 4,824</u>
 <b>Student Managed Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	<u>\$ 70,983</u>	<u>\$ 137,163</u>	<u>\$ 119,940</u>	<u>\$ 88,206</u>
<b>Liabilities:</b>				
Due to students . . . . .	<u>\$ 70,983</u>	<u>\$ 137,163</u>	<u>\$ 119,940</u>	<u>\$ 88,206</u>
 <b>Total - All Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	<u>\$ 86,089</u>	<u>\$ 266,914</u>	<u>\$ 258,132</u>	<u>\$ 94,871</u>
<b>Liabilities:</b>				
Undistributed monies. . . . .	<u>\$ 15,106</u>	<u>\$ 129,751</u>	<u>\$ 138,192</u>	<u>\$ 6,665</u>
Due to students . . . . .	<u>70,983</u>	<u>137,163</u>	<u>119,940</u>	<u>88,206</u>
<i>Total liabilities. . . . .</i>	<u>\$ 86,089</u>	<u>\$ 266,914</u>	<u>\$ 258,132</u>	<u>\$ 94,871</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**

SUMMARY OF EXPENSES/EXPENDITURES BY FUNCTION  
AND OTHER FINANCING USES - GENERAL GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Instruction:</b>						
Regular . . . . .	\$ 16,379,861	\$ 15,563,319	\$ 16,320,163	\$ 15,568,999	\$ 14,545,778	\$ 14,077,659
Special . . . . .	6,202,166	6,033,382	5,028,484	5,088,254	6,017,671	5,860,971
Vocational . . . . .	253,802	231,760	280,092	254,318	241,796	218,558
Other . . . . .	-	314,102	23,649	23,649	11,775	11,775
<b>Total Instruction . . . . .</b>	<b>22,835,829</b>	<b>22,142,563</b>	<b>21,652,388</b>	<b>20,935,220</b>	<b>20,817,020</b>	<b>20,168,963</b>
<b>Support services:</b>						
Pupil. . . . .	2,648,841	2,604,010	2,734,653	2,608,696	2,210,058	2,133,191
Instructional staff . . . . .	2,681,775	2,650,240	3,081,414	2,890,736	1,480,216	1,430,186
Board of education . . . . .	163,202	163,202	141,777	141,777	89,482	90,263
Administration. . . . .	2,603,395	2,541,739	2,606,354	2,502,782	2,291,678	2,212,003
Fiscal . . . . .	1,115,331	1,114,715	1,053,898	1,045,621	1,032,334	1,028,462
Business . . . . .	443,553	418,029	432,204	398,249	396,839	375,221
Operations and maintenance of plant . . . . .	4,441,976	3,938,245	3,386,491	3,154,984	4,213,242	3,993,961
Pupil transportation . . . . .	3,029,567	3,072,781	3,162,885	2,930,094	3,028,156	2,863,664
Central. . . . .	924,539	854,049	938,416	876,060	1,073,794	986,330
Operation of non-instructional services. . . . .	23,129	12,737	20,045	14,437	39,822	30,782
Food service operations . . . . .	633,098	589,150	592,915	519,613	589,708	496,404
Extracurricular activities . . . . .	1,469,294	1,376,799	1,385,763	1,293,867	1,464,133	1,408,265
Capital outlay. . . . .	-	-	-	-	-	169,374
<b>Total support services . . . . .</b>	<b>20,177,700</b>	<b>19,335,696</b>	<b>19,536,815</b>	<b>18,376,916</b>	<b>17,909,462</b>	<b>17,218,106</b>
Facilities acquisition and construction . . . . .	-	573,202	-	1,056,117	-	1,304,673
Intergovernmental pass through. . . . .	380,069	407,017	356,394	339,705	423,977	421,377
Debt service . . . . .	1,452,048	6,984,348	1,335,954	7,632,037	1,338,239	8,221,507
Other financing uses . . . . .	-	156,000	-	764,000	-	734,000
<b>Total expenditures and other uses . . . . .</b>	<b>\$ 44,845,646</b>	<b>\$ 49,598,826</b>	<b>\$ 42,881,551</b>	<b>\$ 49,103,995</b>	<b>\$ 40,488,698</b>	<b>\$ 48,068,626</b>

Source: School District financial records.

Note: Data from fiscal years 2002-2005 represent all general governmental funds. Data from fiscal years 1996-2001 represent general fund expenditures only, due to lack of information available in these years.

2002		2001	2000	1999	1998	1997	1996
Full Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual
\$ 14,568,032	\$ 13,447,944	\$ 12,575,490	\$ 12,382,930	\$ 11,927,617	\$ 10,863,782	\$ 10,865,078	\$ 10,956,237
6,402,994	6,065,966	5,312,916	4,403,836	3,861,795	3,040,528	3,396,377	2,735,873
230,331	202,804	232,294	213,375	82,633	462,098	80,765	155,495
-	-	-	-	-	-	-	-
<u>21,201,357</u>	<u>19,716,714</u>	<u>18,120,700</u>	<u>17,000,141</u>	<u>15,872,045</u>	<u>14,366,408</u>	<u>14,342,220</u>	<u>13,847,605</u>
2,179,425	2,050,681	1,828,256	1,880,710	1,766,724	1,595,650	1,523,242	1,406,961
1,460,404	1,277,163	1,340,897	1,246,584	1,183,157	1,160,595	1,077,766	1,065,683
55,562	55,528	62,624	69,623	82,571	77,567	108,889	37,292
2,398,794	2,192,317	2,088,114	1,842,051	1,902,703	1,687,423	1,602,183	1,666,721
1,024,004	1,001,996	862,755	759,674	701,767	727,401	701,223	511,959
385,116	371,377	380,977	404,954	412,272	90,817	133,483	131,012
3,763,576	3,558,199	3,422,458	3,064,224	2,957,963	3,057,897	2,826,846	2,709,935
2,733,130	2,648,412	2,516,022	2,193,991	2,143,592	1,946,960	1,955,948	1,568,174
721,406	625,026	460,149	521,266	702,422	678,033	558,460	450,180
243,162	243,543	6,879	6,859	11,640	9,036	5,346	2,738
484,331	395,688	-	-	-	-	-	-
1,360,754	1,239,596	752,538	762,477	722,950	650,953	589,802	551,768
-	6,533,745	-	-	-	-	-	-
<u>16,809,664</u>	<u>22,193,271</u>	<u>13,721,669</u>	<u>12,752,413</u>	<u>12,587,761</u>	<u>11,682,332</u>	<u>11,083,188</u>	<u>10,102,423</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,435,275	8,797,659	-	4,144	9,689	26,980	42,426	47,525
-	515,000	1,171,037	3,362,226	685,000	505,000	487,308	488,388
<u>\$ 39,446,296</u>	<u>\$ 51,222,644</u>	<u>\$ 33,013,406</u>	<u>\$ 33,118,924</u>	<u>\$ 29,154,495</u>	<u>\$ 26,580,720</u>	<u>\$ 25,955,142</u>	<u>\$ 24,485,941</u>

**Orange City School District**

SUMMARY OF REVENUES BY SOURCE - GENERAL GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
<b>Program revenues</b>						
Charges for services . . . . .	\$ 2,546,139	N/A	\$ 3,026,288	N/A	\$ 5,280,109	N/A
Operating grants and contributions . . . . .	1,254,895	N/A	1,154,123	N/A	999,474	N/A
Capital grants and contributions . . . . .	62,064	N/A	59,445	N/A	104,583	N/A
<b>General revenues</b>						
Property and other local taxes . . . . .	37,246,254	\$ 36,671,073	36,198,792	\$ 35,808,052	30,301,514	\$ 30,096,717
Intergovernmental . . . . .	6,581,853	7,849,318	6,377,995	7,528,082	5,975,363	6,961,005
Interest . . . . .	575,766	575,766	268,877	259,712	440,002	440,002
Tuition and fees . . . . .	-	2,476,688	-	3,559,349	-	4,043,241
Extracurricular . . . . .	-	217,569	-	244,742	-	391,449
Contributions and donations . . . . .	-	-	-	-	-	68,421
Classroom materials and fees . . . . .	-	91,794	-	-	-	-
Charges for services . . . . .	-	441,373	-	443,993	-	557,859
Rentals . . . . .	-	6,692	-	7,441	-	8,243
Miscellaneous . . . . .	46,550	148,003	141,461	226,701	83,258	193,724
Other financing sources/special items . . . . .	-	-	260,089	9,977,589	-	6,055,555
<b>Total revenue . . . . .</b>	<b>\$ 48,313,521</b>	<b>\$ 48,478,276</b>	<b>\$ 47,487,070</b>	<b>\$ 58,055,661</b>	<b>\$ 43,184,303</b>	<b>\$ 48,816,216</b>

Source: School District Financial records.

Note: Data from fiscal years 2002-2005 represent all general governmental funds. Data from fiscal years 1996-2001 represent general fund revenues only, due to lack of information available in these years.



<u>2002</u>		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Full</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>	<u>Modified</u> <u>Accrual</u>
\$ 5,189,739	N/A	N/A	N/A	N/A	N/A	N/A	N/A
732,912	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27,880	N/A	N/A	N/A	N/A	N/A	N/A	N/A
38,727,621	\$ 37,947,949	\$ 25,892,910	\$ 22,198,020	\$ 23,222,986	\$ 22,571,130	\$ 22,070,328	\$ 20,871,663
5,717,812	6,559,647	4,714,945	6,302,166	5,361,478	4,199,826	4,407,458	3,803,002
543,836	543,836	304,062	424,856	717,527	444,057	311,654	171,294
-	4,362,668	1,224,851	919,285	954,258	1,385,119	3,018,351	782,741
-	186,142	-	-	-	-	-	-
-	2,000	-	-	-	200	100	10,000
-	-	-	-	-	-	-	-
-	576,898	35,431	26,851	39,459	40,649	27,398	-
-	64,031	24,983	25,311	27,822	31,382	31,857	47,296
78,756	78,756	23,316	17,750	5,771	166,090	2,698	5,322
-	6,265,000	-	150	756	47	105	181
<u>\$ 51,018,556</u>	<u>\$ 56,586,927</u>	<u>\$ 32,220,498</u>	<u>\$ 29,914,389</u>	<u>\$ 30,330,057</u>	<u>\$ 28,838,500</u>	<u>\$ 29,869,949</u>	<u>\$ 25,691,499</u>

**Orange City School District**

*PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

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<u>Year (1)</u>	<u>Total Tax Levy</u>	<u>Current Collection</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Collection</u>
2004	41,103,795	37,140,146	90.36%	1,215,109
2003	36,471,190	34,338,004	94.15%	1,197,127
2002	36,294,519	32,885,998	90.61%	1,108,311
2001	35,605,453	33,218,805	93.30%	704,915
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

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. 2005 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 Collection</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>
38,355,255	93.31%	2,480,347	6.03%
35,535,131	97.43%	2,553,822	7.00%
33,994,309	93.66%	1,702,658	4.69%
33,923,720	95.28%	1,702,658	4.78%
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%

**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)
2005	\$ 916,393,060	\$ 2,618,265,886	\$ 12,473,120	\$ 14,174,000
2004	904,032,290	2,618,254,600	10,764,920	12,232,864
2003	846,280,460	2,417,944,171	10,255,830	14,274,204
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

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 of actual value.  
 Tangible personal property is assessed at various percentages of actual value.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$ 37,692,694	\$ 163,881,278	\$ 966,558,874	\$ 2,796,321,164	35%
35,735,048	155,369,774	950,532,258	2,785,857,238	34%
40,705,019	169,604,245	897,241,309	2,601,822,620	34%
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%

**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
2005	\$86.10	\$2.00	\$18.30	\$7.10	\$113.50	\$2.40	\$0.88	\$3.28
2004	81.10	1.40	16.50	7.20	106.20	2.40	0.91	3.31
2003	81.10	1.40	16.20	7.30	106.00	3.40	0.91	4.31
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

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*

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<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2005	\$ 27,616,543	\$ 966,558,874	13,855	2.86%	\$ 1,993
2004	23,907,358	950,532,258	14,160	2.52%	1,688
2003	24,377,004	897,241,309	15,039	2.72%	1,621
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	-	741,007,716	13,968	0.00%	-
1997	-	699,021,099	13,968	0.00%	-
1996	65,000	693,983,112	13,968	0.01%	5

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, 2005*

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Assessed Valuation		\$ 966,558,874
Overall Voted Debt Limit - 9% of Assessed Value (1)		\$ 86,990,299
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 28,866,304	
Less: Amount Available in Debt Service Fund	<u>(1,249,761)</u>	
Net Debt		<u>27,616,543</u>
Overall Voted Debt Margin		<u>\$ 59,373,756</u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$ 966,559
Amount of Debt Applicable		<u>-</u>
Unvoted Debt Margin		<u>\$ 966,559</u>

Source: Cuyahoga County Auditor and School District Financial Records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt



**Orange City School District**

*COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2004*

Jurisdiction	General Obligation Bonded Debt Outstanding	Percent Applicable to School District (1)	Amount Applicable to School District
<u>Direct:</u>			
Orange City School District	\$ 28,866,304	100.00%	\$ 28,866,304
<u>Overlapping:</u>			
Cuyahoga County	251,154,636	3.15%	7,920,880
Regional Transit Authority	147,025,000	3.15%	4,636,854
Village of Orange	5,424,000	16.54%	897,011
City of Bedford Heights	7,852,000	5.79%	454,608
Village of Moreland Hills	1,385,000	19.17%	265,494
City of Pepper Pike	6,295,245	36.85%	2,319,632
City of Warrensville Heights	13,590,000	1.03%	139,881
City of Solon	25,645,000	2.60%	665,899
Village of Woodmere	1,585,000	6.25%	98,993
Village of Hunting Valley	<u>4,750,000</u>	11.78%	<u>559,757</u>
Total Overlapping	<u>464,705,881</u>		<u>17,959,009</u>
Total	<u>\$ 493,572,185</u>		<u>\$ 46,825,313</u>

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (Including School District) because that is the manner in which the 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 2004 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*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2005	\$ 1,030,000	\$ 1,347,589	\$ 2,377,589	\$ 39,548,295	6.01%
2004	995,000	1,184,990	2,179,990	38,455,862	5.67%
2003	955,000	1,222,538	2,177,538	36,177,003	6.02%
2002	920,000	1,257,703	2,177,703	34,542,803	6.30%
2001	865,000	1,289,860	2,154,860	33,013,406	6.53%
2000	871,779	1,442,458	2,314,237	33,118,924	6.99%
1999	-	-	-	29,154,495	0.00%
1998	-	-	-	26,580,720	0.00%
1997	-	-	-	25,955,142	0.00%
1996	65,000	1,575	66,575	24,485,941	0.27%

Source: School District Financial Records

(1) Includes other financing uses

**Orange City School District**

*DEMOGRAPHIC STATISTICS  
LAST TEN YEARS*

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<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>
2005	1,351,009	13,855	2,367	5.9%
2004	1,363,888	14,160	2,368	6.0%
2003	1,379,049	15,039	2,376	7.2%
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%

- Source:
- (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*

Year	Property Value (1) (Real Estate Only)	Industrial Employment	Financial Institution Deposits (000's) Banks
2005	\$ 2,618,265,886	N/A	\$ 105,769,931
2004	2,618,254,600	N/A	93,879,318
2003	2,417,944,171	N/A	99,508,177
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	1,961,273,914	N/A	(2) 53,941,971
1997	1,840,205,829	N/A	27,068,211
1996	1,806,772,914	N/A	22,458,573

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, 2004

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Chagrin Retail L.L.C.	\$ 17,160,960	1.87%
Hallwood 95, L.P.	6,705,090	0.73%
Village Chagrin Partners	5,949,410	0.65%
Miles Road L.L.C.	4,765,330	0.52%
Duke Realty Ltd. Partnership	4,406,850	0.48%
AM Castle and Company	3,933,450	0.43%
Lander Circle Company	3,327,050	0.36%
Marotta-Glazer Realty Company	3,056,280	0.33%
Olympic Steel	3,005,840	0.33%
Park Synagogue	<u>2,813,300</u>	<u>0.31%</u>
Total	<u>\$ 55,123,560</u>	<u>6.02%</u>
Real Property Assessed Value	<u>\$ 916,393,060</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2004 collection year.

**Orange City School District**

*PRINCIPAL TAXPAYERS  
TANGIBLE PERSONAL PROPERTY TAX  
DECEMBER 31, 2004*

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
AM Castle and Company	\$ 574,153	1.52%
Olympic Steel, Incorporated	492,742	1.31%
American Spring Wire Corporation	478,201	1.27%
Sherwin Williams Company	440,721	1.17%
Lowe's Home Centers, Incorporated	189,845	0.50%
Southern Electric Supply Company, Incorporated	164,069	0.44%
Alson Jewelers, Incorporated	110,804	0.29%
Formtek Cleveland, Incorporated	92,715	0.25%
Cleveland Coca-Cola	80,771	0.21%
Burlington Coat Factory	68,122	0.18%
Total	<u>\$ 2,692,143</u>	<u>7.14%</u>
Tangible Assessed Value	<u>\$ 37,692,694</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2004 collection year.

**Orange City School District**

*PRINCIPAL TAXPAYERS  
PUBLIC UTILITIES TAX  
DECEMBER 31, 2004*

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 5,227,210	41.91%
Ohio Bell Telephone Company	2,013,660	16.14%
AT&T Wireless PCS of Cleveland LLC	1,743,300	13.98%
New Cingular Wireless PCS LLC	696,320	5.58%
East Ohio Gas	690,910	5.54%
Total	<u>\$ 10,371,400</u>	<u>83.15%</u>
Public Utility Assessed Value	<u>\$ 12,473,120</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2004 collection year.

**Orange City School District**

*PER PUPIL COST  
LAST TEN FISCAL YEARS*

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<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2005	\$ 39,548,295	2,367	\$ 16,708
2004	38,455,862	2,368	16,240
2003	36,177,003	2,376	15,226
2002	34,542,803	2,361	14,631
2001	33,013,406	2,321	14,224
2000	33,118,924	2,251	14,713
1999	29,154,495	2,258	12,912
1998	26,580,720	2,276	11,679
1997	25,955,142	2,279	11,389
1996	24,485,941	2,246	10,902

Source: School District Financial Records.

(1) Includes Other Financing Uses.



**Orange City School District**

*TEACHER EDUCATION AND EXPERIENCE  
AS OF JUNE 30, 2005*

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<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Associates	1	0.42%
Bachelor's Degree	50	20.92%
Master's Degree	183	76.57%
Ph.D.	<u>5</u>	<u>2.09%</u>
	<u>239</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	37	15.48%
6 - 10	40	16.74%
11 and over	<u>162</u>	<u>67.78%</u>
	<u>239</u>	<u>100.00%</u>

Source: School District Personnel Records

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**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
DECEMBER 30, 2005**