



OHIO AUDITOR OF STATE
KEITH FABER



**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program (SBP)	10.553	N/A	\$ 30,520
National School Lunch Program (NSLP)	10.555	N/A	147,808
National School Lunch Program (NSLP) - Non-Cash	10.555	N/A	<u>24,229</u>
Total Child Nutrition Cluster			<u>202,557</u>
Total U.S. Department of Agriculture			<u>202,557</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2017	84.010	N/A	21,696
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2018	84.010	N/A	<u>215,667</u>
Total Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)			<u>237,363</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B) - 2017	84.027	N/A	44,232
Special Education - Grants to States (IDEA, Part B) - 2018	84.027	N/A	<u>502,728</u>
Total Special Education - Grants to States (IDEA, Part B)			<u>546,960</u>
Special Education - Preschool Grants (IDEA Preschool) - 2017	84.173	N/A	288
Special Education - Preschool Grants (IDEA Preschool) - 2018	84.173	N/A	<u>8,771</u>
Total Special Education - Preschool Grants (IDEA Preschool)			<u>9,059</u>
Total Special Education Cluster (IDEA)			<u>556,019</u>
Title II, Part A, Improving Teacher Quality State Grants - 2017	84.367	N/A	2,850
Title II, Part A, Improving Teacher Quality State Grants - 2018	84.367	N/A	<u>41,432</u>
Total Improving Teacher Quality State Grants			<u>44,282</u>
Title IV, Part A, Student Support and Academic Enrichment Program - 2018	84.424	N/A	<u>349</u>
Total Title IV, Part A, Student Support and Academic Enrichment Program			<u>349</u>
<i>Passed through Educational Service Center of Cuyahoga County</i>			
Title III, Part A, English Acquisition State Grants - 2018	84.365	N/A	<u>7,573</u>
Total Title III, Part A, English Language Acquisition State Grants			<u>7,573</u>
Total U.S. Department of Education			<u>845,586</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,048,143</u></u>

The accompanying notes are an integral part of this schedule.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fairview Park City School District (District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D- CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2017 to 2018 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 55,371
Special Education – Grants to States	84.027	\$137,251
Special Education – Preschool Grants	84.173	\$ 350
Title II, Part A, Improving Teacher Quality State	84.367	\$ 6,461

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable.



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

Fairview Park City School District
Cuyahoga County
21620 Mastick Road
Fairview Park, Ohio 44126

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 28, 2019, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2019



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

Fairview Park City School District
Cuyahoga County
21620 Mastick Road
Fairview Park, Ohio 44126

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Fairview Park City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Fairview Park City School District's major federal program for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on the Major Federal Program

In our opinion, the Fairview Park City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fairview Park City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated February 28, 2019. Our opinion also explained that the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75 during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2019

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



FAIRVIEW PARK CITY SCHOOLS

ADMINISTRATIVE OFFICES

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Dr. William W. Wagner, Superintendent • Kimberly Sperling, Treasurer

BOARD OF EDUCATION

Joseph Shucofsky, President
Kellie DuBay Gillis, Vice President
Joslyn Dalton, Board Member
Matthew Hrubey, Board Member
Mark St. John, Board Member

FAIRVIEW PARK CITY SCHOOL DISTRICT CUYAHOGA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) JUNE 30, 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	Appropriations Limited by Estimated Resources - Ohio Rev. Code § 5705.39 - The Food Service, Permanent Improvement and Building Funds had appropriations exceeding estimated resources at the legal level of budgetary control at June 30, 2017	Corrective Action Taken and Finding is Fully Corrected	None.

**FAIRVIEW PARK CITY SCHOOL
DISTRICT
CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018



Learning to Believe & Achieve

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018



Learning to Believe & Achieve

PREPARED BY
TREASURER'S DEPARTMENT
MS. KIMBERLY SPERLING, CFO/TREASURER

21620 Mastick Road #A

Fairview Park, Ohio 44126

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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CUYAHOGA COUNTY, OHIO**

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CUYAHOGA COUNTY, OHIO**

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INTRODUCTORY SECTION



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Learning to Believe & Achieve

Fairview Park City School District

William W. Wagner, Superintendent
Kimberly Sperling, Treasurer/CFO

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February 28, 2019

Board of Education Members and
Residents of the Fairview Park City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Fairview Park City School District (the "District") for the fiscal year ended June 30, 2018. This CAFR includes an opinion from the State of Ohio Auditor and conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with 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 District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs.

The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Fairview Park City School District (the primary government) and its potential component units. The District has no component units.

The District is associated with one insurance purchasing pool and three jointly governed organizations. The Great Lakes Regional Council of Governments is an insurance purchasing pool that deals with medical, dental and life insurance benefits. Connect, the Ohio Schools' Council Association and the Polaris Career Center are jointly governed organizations. The District's relationship with these organizations is described in Note 1 to the basic financial statements. A complete discussion of the District's reporting entity is provided in Note 1 to the basic financial statements.

Profile and Organizational Structure

The District covers approximately 4.77 square miles and is located approximately 10 miles west of downtown Cleveland, Ohio. The District provides education to 1,794 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively flat over the last several years and is projected to slightly increase in the foreseeable future.

Statutorily, the District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer (CEO), and the Treasurer, who serves as the Chief Financial Officer (CFO).

MISSION STATEMENT

The Fairview Park City Schools are committed to provide superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship.

Local Economy and Relevant Financial Policies

There has been stable commercial/business growth during 2018 with several new openings, several of which included major renovations of existing buildings. In the past year, thirteen new businesses have opened in the City of Fairview Park, with the majority along the Lorain Road area that has been a focus for redevelopment initiatives. These business have been a combination of professional, retail and food service entities.

While economic development is good for the community as a whole, including the District, the benefits to the local District are not as great as one might imagine. The City of Fairview Park has a tax abatement program for which applicants can receive tax exemptions up to 100 percent on any remodeling or new construction for up to seven years. The school districts are not involved in the decision making of the abatement process. The school districts do receive additional revenue when the land value increases, but not on the land improvements (i.e. new buildings) until the abatement period expires.

The Cuyahoga County Fiscal Office property re-appraisal was completed in CY18, which resulted in the District's real estate property values to be increased an average of 11% District wide. However, the County has received a large number of property valuation complaints so the true percentage increase is not known at this time.

Annually, the District prepares a five-year financial forecast. The financial forecast is the foundation for the District's operations and is used as a financial planning tool to assist the District in determining its ability to meet certain financial obligations and plan future funding needs. The forecast shows revenue and expenditures for the general operating fund for the past three fiscal years and projects revenue and expenditures for the ensuing five-year period. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the District. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to October 31 and reviews it again prior to May 31.

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. This is a result of House Bill 920, which mandates that any reappraised property increase results in an approximately equal value decrease in millage. As a result, school districts throughout Ohio must place operating funding issues on the ballot at regular intervals to keep pace with inflation and added programming.

Beginning in FY2018, the per pupil funding amounts are increased from the FY2017 level of \$6,000 to \$6,010.

Additionally, the real property tax system in Ohio does not permit school districts to receive additional tax revenue solely as a result of reassessment or reappraisal. Consequently, the primary means of increasing revenue for the District is through additional operating levies or through the passage of a School District Income Tax. Historically, the District has been forced to go back to the taxpayers, on average, once every three years for new money. With careful, fiscal planning and management's ability to offset increases in cost with cost saving initiatives, the Board of Education has expanded the cycle to a minimum of ten years.

Major Initiatives

The District continues to be committed to providing "superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship" as stated in the mission statement. The District's goals for fiscal year 2018 were as follows:

- Provide first class facilities, which entail the best possible learning environments to the students and residents of the Fairview Park City School District. A committee screened qualifications for design and master planning service to determine ongoing facility needs over two year span. With input from the community to the committee's recommendation in May, 2016, the board approved a master plan estimated at \$32.5 million.

There are three components to the plan: \$10 million Certificate of Participation (COPs) funding to be repaid from current cash reserves. This plan gained full funding in the November, 2017, election with voter approval of a combination bond and PI issue. The current district facilities include:

Classroom Building Facility	Year Construction/Improvement	Number of Classrooms
Fairview Park Early Education Center (daycare, Pre-K, K)	Original 1950/1959/1966/2010	6
Gilles-Sweet Elementary (1 to 5)	2006	34

MISSION STATEMENT

The Fairview Park City Schools are committed to provide superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship.

L.F. Mayer Middle (6 to 8)	Original 1955/1959/1966/2009	18
Fairview High School (9 to 12)	Original 1928/1949/1952/1956/1959/1968/1979/2009	34

One non-instructional facility was purchased in 2011 that had served as the New Hope Church. This building now houses the operational offices for transportation and serves the community in a number of ways by providing space for groups to meet.

- In FY18, the Teaching and Learning Department both set in motion key improvements derived from the District Strategic Plan and stayed the course with others kicked off in FY17. Efforts to align with state standards and model curricula were painstakingly sustained. Beginning with amplified implementation of a cost-effective, comprehensive learning management system (LMS) for core content, grades 6-12, saw upgrade or addition of Seesaw K-5 learning management, streamlining of communications tooled employed around the district (emphasis on Google Classroom and Power School Messaging), and addition of "Securly" to monitor our students' online safety. Major efforts were multiplied in communicating with and educating all stakeholders, including parents, regarding the nature and mechanics of this or any LMS as well as all elements of the district's plan for student success. In K-5, a research-based Mathematics program was in its third year of full implementation and continued to make a positive impact on student outcomes. A new comprehensive English Language curriculum that emphasizes Composition was acquired and implementation was initiated in FY17 and in FY18, with additional materials (such as upgraded classroom libraries), professional learning, and collaboration, teachers reached new levels of comfort and expertise. Significant curriculum review, revision, and innovation were accomplished, including creation of new Advanced Placement options that include Seminar and Research courses that lead to the "AP CAPSTONE" diploma endorsement

Long-Term Financial Planning

As part of the District's long-term planning, the Treasurer/CFO prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expenses over the next five years and is accompanied by financial assumption notes. The Board of Education reviews this document on a regular basis for changes that might impact their financial decisions.

During the 2018 fiscal year, the District continued the practice of closely monitoring the student population and student needs and adjusting the staffing to the fluctuations accordingly. These comparisons allow the District to keep a streamlined organization. As a result of these monitoring efforts, the District has been able to maintain a relatively low increase in operating expenditures and a balanced budget.

Financial Information

Internal Accounting and Budgetary Control

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 capital assets and payroll. These systems, coupled with the manual audit of each voucher prior to payment, ensures 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 measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

MISSION STATEMENT

The Fairview Park City Schools are committed to provide superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all funds. All purchase order requests must be approved by the Superintendent and certified by the CFO/Treasurer; necessary funds are then encumbered and purchase orders are released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished with monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. The basis of accounting and the various funds utilized by Fairview Park City School District are fully described in Note 2 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

Financial Presentation

The District's basic financial statements consist of the following:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish those activities of the District that are governmental in nature.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include 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.

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion follows the Independent Auditor's Report, providing an assessment of the District's finances for fiscal year 2018 and a discussion of current issues affecting the District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Keith Faber, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2018. 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 governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

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 Fairview Park City School District for its CAFR for the fiscal year ended June 30, 2017. 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 CAFR, whose contents conform to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The 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.

MISSION STATEMENT

The Fairview Park City Schools are committed to provide superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship.

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2017. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2018, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Acknowledgments

The publication of this report is a significant step toward professionalizing the District's financial reporting. It enhances the District's accountability to the residents of the Fairview Park City School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the CFO/Treasurer's office, various administrators and staff members of the District. Special appreciation is expressed to the accounting firm of Julian & Grube, Inc. for assistance in designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support on this project.

Respectfully Submitted,

A handwritten signature in dark ink that reads "Kimberly Sperling". The signature is written in a cursive, flowing style.

Kimberly Sperling
Treasurer/CFO

MISSION STATEMENT

The Fairview Park City Schools are committed to provide superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Fairview Park City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Fairview Park City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

PRINCIPAL OFFICERS

July 1, 2018

Board of Education

Joe Shucofsky –President - Term (1/01/2016 – 12/31/2019)

Kelly DuBay Gillis -Vice President - Term (1/01/2016 – 12/31/2019)

Joslyn Dalton – Term (1/01/2018 – 12/31/2021)

Matthew Hrubey - Term (1/01/2018– 12/31/2021)

Mark St. John - Term (1/01/2018– 12/31/2019)

Superintendent

Dr. William W. Wagner

Treasurer/CFO

Kimberly Sperling

Department Administrative Staff

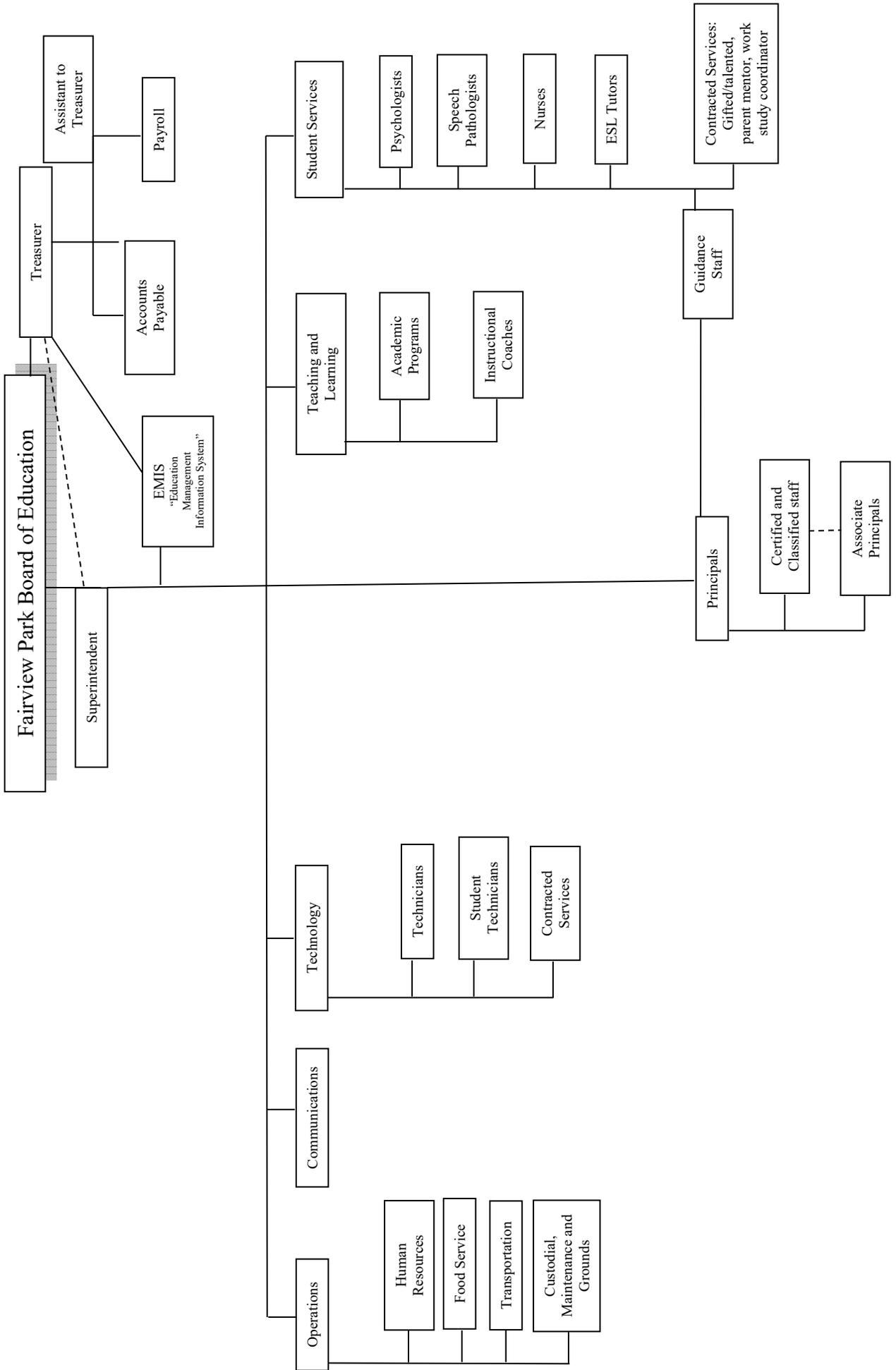
Director of Communication	-	Amanda Lloyd
Director of Teaching & Learning	-	Melanie Wightman
Assistant to the Treasurer	-	Balbina Korczak

Building Level Administrative Staff

High School/Middle School Campus Principal	-	Chris Vicha
High School Associate Principal	-	Chris Honeck
Middle School Principal	-	Ray Mohr
Gilles Sweet Elementary Principal	-	Barbara Brady
Gilles Sweet Associate Principal	-	Matt Krivak
Early Education Center Principal	-	Patricia Moran

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ORGANIZATIONAL CHART



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FINANCIAL SECTION



Learning to Believe & Achieve

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INDEPENDENT AUDITOR'S REPORT

Fairview Park City School District
Cuyahoga County
21620 Mastick Road
Fairview Park, Ohio 44126

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Cuyahoga County, Ohio, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3A to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated February 28, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2019

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

The management's discussion and analysis of Fairview Park 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, 2018. 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 notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position increased \$10,930,950. Net position of governmental activities increased \$10,705,733, which represents a 104.71% increase from 2017's restated net position. Business-type activities net position increased \$225,217 over 2017's restated net position.
- General revenues accounted for \$23,322,479 of revenue or 90.21% of governmental activities revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$2,529,697 or 9.78% of governmental activities revenues.
- Total revenues for fiscal year 2018 were \$27,302,157. Of this total, \$25,852,176 was reported in the governmental activities and \$1,449,981 in the business-type activities.
- The District had \$15,146,443 in expenses related to governmental activities; only \$2,529,697 of these expenses was offset by program specific charges for services and sales and operating grants and contributions resulting in a net cost of \$12,616,746 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$23,322,479 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the building fund. The District's major proprietary funds are the daycare services fund and the food service fund. The general fund had \$21,245,685 in revenues and \$23,094,366 in expenditures and other financing uses. During fiscal year 2018, the general fund's fund balance decreased \$1,848,681 from a balance of \$17,485,902 to \$15,637,221.
- The building fund had \$209,143 in revenues and \$2,690,852 in expenditures. During fiscal year 2018, the building fund's fund balance decreased \$2,481,709 from \$34,054,037 to \$31,572,328.
- The food service fund had \$248,166 in operating revenues, \$205,920 in non-operating grants and \$448,593 in expenses. During fiscal year 2018, the food service's fund balance increased \$5,493 from a deficit balance of \$172,762 to a deficit balance of \$167,269.
- The day care services fund had \$995,895 in operating revenues and \$776,171 in expenses. During fiscal year 2018, the day care services' fund balance increased \$219,724 from a deficit balance of \$1,240,811 to a deficit balance of \$1,021,087.

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.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

The statement of net position 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 and the building fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position 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 2018?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 fund's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position 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 position 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, and extracurricular activities.

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 food service and day care services are reported as business activities.

The District's statement of net position 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 begins on page 14 and the analysis of the District's major enterprise funds begins on page 15. 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 and the building fund.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 position 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. Both the food service fund and daycare services fund are major funds. 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 an agency fund. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 30 and 31. These activities are excluded from the 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 33-81 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability. The required supplementary information can be found on pages 84-97 of this report.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2018 and June 30, 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
<u>Assets</u>						
Current and other assets	\$ 71,953,252	\$ 74,292,840	\$ 374,075	\$ 249,283	\$ 72,327,327	\$ 74,542,123
Capital assets, net	31,668,980	30,064,336	37,695	47,527	31,706,675	30,111,863
Total assets	103,622,232	104,357,176	411,770	296,810	104,034,002	104,653,986
<u>Deferred outflows</u>	13,047,100	9,836,853	414,921	439,039	13,462,021	10,275,892
<u>Liabilities</u>						
Current liabilities	4,200,650	2,550,943	54,812	15,931	4,255,462	2,566,874
Long-term liabilities						
Due within one year	2,257,809	2,580,369	6,868	4,556	2,264,677	2,584,925
Due in more than one year:						
Net pension liability	28,607,574	37,648,607	1,205,181	1,455,518	29,812,755	39,104,125
Net OPEB liability	6,174,504	7,591,234	525,133	573,374	6,699,637	8,164,608
Other amounts	56,824,110	59,035,500	65,531	100,043	56,889,641	59,135,543
Total liabilities	98,064,647	109,406,653	1,857,525	2,149,422	99,922,172	111,556,075
<u>Deferred inflows</u>	18,123,055	15,011,479	157,522	-	18,280,577	15,011,479
<u>Net position</u>						
Net investment in capital assets	6,120,726	7,064,475	37,695	47,527	6,158,421	7,112,002
Restricted	3,224,338	3,613,802	-	-	3,224,338	3,613,802
Unrestricted (deficit)	(8,863,434)	(20,902,380)	(1,226,051)	(1,461,100)	(10,089,485)	(22,363,480)
Total net position (deficit)	\$ 481,630	\$ (10,224,103)	\$ (1,188,356)	\$ (1,413,573)	\$ (706,726)	\$ (11,637,676)

Net Pension Liability and Net OPEB Liability

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating governmental activities net position at June 30, 2017, from (\$2,678,647) to (\$10,224,103). The business- type activities had a restated net position at June 30, 2017, from (\$850,099) to (\$1,413,573).

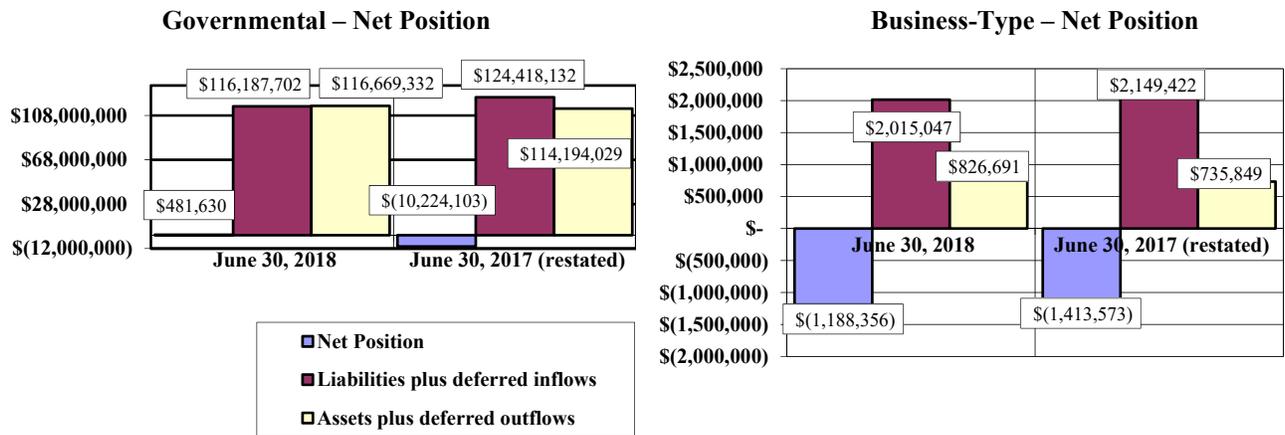
**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's assets plus deferred outflows exceeded liabilities plus deferred inflows by \$481,630 in the governmental activities and liabilities plus deferred inflows exceeded assets plus deferred outflows by \$1,188,356 in the business-type activities.

At year-end, capital assets represented 30.47% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks. The net investment in capital assets at June 30, 2018, was \$6,158,421. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$3,224,338 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$10,089,485. The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2018 and 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.



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The table below shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	Restated <u>2017</u>	<u>2018</u>	Restated <u>2017</u>	<u>2018</u>	Restated <u>2017</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 738,441	\$ 604,931	\$ 1,244,061	\$ 1,194,495	\$ 1,982,502	\$ 1,799,426
Operating grants and contributions	1,783,621	1,670,280	205,920	196,829	1,989,541	1,867,109
Capital grants and contributions	7,635	-	-	-	7,635	-
General revenues:						
Property taxes	17,888,378	15,438,989	-	-	17,888,378	15,438,989
Grants and entitlements	4,911,677	4,873,761	-	-	4,911,677	4,873,761
Investment earnings	744,644	268,157	-	-	744,644	268,157
Decrease in fair market value of investments	(227,440)	(350,762)	-	-	(227,440)	(350,762)
Other	5,220	23,184	-	-	5,220	23,184
Total revenues	<u>25,852,176</u>	<u>22,528,540</u>	<u>1,449,981</u>	<u>1,391,324</u>	<u>27,302,157</u>	<u>23,919,864</u>
Expenses						
Program expenses:						
Instruction:						
Regular	5,772,202	12,713,393	-	-	5,772,202	12,713,393
Special	1,983,087	3,775,162	-	-	1,983,087	3,775,162
Vocational	212	46,841	-	-	212	46,841
Other	31,499	31,936	-	-	31,499	31,936
Support services:						
Pupil	798,083	1,557,977	-	-	798,083	1,557,977
Instructional staff	393,706	608,533	-	-	393,706	608,533
Board of education	45,446	59,093	-	-	45,446	59,093
Administration	719,777	1,584,574	-	-	719,777	1,584,574
Fiscal	516,257	908,432	-	-	516,257	908,432
Business	82,291	21,753	-	-	82,291	21,753
Operations and maintenance	1,320,479	2,027,688	-	-	1,320,479	2,027,688
Pupil transportation	473,019	903,762	-	-	473,019	903,762
Central	181,326	2,342,440	-	-	181,326	2,342,440
Operation of non-instructional services:						
Other non-instructional services	393,264	452,870	-	-	393,264	452,870
Extracurricular activities	265,689	575,895	-	-	265,689	575,895
Interest and fiscal charges	2,170,106	1,380,473	-	-	2,170,106	1,380,473
Food service operations	-	-	448,593	441,249	448,593	441,249
Day care services	-	-	776,171	1,038,329	776,171	1,038,329
Total expenses	<u>15,146,443</u>	<u>28,990,822</u>	<u>1,224,764</u>	<u>1,479,578</u>	<u>16,371,207</u>	<u>30,470,400</u>
Changes in net position	10,705,733	(6,462,282)	225,217	(88,254)	10,930,950	(6,550,536)
Net position (deficit) at beginning of year (restated)	<u>(10,224,103)</u>	<u>N/A</u>	<u>(1,413,573)</u>	<u>N/A</u>	<u>(11,637,676)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u>\$ 481,630</u>	<u>\$ (10,224,103)</u>	<u>\$ (1,188,356)</u>	<u>\$ (1,413,573)</u>	<u>\$ (706,726)</u>	<u>\$ (11,637,676)</u>

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Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$45,778 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,044,773. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 15,146,443
Negative OPEB expense under GASB 75	1,044,773
2018 contractually required contributions	<u>61,347</u>
Adjusted 2018 program expenses	16,252,563
Total 2017 program expenses under GASB 45	<u>28,990,822</u>
Decrease in program expenses not related to OPEB	<u>\$ (12,738,259)</u>

For fiscal year 2018, the net position of the District's governmental activities increased \$10,705,733. Total governmental expenses of \$15,146,443 were offset by program revenues of \$2,529,697 and general revenues of \$23,322,479. Program revenues supported 16.70% of the total governmental expenses.

Overall, expenses of the governmental activities decreased \$13,844,379 or 47.75%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$8,628,203) in pension expense and (\$1,024,122) in OPEB expense mainly due to these benefit changes by the retirement systems. Fluctuations in the pension expense reported under GASB 68 makes it difficult to compare financial information between years. Pension expense is a component of program expenses reported on the statement of activities. To assess fluctuations in program expenses, the increase or decrease in pension expense should be factored into the analysis. Pension expense, by function, for 2018 and 2017 follow:

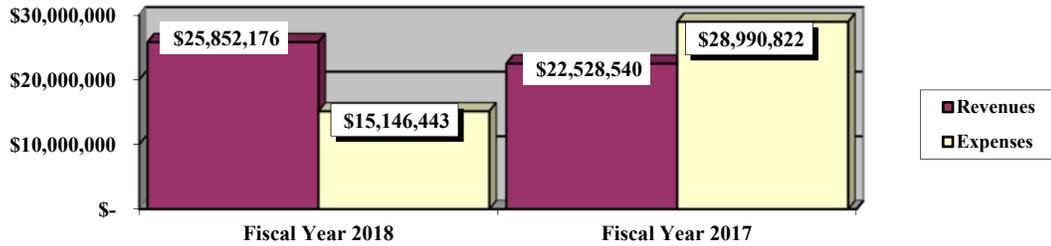
	2018 Pension Expense	2017 Pension Expense	Increase (Decrease)
Program expenses:			
Instruction:			
Regular	\$ (4,512,819)	\$ 1,937,894	\$ (6,450,713)
Special	(1,556,521)	593,796	(2,150,317)
Vocational	(123)	15,371	(15,494)
Support services:			
Pupil	(525,394)	262,613	(788,007)
Instructional staff	(173,881)	61,766	(235,647)
Board of education	(5,832)	2,728	(8,560)
Administration	(628,915)	266,779	(895,694)
Fiscal	(201,579)	87,350	(288,929)
Business	(56,777)	759	(57,536)
Operations and maintenance	(447,343)	192,499	(639,842)
Pupil transportation	(201,879)	96,933	(298,812)
Central	(42,034)	21,200	(63,234)
Operation of non-instructional	(36,911)	26,649	(63,560)
Extracurricular activities	<u>(202,482)</u>	<u>88,590</u>	<u>(291,072)</u>
Total	<u>\$ (8,592,490)</u>	<u>\$ 3,654,927</u>	<u>\$ (12,247,417)</u>

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The graph below presents the District's governmental activities revenue and expenses for fiscal year 2018 and 2017.

Governmental 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 fiscal years 2018 and 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

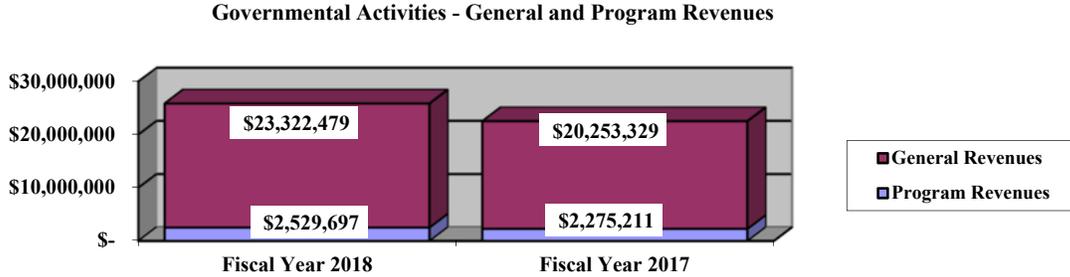
	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
Program expenses:				
Instruction:				
Regular	\$ 5,772,202	\$ 5,446,615	\$ 12,713,393	\$ 12,364,504
Special	1,983,087	693,322	3,775,162	2,693,092
Vocational	212	(3,596)	46,841	46,576
Other	31,499	31,499	31,936	31,936
Support services:				
Pupil	798,083	685,812	1,557,977	1,442,776
Instructional staff	393,706	372,116	608,533	577,272
Board of education	45,446	45,446	59,093	59,093
Administration	719,777	718,906	1,584,574	1,584,039
Fiscal	516,257	516,257	908,432	908,432
Business	82,291	82,291	21,753	21,753
Operations and maintenance	1,320,479	1,186,955	2,027,688	1,922,692
Pupil transportation	473,019	409,685	903,762	884,523
Central	181,326	181,326	2,342,440	2,342,440
Operation of non-instructional services:				
Other non-instructional services	393,264	(49,664)	452,870	7,324
Extracurricular activities	265,689	129,670	575,895	448,686
Interest and fiscal charges	2,170,106	2,170,106	1,380,473	1,380,473
Total expenses	<u>\$ 15,146,443</u>	<u>\$ 12,616,746</u>	<u>\$ 28,990,822</u>	<u>\$ 26,715,611</u>

The dependence upon tax revenues during fiscal year 2018 for governmental activities is apparent, as 79.21% of 2018 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.30%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

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The graph below presents the District's governmental activities revenue for fiscal years 2018 and 2017.



Business-type Activities

Business-type activities include day care, preschool and after school programs and the food service operation. Management reviews these programs to develop policies to allow these services to become self-supporting.

Food service operations had \$248,166 in operating revenue, \$205,920 in grants and subsidies and had total expenses of \$448,593. Food service program revenues were sufficient to support food service expenses.

The day care services fund had \$995,895 in operating revenue and \$776,171 in expenses. Day care services revenues were sufficient to support day care services expenses by \$219,724.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$50,839,952, which is \$5,168,208 less than last year's fund total of \$56,008,160.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Change
General	\$ 15,637,221	\$ 17,485,902	\$ (1,848,681)
Building	31,572,328	34,054,037	(2,481,709)
Other governmental	<u>3,630,403</u>	<u>4,468,221</u>	<u>(837,818)</u>
Total	<u>\$ 50,839,952</u>	<u>\$ 56,008,160</u>	<u>\$ (5,168,208)</u>

General Fund

The District's general fund balance decreased \$1,848,681.

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The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2018 <u>Amount</u>	2017 <u>Amount</u>	<u>Change</u>	<u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 15,248,587	\$ 13,240,581	\$ 2,008,006	15.17 %
Intergovernmental	5,109,464	5,089,380	20,084	0.39 %
Investment earnings	336,664	250,306	86,358	34.50 %
Tuition and fees	333,708	232,602	101,106	43.47 %
Other revenues	<u>217,262</u>	<u>(129,719)</u>	<u>346,981</u>	<u>(267.49) %</u>
Total	<u>\$ 21,245,685</u>	<u>\$ 18,683,150</u>	<u>\$ 2,562,535</u>	<u>13.72 %</u>

Property tax revenue increased partially due to an increase in the amount of advances available to the District at year-end. Property tax revenue represents 71.77% of all general fund revenue. The combined value of property taxes and intergovernmental revenue represent 95.82% of the general fund revenues. Tuition and fees increased mainly due to an increase in open enrollment. Other revenues increased due to the much smaller decrease in the fair value of the District's investments compared to 2017.

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

	2018 <u>Amount</u>	2017 <u>Amount</u>	<u>Change</u>	<u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 14,197,297	\$ 13,502,150	\$ 695,147	5.15 %
Support services	7,137,433	6,920,747	216,686	3.13 %
Operation of non-instructional services	1,880	799	1,081	135.29 %
Extracurricular activities	<u>389,756</u>	<u>402,998</u>	<u>(13,242)</u>	<u>(3.29) %</u>
Total	<u>\$ 21,726,366</u>	<u>\$ 20,826,694</u>	<u>\$ 899,672</u>	<u>4.32 %</u>

District expenditures increased 4.32%, primarily as a result in increases of wages and benefits.

Building Fund

The building fund had \$209,143 in revenues and \$2,690,852 in expenditures. During fiscal year 2018, the building fund's fund balance decreased \$2,481,709 from \$34,054,037 to \$31,572,328. The building fund is used for the acquisition, construction or improvement of capital facilities and for acquisition of capital assets.

Food Service Fund

The food service fund had \$248,166 in operating revenues, \$205,920 in non-operating grants and \$448,593 in expenses. During fiscal year 2018, the food service's fund balance increased \$5,493 from a deficit balance of \$172,762 to a deficit balance of \$167,269.

Day Care Services Fund

The day care services fund had \$995,895 in operating revenues and \$776,171 in expenses. During fiscal year 2018, the day care services fund's fund balance increased \$219,724 from a deficit balance of \$1,240,811 to a deficit balance of \$1,021,087.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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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. The most significant budgeted fund is the general fund.

Throughout fiscal year 2018, the District routinely made amendments to the general fund budget. These amendments were necessary to accompany initiatives that were established and needed funding throughout the fiscal year. The District uses a modified site-based budgeting technique which is designed to tightly control total site budgets, but also provide flexibility for site management.

For the general fund, the original budgeted revenue and other financing sources of \$21,905,165 were decreased in the final budgeted revenue and other financing sources to \$21,716,097. Actual revenue and other financing sources were \$22,241,787. Actual revenues and other financing sources were \$525,690 higher than the final budgeted revenues and other financing sources.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$23,418,079. This amount was \$306,284 less than the final budgeted amounts. The final budgeted expenditures and other financing uses were \$23,111,795 and original budgeted expenditures and other financing uses were \$23,076,241. Overall, fund balance on the budget basis increased \$219,406 over the prior year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the District had \$31,706,675 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks. Of this total, \$31,668,980 was reported in governmental activities and \$37,695 was reported in business-type activities. The following table shows June 30, 2018 balances compared to June 30, 2017:

Capital Assets at June 30 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 335,688	\$ 335,688	\$ -	\$ -	\$ 335,688	\$ 335,688
Construction in progress	2,690,852	-	-	-	2,690,852	-
Land improvements	539,444	599,388	-	-	539,444	599,388
Buildings and improvements	26,936,990	27,958,904	-	-	26,936,990	27,958,904
Furniture, fixtures and equipment	522,744	724,392	37,695	47,527	560,439	771,919
Vehicles	410,234	278,621	-	-	410,234	278,621
Textbooks	233,028	167,343	-	-	233,028	167,343
Total	\$ 31,668,980	\$ 30,064,336	\$ 37,695	\$ 47,527	\$ 31,706,675	\$ 30,111,863

Overall governmental capital assets, net of accumulated depreciation, increased \$1,604,644 from June 30, 2017 to June 30, 2018. Capital outlay in the governmental activities of \$2,973,080 exceeded depreciation expense of \$1,277,629 and disposals, net of accumulated depreciation, of \$90,807 during the year. See Note 11 to the basic financial statements for more detail on the District's capital assets.

Debt Administration

At June 30, 2018, the District has \$54,873,873 in long-term debt outstanding. Of this total, \$2,000,716 is due within one year and \$52,873,157 is due in greater than one year.

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The following table summarizes outstanding long-term debt:

Outstanding Debt, at Year End

	Governmental Activities <u>2018</u>	Governmental Activities <u>2017</u>
Long Term Debt:		
Series 2014 - Refunding bonds	\$ 4,317,000	\$ 5,204,000
Series 2012 & 2013 - Refunding bonds	15,848,701	15,861,913
Series 2017 - School improvement bonds	10,695,000	10,750,000
Series 2016 & 2017 - Certificates of participation	23,465,000	24,165,000
Capital leases	<u>548,172</u>	<u>1,096,345</u>
Total	<u>\$ 54,873,873</u>	<u>\$ 57,077,258</u>

Payments of principal and interest on the general obligation bonds are made from the bond retirement fund. See Note 17 to the basic financial statements for more detail on the District's long-term obligations.

Current Financial Related Activities

The District currently has one 8.20 mill, \$2,690,000 emergency levy that was renewed in November of 2012. The last full collection year for this levy will be calendar year (CY) 2018. The District voters approved a renewal of this levy in November 2018. The passage of this renewal levy by the residents of the District preserved a significant portion of the district revenue sources for the foreseeable future.

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District.

Collection Year	Real(a)	Public Utility (b)	Total Assessed Valuation
2012	\$350,580,950	\$3,709,930	\$354,290,880
2013(c)	336,463,920	4,011,650	340,475,570
2014	340,827,800	4,394,500	345,222,300
2015	334,796,640	4,598,810	339,395,450
2016(d)	361,371,420	4,705,490	366,076,910
2017	354,321,571	4,984,210	359,215,780

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads; see footnotes (a), (b) and (c).

(c) Reflects sexennial reappraisal.

(d) Reflects triennial adjustment.

Source: County Fiscal Officer.

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(UNAUDITED)**

CHANGE IN BOARD OF REVISION/INFLATION - The Cuyahoga County Fiscal Office property re-appraisal was completed in CY12, which caused in the district’s Class I – residential real estate property values to be reduced by 3.97%. Furthermore, the district’s Class II property value decreased in values by 2.21% from the previous year. Due to the improvement in the housing market in Northeast Ohio and across the country, the district has included a slight increase of .035% for CY14 and .35% the CY15 County triennial update and an additional increase of 2% in property values for the CY18 County property re-appraisal. The District will monitor the “Residential Median Market to Price Ratio” data published by the Ohio Department of Taxation (O.D.T.) on an annual basis to determine if these projections need to be adjusted should the data fluctuate. The 2015 valuation data for residential range in the District from 3-15% increases based on a neighborhood map. 2016 includes the Tri-ennial update.

Beginning in fiscal year 2017, the per pupil funding amounts are increased from the fiscal year 2016 level of \$5,900 to \$6,000. However, with the application of the State Share percentage, the District actually will be receiving only \$53 additional per pupil than the prior year.

A guarantee of funding not less than fiscal year 2015 is in legislation for fiscal year 2016 and fiscal year 2017. However, based on political sentiment toward funding guarantees, a 2% drop per year is projected for fiscal year 2018 through fiscal year 2021.

Growth caps have also been applied to the next two years of the budget that maximize the year over year (YOY) increase at 7.5%. Beyond the current budget term, a more conservative 5% growth cap has been used to forecast.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have any questions about this report or need additional information contact: Ms. Kimberly Sperling, Treasurer, at Fairview Park City Schools, 21620 Mastick Road, Fairview Park, Ohio 44126.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments.	\$ 52,796,457	\$ 356,815	\$ 53,153,272
Receivables:			
Property taxes	18,742,011	-	18,742,011
Accounts.	16,973	11,345	28,318
Accrued interest	153,361	-	153,361
Intergovernmental	240,575	-	240,575
Prepayments	3,875	-	3,875
Materials and supplies inventory.	-	668	668
Inventory held for resale.	-	5,247	5,247
Capital assets:			
Nondepreciable capital assets	3,026,540	-	3,026,540
Depreciable capital assets, net.	28,642,440	37,695	28,680,135
Capital assets, net.	<u>31,668,980</u>	<u>37,695</u>	<u>31,706,675</u>
Total assets.	<u>103,622,232</u>	<u>411,770</u>	<u>104,034,002</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,283,815	-	1,283,815
Pension	11,174,761	377,238	11,551,999
OPEB.	588,524	37,683	626,207
Total deferred outflows of resources.	<u>13,047,100</u>	<u>414,921</u>	<u>13,462,021</u>
Liabilities:			
Accounts payable.	274,119	1,117	275,236
Contracts payable.	1,617,367	-	1,617,367
Accrued wages and benefits payable	1,557,715	45,382	1,603,097
Intergovernmental payable	108,878	616	109,494
Pension and post employment benefits payable .	247,509	7,697	255,206
Accrued interest payable	182,846	-	182,846
Claims payable.	212,216	-	212,216
Long-term liabilities:			
Due within one year.	2,257,809	6,868	2,264,677
Due in more than one year:			
Net pension liability.	28,607,574	1,205,181	29,812,755
Net OPEB liability.	6,174,504	525,133	6,699,637
Other amounts due in more than one year .	56,824,110	65,531	56,889,641
Total liabilities.	<u>98,064,647</u>	<u>1,857,525</u>	<u>99,922,172</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	15,860,912	-	15,860,912
Pension.	1,408,787	74,445	1,483,232
OPEB.	853,356	83,077	936,433
Total deferred inflows of resources.	<u>18,123,055</u>	<u>157,522</u>	<u>18,280,577</u>
Net position:			
Net investment in capital assets	6,120,726	37,695	6,158,421
Restricted for:			
Capital projects	14,282	-	14,282
Debt service.	3,080,358	-	3,080,358
Locally funded programs	3,994	-	3,994
State funded programs.	5,929	-	5,929
Federally funded programs	119,775	-	119,775
Unrestricted (deficit)	(8,863,434)	(1,226,051)	(10,089,485)
Total net position (deficit).	<u>\$ 481,630</u>	<u>\$ (1,188,356)</u>	<u>\$ (706,726)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 5,772,202	\$ 259,126	\$ 66,352	\$ 109
Special	1,983,087	175,114	1,114,651	-
Vocational	212	-	3,808	-
Other	31,499	-	-	-
Support services:				
Pupil	798,083	-	112,271	-
Instructional staff	393,706	-	21,590	-
Board of education	45,446	-	-	-
Administration	719,777	-	871	-
Fiscal	516,257	-	-	-
Business	82,291	-	-	-
Operations and maintenance	1,320,479	130,677	-	2,847
Pupil transportation	473,019	50,501	8,154	4,679
Central	181,326	-	-	-
Operation of non-instructional services:				
Other non-instructional services	393,264	1,992	440,936	-
Extracurricular activities	265,689	121,031	14,988	-
Interest and fiscal charges	2,170,106	-	-	-
Total governmental activities	<u>15,146,443</u>	<u>738,441</u>	<u>1,783,621</u>	<u>7,635</u>
Business-type activities:				
Food service	448,593	248,166	205,920	-
Day care service	776,171	995,895	-	-
Total business-type activities	<u>1,224,764</u>	<u>1,244,061</u>	<u>205,920</u>	<u>-</u>
Totals	<u>\$ 16,371,207</u>	<u>\$ 1,982,502</u>	<u>\$ 1,989,541</u>	<u>\$ 7,635</u>

General revenues:

Property taxes levied for:

- General purposes
- Debt service
- Capital outlay
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Fair value adjustment
- Miscellaneous

Total general revenues

Change in net position

Net position (deficit) at beginning of year (restated)

Net position (deficit) at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (5,446,615)	\$ -	\$ (5,446,615)
(693,322)	-	(693,322)
3,596	-	3,596
(31,499)	-	(31,499)
(685,812)	-	(685,812)
(372,116)	-	(372,116)
(45,446)	-	(45,446)
(718,906)	-	(718,906)
(516,257)	-	(516,257)
(82,291)	-	(82,291)
(1,186,955)	-	(1,186,955)
(409,685)	-	(409,685)
(181,326)	-	(181,326)
49,664	-	49,664
(129,670)	-	(129,670)
(2,170,106)	-	(2,170,106)
(12,616,746)	-	(12,616,746)
-	5,493	5,493
-	219,724	219,724
-	225,217	225,217
(12,616,746)	225,217	(12,391,529)
15,230,017	-	15,230,017
1,930,380	-	1,930,380
727,981	-	727,981
4,911,677	-	4,911,677
744,644	-	744,644
(227,440)	-	(227,440)
5,220	-	5,220
23,322,479	-	23,322,479
10,705,733	225,217	10,930,950
(10,224,103)	(1,413,573)	(11,637,676)
\$ 481,630	\$ (1,188,356)	\$ (706,726)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 15,291,118	\$ 33,176,064	\$ 3,630,806	\$ 52,097,988
Receivables:				
Property taxes	15,966,668	-	2,775,343	18,742,011
Accounts	11,490	-	5,483	16,973
Accrued interest	75,094	78,267	-	153,361
Interfund loans	186,600	-	-	186,600
Intergovernmental	93,005	-	147,570	240,575
Prepayments	3,875	-	-	3,875
Total assets	<u>\$ 31,627,850</u>	<u>33,254,331</u>	<u>\$ 6,559,202</u>	<u>\$ 71,441,383</u>
Liabilities:				
Accounts payable	\$ 114,128	\$ 23,561	\$ 136,430	\$ 274,119
Contracts payable	-	1,617,367	-	1,617,367
Accrued wages and benefits payable	1,520,085	-	37,630	1,557,715
Compensated absences payable	18,355	-	-	18,355
Intergovernmental payable	102,916	-	5,962	108,878
Pension and post employment benefits payable	240,943	-	6,566	247,509
Interfund loans payable	-	-	169,500	169,500
Total liabilities	<u>1,996,427</u>	<u>1,640,928</u>	<u>356,088</u>	<u>3,993,443</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	13,508,214	-	2,352,698	15,860,912
Delinquent property tax revenue not available	416,767	-	72,443	489,210
Intergovernmental revenue not available	47,826	-	147,570	195,396
Accrued interest not available	21,395	41,075	-	62,470
Total deferred inflows of resources	<u>13,994,202</u>	<u>41,075</u>	<u>2,572,711</u>	<u>16,607,988</u>
Fund balances:				
Nonspendable:				
Prepayments	3,875	-	-	3,875
Unclaimed monies	12,403	-	-	12,403
Restricted:				
Debt service	-	-	3,542,241	3,542,241
Capital improvements	-	31,572,328	-	31,572,328
Non-public schools	-	-	22,024	22,024
Other purposes	-	-	3,994	3,994
Committed:				
Capital improvements	-	-	305,766	305,766
Termination benefits	58,789	-	-	58,789
Assigned:				
Student instruction	16,136	-	-	16,136
Student and staff support	144,566	-	-	144,566
Subsequent year's appropriations	2,574,816	-	-	2,574,816
Other purposes	9,984	-	-	9,984
Unassigned (deficit)	12,816,652	-	(243,622)	12,573,030
Total fund balances	<u>15,637,221</u>	<u>31,572,328</u>	<u>3,630,403</u>	<u>50,839,952</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 31,627,850</u>	<u>\$ 33,254,331</u>	<u>\$ 6,559,202</u>	<u>\$ 71,441,383</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total governmental fund balances		\$	50,839,952
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			31,668,980
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	489,210	
Accrued interest receivable		62,470	
Intergovernmental receivable		195,396	
Total		195,396	747,076
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.			469,153
Unamortized premiums on bonds issued are not recognized in the funds.			(2,464,560)
Unamortized amounts on refundings are not recognized in the funds.			1,283,815
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(182,846)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows and deferred outflows are not reported in governmental funds.			
Deferred outflows - Pension		11,174,761	
Deferred Inflows - Pension		(1,408,787)	
Net pension liability		(28,607,574)	
Total		(28,607,574)	(18,841,600)
The net OPEB liability is not due and payable in the current period; therefore, liability and related deferred inflows and deferred outflows are not reported in governmental funds.			
Deferred outflows - OPEB		588,524	
Deferred inflows - OPEB		(853,356)	
Net OPEB liability		(6,174,504)	
Total		(6,174,504)	(6,439,336)
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		(31,264,883)	
Certificates of participation		(23,465,000)	
Capital lease obligations		(548,172)	
Compensated absences		(1,320,949)	
Total		(56,599,004)	(56,599,004)
Net position of governmental activities		\$	481,630

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 15,248,587	\$ -	\$ 2,661,620	\$ 17,910,207
Tuition	211,277	-	-	211,277
Transportation fees	17,230	-	-	17,230
Earnings on investments	336,664	407,304	1,232	745,200
Extracurricular	73,915	-	127,313	201,228
Classroom materials and fees	105,201	-	54,285	159,486
Rental income	110,438	-	-	110,438
Contributions and donations	20,485	-	4,763	25,248
Contract services	38,782	-	-	38,782
Other local revenues	2,921	-	17,860	20,781
Intergovernmental - intermediate	9,134	-	-	9,134
Intergovernmental - state	5,059,897	-	684,240	5,744,137
Intergovernmental - federal	40,433	-	684,084	724,517
Decrease in fair value on investments	(29,279)	(198,161)	-	(227,440)
Total revenues	<u>21,245,685</u>	<u>209,143</u>	<u>4,235,397</u>	<u>25,690,225</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,790,089	-	57,203	10,847,292
Special	3,395,272	-	686,261	4,081,533
Vocational	378	-	-	378
Other	11,558	-	-	11,558
Support services:				
Pupil	1,343,535	-	127,706	1,471,241
Instructional staff	673,615	-	19,085	692,700
Board of education	53,335	-	-	53,335
Administration	1,531,202	-	958	1,532,160
Fiscal	777,422	-	21,583	799,005
Business	159,100	-	-	159,100
Operations and maintenance	1,733,286	-	148,408	1,881,694
Pupil transportation	622,132	-	252,930	875,062
Central	243,806	-	-	243,806
Operation of non-instructional services:				
Other operation of non-instructional	1,880	-	439,647	441,527
Extracurricular activities	389,756	-	147,455	537,211
Facilities acquisition and construction	-	2,690,852	30,759	2,721,611
Debt service:				
Principal retirement	-	-	2,203,385	2,203,385
Interest and fiscal charges	-	-	2,079,047	2,079,047
Accretion on capital appreciation bonds	-	-	226,788	226,788
Total expenditures	<u>21,726,366</u>	<u>2,690,852</u>	<u>6,441,215</u>	<u>30,858,433</u>
Excess of expenditures over revenues	<u>(480,681)</u>	<u>(2,481,709)</u>	<u>(2,205,818)</u>	<u>(5,168,208)</u>
Other financing sources (uses):				
Transfers in	-	-	1,368,000	1,368,000
Transfers (out)	(1,368,000)	-	-	(1,368,000)
Total other financing sources (uses)	<u>(1,368,000)</u>	<u>-</u>	<u>1,368,000</u>	<u>-</u>
Net change in fund balances	(1,848,681)	(2,481,709)	(837,818)	(5,168,208)
Fund balances at beginning of year	<u>17,485,902</u>	<u>34,054,037</u>	<u>4,468,221</u>	<u>56,008,160</u>
Fund balances at end of year	<u>\$ 15,637,221</u>	<u>\$ 31,572,328</u>	<u>\$ 3,630,403</u>	<u>\$ 50,839,952</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(5,168,208)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 2,973,080	
Current year depreciation	<u>(1,277,629)</u>	
Total		1,695,451
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(90,807)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(21,829)	
Earnings on investments	676	
Intergovernmental	<u>183,104</u>	
Total		161,951
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds and certificates of participation	1,655,212	
Accretion on capital appreciation bonds	226,788	
Capital leases	<u>548,173</u>	
Total		2,430,173
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	14,067	
Accreted interest on capital appreciation bonds	(233,303)	
Amortization of bond premiums	181,249	
Amortization of deferred charges	<u>(53,072)</u>	
Total		(91,059)
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.		
		88,939
Contractually required pension and OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,925,378
OPEB		61,347
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability/net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		8,592,490
OPEB		1,044,773
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities.		
		<u>55,305</u>
Change in net position of governmental activities	\$	<u>10,705,733</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 15,777,338	\$ 15,612,499	\$ 16,014,439	\$ 401,940
Tuition	112,644	215,840	211,277	(4,563)
Transportation fees	2,530	14,000	12,410	(1,590)
Earnings on investments	232,735	325,000	310,416	(14,584)
Extracurricular	1,012	-	1,718	1,718
Classroom materials and fees	124,089	115,167	103,153	(12,014)
Rental income	108,728	105,588	108,923	3,335
Contributions and donations	152	113	41	(72)
Contract services	25,297	38,000	38,782	782
Other local revenues	24,670	3,191	2,305	(886)
Intergovernmental - intermediate	15,178	13,750	9,134	(4,616)
Intergovernmental - state	5,228,366	4,897,949	5,103,444	205,495
Intergovernmental - federal	40,476	40,000	39,904	(96)
Total revenues	<u>21,693,215</u>	<u>21,381,097</u>	<u>21,955,946</u>	<u>574,849</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,667,000	10,837,632	10,739,876	97,756
Special	3,114,384	3,327,057	3,381,976	(54,919)
Vocational	121,456	10,362	255	10,107
Other	14,664	13,278	11,558	1,720
Support services:				
Pupil	1,496,804	1,421,691	1,337,934	83,757
Instructional staff	627,985	654,792	661,367	(6,575)
Board of education	94,474	74,523	61,325	13,198
Administration	1,625,382	1,761,951	1,649,354	112,597
Fiscal	820,782	844,049	789,965	54,084
Business	43,191	165,524	160,855	4,669
Operations and maintenance	1,776,358	1,703,428	1,801,431	(98,003)
Pupil transportation	693,399	597,910	651,500	(53,590)
Central	297,207	286,651	246,299	40,352
Extracurricular activities	429,201	437,193	384,784	52,409
Total expenditures	<u>21,822,287</u>	<u>22,136,041</u>	<u>21,878,479</u>	<u>257,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,072)</u>	<u>(754,944)</u>	<u>77,467</u>	<u>832,411</u>
Other financing sources (uses):				
Refund of prior year's expenditures	141,375	100,000	50,841	(49,159)
Transfers (out)	(1,253,954)	(975,754)	(1,368,000)	(392,246)
Advances in	70,575	235,000	235,000	-
Advances (out)	-	-	(171,600)	(171,600)
Total other financing sources (uses)	<u>(1,042,004)</u>	<u>(640,754)</u>	<u>(1,253,759)</u>	<u>(613,005)</u>
Net change in fund balance	(1,171,076)	(1,395,698)	(1,176,292)	219,406
Fund balance at beginning of year	16,302,603	16,302,603	16,302,603	-
Prior year encumbrances appropriated	134,381	134,381	134,381	-
Fund balance at end of year	<u>\$ 15,265,908</u>	<u>\$ 15,041,286</u>	<u>\$ 15,260,692</u>	<u>\$ 219,406</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 116,914	\$ 239,901	\$ 356,815	\$ 698,469
Receivables:				
Accounts	1,718	9,627	11,345	-
Materials and supplies inventory.	668	-	668	-
Inventory held for resale	5,247	-	5,247	-
Total current assets	<u>124,547</u>	<u>249,528</u>	<u>374,075</u>	<u>698,469</u>
Noncurrent assets:				
Depreciable capital assets, net	37,695	-	37,695	-
Total assets.	<u>162,242</u>	<u>249,528</u>	<u>411,770</u>	<u>698,469</u>
Deferred outflows of resources:				
Pension.	77,860	299,378	377,238	-
OPEB.	11,628	26,055	37,683	-
Total deferred outflows of resources	<u>89,488</u>	<u>325,433</u>	<u>414,921</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable.	844	273	1,117	-
Accrued wages and benefits payable	18,451	26,931	45,382	-
Compensated absences.	-	6,868	6,868	-
Pension and post employment benefits payable	2,819	4,878	7,697	-
Interfund loan payable	-	-	-	17,100
Intergovernmental payable	226	390	616	-
Claims payable	-	-	-	212,216
Total current liabilities	<u>22,340</u>	<u>39,340</u>	<u>61,680</u>	<u>229,316</u>
Long-term liabilities:				
Compensated absences payable.	7,207	58,324	65,531	-
Net pension liability.	259,065	946,116	1,205,181	-
Net OPEB liability.	117,679	407,454	525,133	-
Total long-term liabilities	<u>383,951</u>	<u>1,411,894</u>	<u>1,795,845</u>	<u>-</u>
Total liabilities	<u>406,291</u>	<u>1,451,234</u>	<u>1,857,525</u>	<u>229,316</u>
Deferred inflows of resources:				
Pension.	1,230	73,215	74,445	-
OPEB.	11,478	71,599	83,077	-
Total deferred inflows of resources	<u>12,708</u>	<u>144,814</u>	<u>157,522</u>	<u>-</u>
Net position:				
Investment in capital assets	37,695	-	37,695	-
Unrestricted (deficit).	(204,964)	(1,021,087)	(1,226,051)	469,153
Total net position (deficit).	<u>\$ (167,269)</u>	<u>\$ (1,021,087)</u>	<u>\$ (1,188,356)</u>	<u>\$ 469,153</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Operating revenues:				
Sales/charges for services.	\$ 248,166	\$ 995,895	\$ 1,244,061	\$ 3,162,509
Other	-	-	-	91,240
Total operating revenues	<u>248,166</u>	<u>995,895</u>	<u>1,244,061</u>	<u>3,253,749</u>
Operating expenses:				
Personal services.	193,360	580,318	773,678	-
Purchased services.	9,450	113,090	122,540	108,328
Materials and supplies	235,317	82,763	318,080	-
Other.	634	-	634	-
Claims	-	-	-	3,090,116
Depreciation	9,832	-	9,832	-
Total operating expenses.	<u>448,593</u>	<u>776,171</u>	<u>1,224,764</u>	<u>3,198,444</u>
Operating income (loss)	<u>(200,427)</u>	<u>219,724</u>	<u>19,297</u>	<u>55,305</u>
Nonoperating revenues:				
Grants and subsidies.	205,920	-	205,920	-
Total nonoperating revenues.	<u>205,920</u>	<u>-</u>	<u>205,920</u>	<u>-</u>
Change in net position	5,493	219,724	225,217	55,305
Net position (deficit) at beginning of year (restated)	<u>(172,762)</u>	<u>(1,240,811)</u>	<u>(1,413,573)</u>	<u>413,848</u>
Net position (deficit) at end of year. .	<u>\$ (167,269)</u>	<u>\$ (1,021,087)</u>	<u>\$ (1,188,356)</u>	<u>\$ 469,153</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Cash flows from operating activities:				
Cash received from sales/charges for services.	\$ 246,448	\$ 986,268	\$ 1,232,716	\$ 3,162,509
Cash received from other operations	-	-	-	91,240
Cash payments for personal services.	(196,255)	(688,797)	(885,052)	-
Cash payments for contractual services	(9,450)	(112,817)	(122,267)	(108,328)
Cash payments for materials and supplies	(214,470)	(82,763)	(297,233)	-
Cash payments for claims	-	-	-	(3,162,740)
Cash payments for other expenses	(634)	-	(634)	-
Net cash provided by (used in) operating activities	<u>(174,361)</u>	<u>101,891</u>	<u>(72,470)</u>	<u>(17,319)</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies.	181,691	-	181,691	-
Cash received from interfund loans	-	-	-	17,100
Net cash provided by noncapital financing activities.	<u>181,691</u>	<u>-</u>	<u>181,691</u>	<u>17,100</u>
Net increase in cash and cash equivalents.	7,330	101,891	109,221	(219)
Cash and cash equivalents at beginning of year	<u>109,584</u>	<u>138,010</u>	<u>247,594</u>	<u>698,688</u>
Cash and cash equivalents at end of year	<u>\$ 116,914</u>	<u>\$ 239,901</u>	<u>\$ 356,815</u>	<u>\$ 698,469</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (200,427)	\$ 219,724	\$ 19,297	\$ 55,305
Adjustments:				
Depreciation.	9,832	-	9,832	-
Federal donated commodities	24,229	-	24,229	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Materials and supplies inventory	(668)	-	(668)	-
Inventory held for resale.	(3,558)	-	(3,558)	-
Accounts receivable.	(1,718)	(9,627)	(11,345)	-
Deferred outflows - pension.	10,039	41,862	51,901	-
Deferred outflows - OPEB.	(9,679)	(18,104)	(27,783)	-
Accounts payable.	844	273	1,117	-
Accrued wages and benefits payable.	4,969	26,931	31,900	-
Intergovernmental payable.	40	390	430	-
Compensated absences payable.	811	(33,011)	(32,200)	-
Pension and postemployment benefits payable	556	4,878	5,434	-
Net pension liability.	(27,149)	(223,188)	(250,337)	-
Net OPEB liability.	4,810	(53,051)	(48,241)	-
Deferred inflows - pension.	1,230	73,215	74,445	-
Deferred inflows - OPEB.	11,478	71,599	83,077	-
Claims payable.	-	-	-	(72,624)
Net cash provided by (used in) operating activities.	<u>\$ (174,361)</u>	<u>\$ 101,891</u>	<u>\$ (72,470)</u>	<u>\$ (17,319)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 3,556,898	\$ 318,833
Receivables:		
Accounts	-	1,455
Accrued interest.	20,707	-
Prepayments	-	28,559
	3,577,605	\$ 348,847
Total assets.		
Liabilities:		
Accounts payable.	6,867	\$ 2,322
Due to students.	-	36,015
Undistributed monies.	-	310,510
	6,867	\$ 348,847
Total liabilities.		
Net position:		
Held in trust for scholarships	3,570,738	
Total net position.	\$ 3,570,738	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 31,699
Decrease in fair value of investments	(22,281)
Total additions.	9,418
Deductions:	
Scholarships awarded	41,148
Change in net position	(31,730)
Net position at beginning of year.	3,602,468
Net position at end of year	\$ 3,570,738

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY

The Fairview Park 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 is located in Fairview Park, Ohio, Cuyahoga County. The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District’s instructional/support facilities staffed by 83 classified employees, 118 certificated full-time teaching personnel, and 13 administrators who provide services to 1,794 students and other community members.

The Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Within the District’s boundaries the elementary schools of St. Angela Merici, Messiah Lutheran, and Murton’s Child Development Center operate as non-public schools. Current State legislation provides funding to these schools. These monies are received and distributed on behalf of the schools by the Treasurer/ CFO of the District as directed by the schools. The activity of these State monies by the District is reflected in a special revenue fund for financial reporting purposes.

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

The following organizations are described due to their relationship to the District.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Connect

Connect, formerly known as the North Coast Council, is a jointly governed organization serving twenty-four school districts and two educational service centers. Connect was organized pursuant to Ohio Revised Code Chapter 167 as a regional council of governments for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Connect operates as an information technology center pursuant to ORC 3301.075. Each of the governments of these schools supports Connect based on a per pupil charge dependent upon the software packages used. The District contributed \$66,842 to Connect during fiscal year 2018. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Polaris Career Center

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special needs of the students. The Board of Education consists of representatives from the Board of each participating school district, independent of the District. The Board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. District students may attend the vocational school. Each school district's control is limited to its representation on the Board. Financial information may be obtained by contacting the Polaris Career Center, 7285 Old Oak Blvd., Middleburg Heights, Ohio 44130.

Ohio Schools' Council Association

The Ohio Schools Council (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2018, the District paid \$44,192 to the Council for annual membership and other fees. Financial information can be obtained by contacting Dr. Bill Zelei, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy is the natural gas supplier and program manager. There are currently 143 participants in the program including the Fairview Park City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY - (Continued)

INSURANCE PURCHASING POOLS

Great Lakes Regional Council of Governments

The District participates in the Great Lakes Regional Council of Governments (COG), an insurance purchasing pool. The COG contracts with Medical Mutual, LLC. to process and pay health benefit claims incurred by its members. Effective February 1, 2018, the District concluded its fiscal agent relationship with the COG. The COG activity is accounted for in an agency fund.

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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The most significant of the District's accounting policies are described below.

A. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories of governmental, proprietary, and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building fund - The building fund is used to account for resources that are restricted for the acquisition, construction or improvement of capital facilities and for acquisition of capital assets. The fund balance of this fund is restricted for capital improvements.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Other governmental funds of the District are used to account for (a) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

Proprietary funds focus on the determination of operating income/loss, changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's enterprise funds account for the financial transactions related to the food service operations and day care services. Both the food service and the day care services funds are major funds.

Internal service funds - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. The District's internal service funds account for a flexible spending account for employee benefits and self-insurance for employee medical and dental benefits.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for money set aside for scholarships. The income from such a fund may be expended, but the principal must remain intact. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds are student managed activities, Great Lakes Regional Council of Governments and workers' compensation.

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Generally, interfund transactions are eliminated for reporting on the government-wide financial statements; however, interfund services provided and used are not eliminated for reporting on the government-wide financial statements.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current deferred outflows of resources, current liabilities and current inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

The fiduciary funds are reported using the economic resources measurement focus. Agency funds do not report a resources measurement focus as they do not report operations.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

C. 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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences between the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and 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 year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 12 and 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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.

D. Equity in Pooled Cash and Investments

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

During fiscal year 2018, investments included commercial paper, Farm Federal Credit Bank (FFCB) securities, Federal Home Loan bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. Government treasury notes, U.S. Government money market mutual funds, negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2018, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$336,664 which includes \$62,422 assigned from other funds.

For presentation on the financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

E. Inventory

On government-wide and fund financial statements, materials and supplies inventory are reported as cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. Inventory consists of expendable supplies held for consumption, donated food and purchased food.

F. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets 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>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10-30 years	N/A
Buildings and improvements	10-50 years	N/A
Furniture, fixtures and equipment	5-15 years	5-15 years
Vehicles	8-10 years	N/A
Textbooks	7 years	N/A

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

G. 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 position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District’s policy of internal service activity in the government-wide statement of activities indicates that interfund services provided and used are eliminated in the process of consolidation and any residual balance of the internal service activity is allocated on a pro-rata basis to the activities and functions participating in the internal service fund.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service and salary related payments, if applicable.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the District’s termination policy. The District records a liability for accumulated unused sick leave for classified, certified, and administrative employees after eight years of current service with the District.

The entire compensated absences liability is reported on the government-wide statements.

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. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

I. Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

J. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education. The Board of Education assigns fund balance by resolution. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

K. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District 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 position is available.

L. Estimates

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

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for food service, fees for day care service, health insurance charges and charges for a flexible benefits plan for employees. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund, including claims payments for health insurance. Revenues and expenses not meeting this definition are reported as non-operating.

N. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in 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.

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2018.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

P. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds.

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 statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed prior to fiscal year end.

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

Q. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 17.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

R. Budget Stabilization Arrangement

The District has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2018, the balance in the budget stabilization reserve was \$373,830. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

S. Pensions/Other Postemployment Benefits (OPEB)

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

T. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Food Service</u>	<u>Day Care Services</u>
Net position as previously reported	\$ (2,678,647)	\$ (850,099)	\$ (61,842)	\$ (788,257)
Deferred outflows - payments subsequent to measurement date	45,778	9,900	1,949	7,951
Net OPEB liability	<u>(7,591,234)</u>	<u>(573,374)</u>	<u>(112,869)</u>	<u>(460,505)</u>
Restated net position at July 1, 2017	<u>\$ (10,224,103)</u>	<u>\$ (1,413,573)</u>	<u>\$ (172,762)</u>	<u>\$ (1,240,811)</u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

B. Deficit Fund Balances

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
District Managed Student Activity	\$ 2,159
Miscellaneous State Grants	593
IDEA Part B	160,390
Title I	59,637
IDEA Part B- Preschool Stimulus	2,083
Improving Teacher Quality	17,899
Miscellaneous Federal Grants	861
 <u>Major enterprise funds</u>	
Food service	167,269
Day care services	1,021,087
 <u>Internal service fund</u>	
Employee flex benefits plan	17,086

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in such securities described 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 and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Deposits

At June 30, 2018, the carrying amount of all District deposits was \$1,056,058 and the bank balance of all District deposits was \$1,325,662. Of the bank balance, \$500,000 was covered by the FDIC and \$825,662 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2018, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair market value:</i>						
Commercial paper	\$ 6,960,180	\$ 4,986,040	\$ 1,974,140	\$ -	\$ -	\$ -
FFCB	3,948,660	-	989,550	2,959,110	-	-
FHLB	1,546,475	-	-	-	-	1,546,475
FHLMC	16,188,509	149,720	2,481,250	7,683,239	3,085,216	2,789,084
FNMA	9,291,385	349,578	347,644	3,948,845	2,940,270	1,705,048
Negotiable CDs	11,756,812	3,422,636	1,666,744	736,332	3,518,074	2,413,026
US Treasury Notes	3,230,382	-	299,758	226,265	391,975	2,312,384
US Government money market	2,160,692	2,160,692	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	889,850	889,850	-	-	-	-
Total	\$ 55,972,945	\$ 11,958,516	\$ 7,759,086	\$ 15,553,791	\$ 9,935,535	\$ 10,766,017

The weighted average maturity of investments is 1.37 years.

The District's investments in U.S. government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs).

The District's investments in commercial paper, federal agency securities (FFCB, FHLB, FHLMC, FNMA), negotiable certificates of deposit and US Treasury Notes are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

The District has a formal investment policy. The District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At June 30, 2018, the decrease in fair value of investments was \$664,454 which is reported as a decrease in fair market value of investments on the financial statements. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

C. Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Credit Risk

The District's investments in commercial paper were rated A-1 and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in federal agency and U.S. Treasury Notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in U.S. Government money market mutual funds and STAR Ohio were rated AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit were fully covered by the FDIC. The District has no investment policy that would further limit the investment choices.

E. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and U.S Treasury securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

F. Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District's investments in federal agency securities, U.S. Treasury bills and notes and U.S. government money market mutual funds represent 98.41 percent of the District's total investments. All other investments not explicitly guaranteed by the U.S. government are 1.59 percent of the District's total investments.

Investments at year end were as follows:

Measurement/ <u>Investment type</u>	Measurement	
	<u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 6,960,180	12.43
FFCB	3,948,660	7.05
FHLB	1,546,475	2.76
FHLMC	16,188,509	28.94
FNMA	9,291,385	16.60
Negotiable CDs	11,756,812	21.00
US Treasury Notes	3,230,382	5.77
US Government money market	2,160,692	3.86
<i>Amortized cost:</i>		
STAR Ohio	<u>889,850</u>	<u>1.59</u>
	<u>\$ 55,972,945</u>	<u>100.00</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

G. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,056,058
Investments	<u>55,972,945</u>
 Total	 <u>\$ 57,029,003</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 52,796,457
Business-type activities	356,815
Private-purpose trust fund	3,556,898
Agency fund	<u>318,833</u>
 Total	 <u>\$ 57,029,003</u>

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

A. Interfund Transfers

During fiscal year 2018, interfund transfers were as follows:

<u>Transfers from general fund to:</u>	
Nonmajor governmental fund	<u>\$ 1,368,000</u>

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; therefore, no transfers are reported on the statement of activities.

B. Interfund Balances

Interfund balances on fund financial statements at June 30, 2018 consist of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 169,500
General fund	Internal service fund	<u>17,100</u>
 Total		 <u>\$ 186,600</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 5 - INTERFUND TRANSFERS AND BALANCES - (Continued)

The primary purpose of interfund balances is to cover costs in a specific fund where revenues were not received by June 30 but are expected to be received within the next year. These interfund balances will be repaid once the anticipated revenues are received.

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available for advance at June 30, 2018 was \$2,041,687 in the general fund and \$260,129 in the bond retirement fund (a nonmajor governmental fund) and \$90,073 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2017 was \$2,807,539 in the general fund, \$358,047 in the bond retirement fund (a nonmajor governmental fund) and \$124,162 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 354,231,570	98.61	\$ 354,857,500	98.52
Public utility personal	<u>4,984,210</u>	<u>1.39</u>	<u>5,332,130</u>	<u>1.48</u>
Total	<u>\$ 359,215,780</u>	<u>100.00</u>	<u>\$ 360,189,630</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$98.62		\$ 98.72	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2018 consisted of property taxes, accounts (rent and billings for user charged services), 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 fiscal year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 18,742,011
Accounts	16,973
Accrued interest	153,361
Intergovernmental	<u>240,575</u>
Total governmental activities	<u>\$ 19,152,920</u>

Business-type activities:

Accounts	<u>\$ 11,345</u>
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Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

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. In order to minimize these components of risk, the District has obtained a number of insurance packages.

The Argonaut Insurance Company, through the Governmental Underwriters of America, Inc., provides building and personal property insurance. The Argonaut Insurance Company, through the Governmental Underwriters of America, Inc., also provides public employee dishonesty coverage (commercial crime coverage). The Argonaut Insurance Company, through the Governmental Underwriters of America, Inc., provides commercial general liability insurance, employer's liability insurance, umbrella liability insurance, automobile liability insurance, and uninsured motorists insurance.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - RISK MANAGEMENT - (Continued)

A \$100,000 public official bond for the Treasurer is maintained by Travelers Casualty and Surety Company of America Insurance Company. Other employees handling money are also covered by performance bonds provided by Travelers Casualty and Surety Company of America Insurance Company. During fiscal year 2018, the District had the following coverage in effect:

<u>Type of Coverage</u>	<u>Coverage Amount</u>
Building and Contents (\$2,500 deductible)	\$83,426,067
Miscellaneous Unscheduled Equipment (\$500 deductible)	100,000
Crime Insurance (\$500 deductible)	50,000
Vehicles (\$1,000 deductible)	1,000,000
General Liability (per occurrence)	1,000,000
General Liability (aggregate)	3,000,000
Uninsured Motorist (per occurrence)	1,000,000
Umbrella Liability (per occurrence)	4,000,000
Umbrella Liability (aggregate)	4,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no change from prior year coverage.

B. Workers' Compensation

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool for calendar year 2018. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of CompManagement provides administrative, cost control, and actuarial services to the GRP.

C. Employee Group Medical/Surgical, Dental and Life Insurance

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The District is a member of the Great Lakes Regional Council of Governments, an insurance purchasing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the District's behalf. The claims liability of \$212,216 reported in the internal service fund at June 30, 2018 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - RISK MANAGEMENT - (Continued)

Changes in claims activity for the past fiscal year is as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2018	\$ 284,840	\$ 3,090,116	\$ (3,162,740)	\$ 212,216
2017	333,017	3,198,521	(3,246,698)	284,840

Medical coverage was provided through Medical Mutual. For full-time certified employees and administrators, the District paid 85% of the monthly premium. The District's required monthly premium for single, two-person and family coverage was \$556.49, \$1,061.73 and \$1,844.08, respectively, in fiscal year 2018. For full-time classified employees, the District paid 89.80% of the monthly premium. The District's required monthly premium for single, two-person and family coverage was \$587.91, \$1,121.68 and \$1,948.22, respectively, in fiscal year 2018. For part-time classified employees, who are eligible for coverage, the District's portion of the monthly insurance premium varied depending upon the number of hours worked per day by the employee. For day care employees, the District paid 100% of the monthly cost of coverage which, for a single individual, was \$654.69 in fiscal year 2018.

Dental coverage was provided through Anthem. For full-time certified employees and administrators, the District paid over 85% of the single monthly premium, over 86% for two-person coverage and over 85% of the family monthly premium. The District's required monthly premium for single, two-person and family coverage was \$28.47, \$55.98 and \$97.79, respectively, in fiscal year 2018. For full-time classified employees and administrators, the District paid over 85% of the single monthly premium, over 92% for two-person coverage and over 95% of the family monthly premium. The District's required monthly premium for single, two-person and family coverage was \$28.47, \$55.98 and \$97.79, respectively, in fiscal year 2018. For part-time classified employees, who are eligible for coverage, the District's portion of the monthly insurance premium varied depending upon the number of hours worked per day. For day care employees, the District paid 100% of the monthly cost of coverage which, for a single individual, was \$31.43 in fiscal year 2018.

Life insurance coverage was provided through MetLife. Classified and certified employees received \$50,000 in coverage with the District paying 100% of the monthly premium which was \$5.00 for fiscal year 2018. Administrators received \$125,000 in coverage with the District paying 100% of the monthly premium which was \$10.00 for fiscal year 2018. Day care employees received \$13,000 in coverage with the District paying 100% of the monthly premium which was \$1.30 for fiscal year 2018.

NOTE 9 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws.

A. Vacation Leave

Only administrative and school support personnel accumulate annual vacation leave. Accumulated unused vacation time is paid upon termination of employment.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - EMPLOYEE BENEFITS - (Continued)

School support personnel accumulate annual vacation leave as follows:

<u>Completed Service</u>	<u>Vacation Leave</u>
After 1 year	2 weeks
6 thru 9 years	3 weeks
10 thru 24 years	4 weeks
25 or more years	5 weeks

Administrative personnel accumulate 20 days vacation leave. The Superintendent and Treasurer's vacation accumulation is dictated by their contracts.

B. Sick Leave

Each professional staff member is entitled to fifteen (15) days sick leave with pay for each year under contract. The sick leave accrues at the rate of one and one fourth (1- 1/4) days for each calendar month under contract. Upon retirement, an administrative or certified employee receives payment for 25% of their accumulated but unused sick leave balance up to a maximum of 40 days. Upon retirement, a classified employee receives payment for 50% of their accumulated but unused sick leave up to a maximum of 80 days.

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 102,915
Building	1,504,972
Other governmental	<u>224,245</u>
Total	<u>\$ 1,832,132</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - CAPITAL ASSETS

Governmental capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2018</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 335,688	\$ -	\$ -	\$ 335,688
Construction in progress	<u>-</u>	<u>2,690,852</u>	<u>-</u>	<u>2,690,852</u>
Total capital assets, not being depreciated	<u>335,688</u>	<u>2,690,852</u>	<u>-</u>	<u>3,026,540</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,651,702	-	-	1,651,702
Buildings and improvements	43,302,598	-	-	43,302,598
Furniture, fixtures and equipment	3,446,054	9,877	(455,079)	3,000,852
Vehicles	1,113,037	202,751	(149,603)	1,166,185
Textbooks	<u>1,673,417</u>	<u>69,600</u>	<u>-</u>	<u>1,743,017</u>
Total capital assets, being depreciated	<u>51,186,808</u>	<u>282,228</u>	<u>(604,682)</u>	<u>50,864,354</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,052,314)	(59,944)	-	(1,112,258)
Buildings and improvements	(15,343,694)	(1,021,914)	-	(16,365,608)
Furniture, fixtures and equipment	(2,721,662)	(135,678)	379,232	(2,478,108)
Vehicles	(834,416)	(56,178)	134,643	(755,951)
Textbooks	<u>(1,506,074)</u>	<u>(3,915)</u>	<u>-</u>	<u>(1,509,989)</u>
Total accumulated depreciation	<u>(21,458,160)</u>	<u>(1,277,629)</u>	<u>513,875</u>	<u>(22,221,914)</u>
Total capital assets, being depreciated, net	<u>29,728,648</u>	<u>(995,401)</u>	<u>(90,807)</u>	<u>28,642,440</u>
Governmental activities capital assets, net	<u>\$ 30,064,336</u>	<u>\$ 1,695,451</u>	<u>\$ (90,807)</u>	<u>\$ 31,668,980</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,104,337
<u>Support services:</u>	
Pupil	16,857
Instructional staff	5,315
Administration	313
Operations and maintenance of plant	328
Pupil transportation	49,606
Central	98,476
Extracurricular	<u>2,397</u>
Total depreciation expense	<u>\$ 1,277,629</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - CAPITAL ASSETS - (Continued)

Business-type capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance			Balance
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
Business-type activities:				
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 354,288	\$ -	\$ -	\$ 354,288
Total capital assets, being depreciated	<u>354,288</u>	<u>-</u>	<u>-</u>	<u>354,288</u>
<i>Less: accumulated depreciation</i>				
Furniture, fixtures and equipment	<u>(306,761)</u>	<u>(9,832)</u>	<u>-</u>	<u>(316,593)</u>
Total accumulated depreciation	<u>(306,761)</u>	<u>(9,832)</u>	<u>-</u>	<u>(316,593)</u>
Total capital assets, being depreciated, net	<u>47,527</u>	<u>(9,832)</u>	<u>-</u>	<u>37,695</u>
Business-type activities capital assets, net	<u>\$ 47,527</u>	<u>\$ (9,832)</u>	<u>\$ -</u>	<u>\$ 37,695</u>

All depreciation expense was charged to the food service fund.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$458,552 for fiscal year 2018. Of this amount, \$47,549 is reported as pension and postemployment benefits payable.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,555,106 for fiscal year 2018. Of this amount, \$147,932 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.11184880%	0.09236642%	
Proportion of the net pension liability current measurement date	<u>0.10406340%</u>	<u>0.09932639%</u>	
Change in proportionate share	<u>-0.00778540%</u>	<u>0.00695997%</u>	
Proportionate share of the net pension liability	\$ 6,217,558	\$ 23,595,197	\$ 29,812,755
Pension expense	\$ (356,860)	\$ (8,271,343)	\$ (8,628,203)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 267,582	\$ 911,137	\$ 1,178,719
Changes of assumptions	321,515	5,160,528	5,482,043
Difference between District contributions and proportionate share of contributions/ change in proportionate share	115,945	2,761,634	2,877,579
District contributions subsequent to the measurement date	<u>458,552</u>	<u>1,555,106</u>	<u>2,013,658</u>
Total deferred outflows of resources	<u>\$ 1,163,594</u>	<u>\$ 10,388,405</u>	<u>\$ 11,551,999</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 190,169	\$ 190,169
Net difference between projected and actual earnings on pension plan investments	29,513	778,670	808,183
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>484,880</u>	<u>-</u>	<u>484,880</u>
Total deferred inflows of resources	<u>\$ 514,393</u>	<u>\$ 968,839</u>	<u>\$ 1,483,232</u>

\$2,013,658 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$ 116,296	\$ 1,901,174	\$ 2,017,470
2020	225,429	2,960,431	3,185,860
2021	(6,131)	2,186,502	2,180,371
2022	<u>(144,945)</u>	<u>816,353</u>	<u>671,408</u>
Total	<u>\$ 190,649</u>	<u>\$ 7,864,460</u>	<u>\$ 8,055,109</u>

Actuarial Assumptions - SERS

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

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 8,628,355	\$ 6,217,558	\$ 4,198,024

Actuarial Assumptions - STRS Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 33,822,912	\$ 23,595,197	\$ 14,979,880

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$57,964.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$74,947 for fiscal year 2018. Of this amount, \$59,725 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.11313716%	0.09236642%	
Proportion of the net OPEB liability current measurement date	<u>0.10523710%</u>	<u>0.09932639%</u>	
Change in proportionate share	<u>-0.00790006%</u>	<u>0.00695997%</u>	
Proportionate share of the net OPEB liability	\$ 2,824,287	\$ 3,875,350	\$ 6,699,637
OPEB expense	\$ 105,250	\$ (1,129,372)	\$ (1,024,122)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 223,709	\$ 223,709
Difference between District contributions and proportionate share of contributions/ change in proportionate share	8,505	319,046	327,551
District contributions subsequent to the measurement date	<u>74,947</u>	<u>-</u>	<u>74,947</u>
Total deferred outflows of resources	<u>\$ 83,452</u>	<u>\$ 542,755</u>	<u>\$ 626,207</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 7,458	\$ 165,642	\$ 173,100
Changes of assumptions	268,010	312,173	580,183
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>183,150</u>	<u>-</u>	<u>183,150</u>
Total deferred inflows of resources	<u>\$ 458,618</u>	<u>\$ 477,815</u>	<u>\$ 936,433</u>

\$74,947 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	\$ (162,247)	\$ (2,979)	\$ (165,226)
2020	(162,247)	(2,979)	(165,226)
2021	(123,756)	(2,979)	(126,735)
2022	(1,863)	(2,979)	(4,842)
2023	-	38,429	38,429
Thereafter	<u>-</u>	<u>38,427</u>	<u>38,427</u>
Total	<u>\$ (450,113)</u>	<u>\$ 64,940</u>	<u>\$ (385,173)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 3,410,686	\$ 2,824,287	\$ 2,359,709
	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 2,291,697	\$ 2,824,287	\$ 3,529,179

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 5,202,594	\$ 3,875,350	\$ 2,826,392
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,692,427	\$ 3,875,350	\$ 5,432,214

NOTE 14 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The ODE's final FTE adjustment did not have a material impact on the District's financial statements.

NOTE 15 - ENDOWMENT

In fiscal years 2002 and 2003, the District received a three million dollar endowment from a former school graduate to create two annual scholarships. At June 30, 2018, the balance of the endowment was \$3,556,898 and no amount was available for expenditure. The principal of the endowment is reported as "held in trust for scholarships" on the statement of fiduciary net position. Per section 3313.36 of the Ohio Revised Code by the adoption of a resolution, a board may direct the school district treasurer to pay the proceeds of any bequest, gift, or endowment given to the district for the education foundation fund or given without conditions or limitations into the education foundation fund established. The endowment is accounted for as a private purpose trust with 55 percent of interest earned to be used for scholarships and 45 percent to be added to existing principal.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During a previous fiscal year, the District entered into capital leases for the acquisition of computer equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. The computer equipment did not meet the capitalization threshold.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2018:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	<u>\$ 548,172</u>
Total minimum lease payment	548,172
Less: amount representing interest	<u>-</u>
Present value of minimum lease payments	<u><u>\$ 548,172</u></u>

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 2018 were as follows. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

	Restated Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Amounts Due In <u>One Year</u>
Governmental activities:					
Series 2014 Refunding Bonds					
Serial Bond - 3.75%	\$ 5,204,000	\$ -	\$ (887,000)	\$ 4,317,000	\$ 920,000
Series 2012 & 2013 Refunding Bonds					
Serial Bond - 1.00% - 3.50%	15,830,000	-	-	15,830,000	-
Capital Appreciation Bonds	31,913	-	(13,212)	18,701	7,544
School Improvement Bonds - Series 2017	<u>10,750,000</u>	<u>-</u>	<u>(55,000)</u>	<u>10,695,000</u>	<u>45,000</u>
Total Bonds Payable before Deferrals	<u>31,815,913</u>	<u>-</u>	<u>(955,212)</u>	<u>30,860,701</u>	<u>972,544</u>
Deferrals for:					
Issuance Premiums	<u>2,645,809</u>	<u>-</u>	<u>(181,249)</u>	<u>2,464,560</u>	<u>-</u>
Total Bonds Payable	<u>34,461,722</u>	<u>-</u>	<u>(1,136,461)</u>	<u>33,325,261</u>	<u>972,544</u>
Certificates of Participation - Series 2016	9,860,000	-	(210,000)	9,650,000	195,000
Certificates of Participation - Series 2017	14,305,000	-	(490,000)	13,815,000	285,000
Accretion of Capital					
Appreciation Bonds	397,667	233,303	(226,788)	404,182	174,420
Capital Lease obligation	1,096,345	-	(548,173)	548,172	548,172
Net pension liability	37,648,607	-	(9,041,033)	28,607,574	-
Net OPEB liability	7,591,234	-	(1,416,730)	6,174,504	-
Compensated Absences	<u>1,495,135</u>	<u>4,365</u>	<u>(160,196)</u>	<u>1,339,304</u>	<u>82,673</u>
Total Governmental Long-Term Obligations	<u>\$ 75,099,476</u>	<u>\$ 237,668</u>	<u>\$ (13,229,381)</u>	<u>\$ 93,863,997</u>	<u>\$ 2,257,809</u>
Business-type activities:					
Net pension liability	\$ 1,455,518	\$ 76,945	\$ (327,282)	\$ 1,205,181	\$ -
Net OPEB liability	573,374	12,638	(60,879)	525,133	-
Compensated Absences	<u>104,599</u>	<u>-</u>	<u>(32,200)</u>	<u>72,399</u>	<u>6,868</u>
Total Business-Type Long-Term obligations	<u>\$ 2,133,491</u>	<u>\$ 89,583</u>	<u>\$ (420,361)</u>	<u>\$ 1,802,713</u>	<u>\$ 6,868</u>

Compensated absences, net pension liabilities and net OPEB liabilities will be paid from the general fund and termination benefits fund which is combined and reported with the general fund on a GAAP-basis. Capital lease obligations will be paid from the permanent improvement fund (a nonmajor governmental fund).

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

All bonds outstanding are general obligation bonds of the District to which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to the general obligation bonds are recorded as expenditures in the bond retirement fund (a nonmajor governmental fund).

All certificates of participation outstanding are obligations of the District to which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to the certificates of participation are recorded as expenditures in the permanent improvement fund (a nonmajor governmental fund). At June 30, 2018, there were \$31,599,121 in unspent proceeds of the certificates of participation.

Series 2012 and Series 2013 Refunding General Obligation Bonds

On July 18, 2012 and January 3, 2013, the District issued a total of \$16,539,980 of general obligation bonds (Series 2012 and Series 2013 Refunding Bonds) to advance refund the callable of the Series 2005 School Improvement current interest bonds (both term and serial bonds). This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. There is no remaining defeased debt outstanding.

The refunding issue is comprised of both current interest bonds, par value \$16,420,000, and capital appreciation bonds par value \$119,980. The interest rates on the current interest bonds range from 1.00% to 3.50%. The capital appreciation bonds mature on December 1 of each year 2013 through 2022 and on December 1, 2029 (coupon rates ranging from 1.047% to 2.40% and effective interest rates ranging from 61.3% to 78.6%) at redemption prices equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the remaining capital appreciation bonds is \$3,100,000. Total accreted interest of \$404,182 has been included in the statement of net position at June 30, 2018.

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, 2033.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,043,176. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2014 Refunding General Obligation Bonds

On October 16, 2013, the District issued \$6,901,000 of general obligation bonds to advance refund a portion of the Series 2005 School Improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2018, is \$4,317,000.

The refunding issue is comprised of current interest bonds, par value \$6,901,000. The interest rates on the bonds is 3.75%.

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, 2022.

The reacquisition price exceeded the net carrying amount of the old debt by \$377,438. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

Series 2017 School Improvement Bonds

On April 12, 2017 the District issued \$10,750,000 of school improvement bonds for the purpose of renovating, remodeling, furnishing, equipping and improving the District's buildings and facilities. The interest rate on the current interest bonds ranges from 3.00-5.00%. Interest payments on the current interest bonds are due on December 1st and June 1st of each year. The final maturity stated in the issue is December 1, 2051.

Series 2016 Certificates of Participation

On December 8, 2016, the District issued certificates of participation in the amount of \$9,860,000 for the purpose of construction, enlarging and other improvement, furnishing and equipping of the Districts buildings and facilities. Interest rates on the current interest bonds range from 2.5% to 4.0% with interest payments due on May 15 and November 15 of each year until final maturity at November 15, 2046. The debt will be retired through the permanent improvement fund (a nonmajor governmental fund).

Series 2017 Certificates of Participation

On April 12, 2017, the District issued certificates of participation in the amount of \$14,305,000 for the purpose of construction, enlarging and other improvement, furnishing and equipping of the Districts buildings and facilities. Interest rates on the current interest bonds range from 2.0% to 4.0% with interest payments due on May 15 and November 15 of each year until final maturity at November 15, 2046. The debt will be retired through the permanent improvement fund (a nonmajor governmental fund).

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2018 are as follows:

Fiscal Year Ending,	Serial and Term Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 965,000	\$ 1,061,613	\$ 7,544	\$ 232,456	\$ 972,544	\$ 1,294,069
2020	1,021,000	1,025,387	4,315	235,685	1,025,315	1,261,072
2021	1,159,000	986,525	1,894	128,106	1,160,894	1,114,631
2022	1,201,000	945,064	1,109	128,891	1,202,109	1,073,955
2023	631,000	901,626	3,825	761,175	634,825	1,662,801
2024-2028	7,590,000	4,002,246	-	-	7,590,000	4,002,246
2029-2033	7,630,000	3,060,194	14	1,354,986	7,630,014	4,415,180
2034-2038	3,125,000	1,944,368	-	-	3,125,000	1,944,368
2039-2043	1,930,000	1,509,250	-	-	1,930,000	1,509,250
2044-2048	2,735,000	929,875	-	-	2,735,000	929,875
2049-2053	2,855,000	235,900	-	-	2,855,000	235,900
Total	<u>\$ 30,842,000</u>	<u>\$ 16,602,048</u>	<u>\$ 18,701</u>	<u>\$ 2,841,299</u>	<u>\$ 30,860,701</u>	<u>\$ 19,443,347</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire certificates of participation outstanding at June 30, 2018 are as follows:

Fiscal Year Ending,	Certificates of Participation		
	Principal	Interest	Total
2019	\$ 480,000	\$ 870,838	\$ 1,350,838
2020	490,000	857,187	1,347,187
2021	505,000	841,663	1,346,663
2022	520,000	824,162	1,344,162
2023	540,000	804,488	1,344,488
2024-2028	3,015,000	3,718,306	6,733,306
2029-2033	3,565,000	3,149,720	6,714,720
2034-2038	4,275,000	2,418,874	6,693,874
2039-2043	5,165,000	1,505,762	6,670,762
2044-2048	4,910,000	402,400	5,312,400
Total	<u>\$ 23,465,000</u>	<u>\$ 15,393,400</u>	<u>\$ 38,858,400</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2018, are a voted debt margin of (\$18,366,393) (including available funds of \$3,542,241) and an unvoted debt margin of \$360,190.

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9% limit to finance additional facilities, the State Department of Education may declare that district a "special needs" district. This permits the incurrence of additional debt based upon projected 5-year growth of the District's assessed valuation. The District was determined to be a "special needs" district by the State Superintendent.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The major differences between the budget basis and the GAAP basis are that:

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

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ (1,176,292)
Net adjustment for revenue accruals	(801,260)
Net adjustment for expenditure accruals	120,523
Net adjustment for other sources/uses	(114,241)
Funds budgeted elsewhere	(66,139)
Adjustment for encumbrances	188,728
GAAP basis	<u>\$ (1,848,681)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the special trusts fund, the public school support fund, the summer school fund and the termination benefits fund.

NOTE 19 - SET-ASIDES

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 19 - SET-ASIDES - (Continued)

	<u>Capital Improvements</u>
Set-aside balance June 30, 2017	\$ -
Current year set-aside requirement	317,567
Current year offsets	<u>(317,567)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2019	<u>\$ -</u>
Set-aside balance June 30, 2018	<u>\$ -</u>

NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Cuyahoga County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District's property taxes were reduced by \$827,688 during fiscal year 2018.

NOTE 21 - CONTRACTUAL COMMITMENTS

As of June 30, 2018, the District had the following contractual commitments outstanding:

<u>Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2018</u>
Architectural Vision Group, LTD	\$ 1,681,143	\$ (896,420)	\$ 784,723
The Ruhlin Company	808,795	(103,511)	705,284
The Albert M. Higley Co.	<u>1,581,930</u>	<u>(61,137)</u>	<u>1,520,793</u>
Total	<u>\$ 4,071,868</u>	<u>\$ (1,061,068)</u>	<u>\$ 3,010,800</u>

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REQUIRED SUPPLEMENTARY INFORMATION

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.10406340%	0.11184880%	0.11351640%	0.11098200%	0.11098200%
District's proportionate share of the net pension liability	\$ 6,217,558	\$ 8,186,300	\$ 6,477,356	\$ 5,616,735	\$ 6,599,743
District's covered payroll	\$ 3,364,179	\$ 3,512,779	\$ 3,417,436	\$ 3,224,928	\$ 3,193,569
District's proportionate share of the net pension liability as a percentage of its covered payroll	184.82%	233.04%	189.54%	174.17%	206.66%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.09932639%	0.09236642%	0.08757921%	0.08488430%	0.08488430%
District's proportionate share of the net pension liability	\$ 23,595,197	\$ 30,917,825	\$ 24,204,332	\$ 20,646,802	\$ 24,594,335
District's covered payroll	\$ 10,853,257	\$ 9,836,300	\$ 9,355,379	\$ 8,672,831	\$ 9,349,892
District's proportionate share of the net pension liability as a percentage of its covered payroll	217.40%	314.32%	258.72%	238.06%	263.04%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 458,552	\$ 470,985	\$ 491,789	\$ 450,418
Contributions in relation to the contractually required contribution	<u>(458,552)</u>	<u>(470,985)</u>	<u>(491,789)</u>	<u>(450,418)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779	\$ 3,417,436
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 446,975	\$ 441,990	\$ 455,533	\$ 400,916	\$ 407,077	\$ 131,327
<u>(446,975)</u>	<u>(441,990)</u>	<u>(455,533)</u>	<u>(400,916)</u>	<u>(407,077)</u>	<u>(131,327)</u>
<u>\$ -</u>					
\$ 3,224,928	\$ 3,193,569	\$ 3,386,862	\$ 3,189,467	\$ 3,006,477	\$ 1,334,624
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,555,106	\$ 1,519,456	\$ 1,377,082	\$ 1,309,753
Contributions in relation to the contractually required contribution	<u>(1,555,106)</u>	<u>(1,519,456)</u>	<u>(1,377,082)</u>	<u>(1,309,753)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300	\$ 9,355,379
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,127,468	\$ 1,215,486	\$ 1,222,636	\$ 1,199,772	\$ 1,229,619	\$ 1,143,442
<u>(1,127,468)</u>	<u>(1,215,486)</u>	<u>(1,222,636)</u>	<u>(1,199,772)</u>	<u>(1,229,619)</u>	<u>(1,143,442)</u>
<u>\$ -</u>					
\$ 8,672,831	\$ 9,349,892	\$ 9,404,892	\$ 9,229,015	\$ 9,458,608	\$ 8,795,708
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.10523710%	0.11313716%
District's proportionate share of the net OPEB liability	\$ 2,824,287	\$ 3,224,828
District's covered payroll	\$ 3,364,179	\$ 3,512,779
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.95%	91.80%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.09932639%	0.09236642%
District's proportionate share of the net OPEB liability	\$ 3,875,350	\$ 4,939,780
District's covered payroll	\$ 10,853,257	\$ 9,836,300
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.71%	50.22%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 74,947	\$ 55,678	\$ 56,350	\$ 82,508
Contributions in relation to the contractually required contribution	<u>(74,947)</u>	<u>(55,678)</u>	<u>(56,350)</u>	<u>(82,508)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779	\$ 3,417,436
Contributions as a percentage of covered payroll	2.21%	1.66%	1.60%	2.41%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 58,268	\$ 54,803	\$ 80,392	\$ 89,065	\$ 60,113	\$ 101,804
<u>(58,268)</u>	<u>(54,803)</u>	<u>(80,392)</u>	<u>(89,065)</u>	<u>(60,113)</u>	<u>(101,804)</u>
<u>\$ -</u>					
\$ 3,224,928	\$ 3,193,569	\$ 3,386,862	\$ 3,189,467	\$ 3,006,477	\$ 1,334,624
1.81%	1.72%	2.37%	2.79%	2.00%	7.63%

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300	\$ 9,355,379
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 88,732	\$ 93,499	\$ 94,049	\$ 92,290	\$ 94,586	\$ 87,957
<u>(88,732)</u>	<u>(93,499)</u>	<u>(94,049)</u>	<u>(92,290)</u>	<u>(94,586)</u>	<u>(87,957)</u>
<u>\$ -</u>					
\$ 8,672,831	\$ 9,349,892	\$ 9,404,892	\$ 9,229,015	\$ 9,458,608	\$ 8,795,708
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

(Continued)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DESCRIPTION OF FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other Major Fund

Building - The building fund is used to account for and report resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Total revenues and other financing sources	\$ 425,000	\$ 879,797	\$ 454,797
Total expenditures and other financing uses	<u>5,905,063</u>	<u>4,659,136</u>	<u>1,245,927</u>
Net change in fund balance	(5,480,063)	(3,779,339)	1,700,724
Fund balance at beginning of year	32,530,860	32,530,860	-
Prior year encumbrances appropriated	<u>1,536,007</u>	<u>1,536,007</u>	-
Fund balance at end of year	<u>\$ 28,586,804</u>	<u>\$ 30,287,528</u>	<u>\$ 1,700,724</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DESCRIPTION OF FUNDS

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for and report specific revenue sources that are restricted or committed to an expenditure for a specific purpose. Following is a description of the District's nonmajor special revenue funds:

Other Grants Fund - This fund is used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Student Activity Fund - This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps and other similar types of activities.

Auxiliary Services Fund - This fund accounts for monies which provide services and materials to pupils attending non-public schools within the District.

Data Communication Fund - This fund accounts for money appropriated for Ohio Educational Computer Network Connections.

Miscellaneous State Grants Fund - This fund accounts for various monies received from state agencies which are not classified elsewhere but are restricted for a specific purpose.

IDEA, Part B Special Education Fund - The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool elementary and secondary levels.

Title I Fund - The purpose of this federal program is to provide financial assistance to state and local education agencies to meet the special needs of educationally deprived children.

Early Childhood Education Development Fund - This fund accounts for federal monies which partially support the preschool program focusing on the early education of handicapped children.

Improving Teacher Quality Fund - This fund provides for improved instruction through better use of technology.

Miscellaneous Federal Grants Fund - This fund accounts for monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere but are restricted for a specific purpose.

(Continued)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DESCRIPTION OF FUNDS

Nonmajor Special Revenue Funds

(Continued)

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Public School Support Fund - This fund is used for the general support of the school building, staff and students.

Summer School Fund - This fund is used to account for operations of the District's summer school program.

Termination Benefits Fund - This fund is used to accumulate cash for paying termination benefits or for paying salaries when the number of pay periods exceeds the usual and customary

Special Trusts Fund - This fund is used to account for assets held by the school district for various activities of the District which there are no external restrictions on the use of resources and for which the Board of Education has not placed any constraints on the use of the resources.

Nonmajor Debt Service Fund

Bond Retirement Fund - The bond retirement fund is used to account for the resources restricted for payment of general long-term debt principal, interest and related costs.

Nonmajor Capital Projects Fund

Permanent Improvement Fund - This fund accounts for all transactions related to the acquiring, constructing, or improving of facilities.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund - Bond Retirement</u>	<u>Nonmajor Capital Projects Fund - Permanent Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 122,198	\$ 3,282,112	\$ 226,496	\$ 3,630,806
Receivables:				
Property taxes	-	2,014,179	761,164	2,775,343
Accounts	490	-	4,993	5,483
Intergovernmental	147,570	-	-	147,570
Total assets	<u>\$ 270,258</u>	<u>\$ 5,296,291</u>	<u>\$ 992,653</u>	<u>\$ 6,559,202</u>
Liabilities:				
Accounts payable	\$ 120,634	\$ -	\$ 15,796	\$ 136,430
Accrued wages and benefits payable	37,630	-	-	37,630
Intergovernmental payable	5,962	-	-	5,962
Pension and post employment benefits payable	6,566	-	-	6,566
Interfund loans payable	169,500	-	-	169,500
Total liabilities	<u>340,292</u>	<u>-</u>	<u>15,796</u>	<u>356,088</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	1,701,475	651,223	2,352,698
Delinquent property tax revenue not available	-	52,575	19,868	72,443
Intergovernmental revenue not available	147,570	-	-	147,570
Total deferred inflows of resources	<u>147,570</u>	<u>1,754,050</u>	<u>671,091</u>	<u>2,572,711</u>
Fund Balances:				
Restricted:				
Debt service	-	3,542,241	-	3,542,241
Non-public schools	22,024	-	-	22,024
Other purposes	3,994	-	-	3,994
Committed:				
Capital improvements	-	-	305,766	305,766
Unassigned (deficit)	(243,622)	-	-	(243,622)
Total fund balances	<u>(217,604)</u>	<u>3,542,241</u>	<u>305,766</u>	<u>3,630,403</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 270,258</u>	<u>\$ 5,296,291</u>	<u>\$ 992,653</u>	<u>\$ 6,559,202</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Bond Retirement	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 1,932,665	728,955	\$ 2,661,620
Earnings on investments	1,232	-	-	1,232
Extracurricular	127,313	-	-	127,313
Classroom materials and fees	-	-	54,285	54,285
Contributions and donations	4,763	-	-	4,763
Other local revenues	10,225	-	7,635	17,860
Intergovernmental - state	412,598	247,766	23,876	684,240
Intergovernmental - federal	684,084	-	-	684,084
Total revenues	<u>1,240,215</u>	<u>2,180,431</u>	<u>814,751</u>	<u>4,235,397</u>
Expenditures:				
Current:				
Instruction:				
Regular	51,520	-	5,683	57,203
Special	686,261	-	-	686,261
Support services:				
Pupil	127,706	-	-	127,706
Instructional staff	19,085	-	-	19,085
Administration	958	-	-	958
Fiscal	-	21,583	-	21,583
Operations and maintenance	-	-	148,408	148,408
Pupil transportation	8,970	-	243,960	252,930
Operation of non-instructional services:				
Other non-instructional services	439,647	-	-	439,647
Extracurricular activities	147,455	-	-	147,455
Facilities acquisition and construction	-	-	30,759	30,759
Debt service:				
Principal retirement	-	955,212	1,248,173	2,203,385
Interest and fiscal charges	-	1,144,523	934,524	2,079,047
Accretion on capital appreciation bonds	-	226,788	-	226,788
Total expenditures	<u>1,481,602</u>	<u>2,348,106</u>	<u>2,611,507</u>	<u>6,441,215</u>
Excess of expenditures over revenues	(241,387)	(167,675)	(1,796,756)	(2,205,818)
Other financing sources:				
Transfers in	-	-	1,368,000	1,368,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,368,000</u>	<u>1,368,000</u>
Net change in fund balances	(241,387)	(167,675)	(428,756)	(837,818)
Fund balances at beginning of year	<u>23,783</u>	<u>3,709,916</u>	<u>734,522</u>	<u>4,468,221</u>
Fund balances (deficit) at end of year	<u>\$ (217,604)</u>	<u>\$ 3,542,241</u>	<u>\$ 305,766</u>	<u>\$ 3,630,403</u>

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>
Assets:				
Equity in pooled cash and investments	\$ 3,994	\$ 22,706	\$ 94,362	\$ -
Receivables:				
Accounts	-	490	-	-
Intergovernmental	-	-	-	-
	<u>3,994</u>	<u>23,196</u>	<u>94,362</u>	<u>-</u>
Total assets.	<u>\$ 3,994</u>	<u>\$ 23,196</u>	<u>\$ 94,362</u>	<u>\$ -</u>
Liabilities:				
Accounts payable.	\$ -	\$ 886	\$ 67,686	\$ 593
Accrued wages and benefits payable	-	3,374	3,914	-
Intergovernmental payable	-	5,484	55	-
Pension and post employment benefits payable	-	611	683	-
Interfund loans payable	-	15,000	-	-
	<u>-</u>	<u>25,355</u>	<u>72,338</u>	<u>593</u>
Total liabilities.	<u>-</u>	<u>25,355</u>	<u>72,338</u>	<u>593</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Non-public schools	-	-	22,024	-
Other purposes	3,994	-	-	-
Unassigned (deficit)	-	(2,159)	-	(593)
	<u>3,994</u>	<u>(2,159)</u>	<u>22,024</u>	<u>(593)</u>
Total fund balances.	<u>3,994</u>	<u>(2,159)</u>	<u>22,024</u>	<u>(593)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,994</u>	<u>\$ 23,196</u>	<u>\$ 94,362</u>	<u>\$ -</u>

IDEA, Part B Special Education	Title I	Early Childhood Education Development	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 767	\$ 166	\$ 17	\$ 135	\$ 51	\$ 122,198
-	-	-	-	-	490
<u>112,527</u>	<u>9,723</u>	<u>-</u>	<u>20,785</u>	<u>4,535</u>	<u>147,570</u>
<u>\$ 113,294</u>	<u>\$ 9,889</u>	<u>\$ 17</u>	<u>\$ 20,920</u>	<u>\$ 4,586</u>	<u>\$ 270,258</u>
\$ 46,701	\$ 3,074	\$ -	\$ 1,182	\$ 512	\$ 120,634
11,254	13,357	-	5,731	-	37,630
164	176	-	83	-	5,962
2,038	2,196	-	1,038	-	6,566
<u>101,000</u>	<u>41,000</u>	<u>2,100</u>	<u>10,000</u>	<u>400</u>	<u>169,500</u>
<u>161,157</u>	<u>59,803</u>	<u>2,100</u>	<u>18,034</u>	<u>912</u>	<u>340,292</u>
112,527	9,723	-	20,785	4,535	147,570
<u>112,527</u>	<u>9,723</u>	<u>-</u>	<u>20,785</u>	<u>4,535</u>	<u>147,570</u>
-	-	-	-	-	22,024
-	-	-	-	-	3,994
<u>(160,390)</u>	<u>(59,637)</u>	<u>(2,083)</u>	<u>(17,899)</u>	<u>(861)</u>	<u>(243,622)</u>
<u>(160,390)</u>	<u>(59,637)</u>	<u>(2,083)</u>	<u>(17,899)</u>	<u>(861)</u>	<u>(217,604)</u>
<u>\$ 113,294</u>	<u>\$ 9,889</u>	<u>\$ 17</u>	<u>\$ 20,920</u>	<u>\$ 4,586</u>	<u>\$ 270,258</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Data Communication</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 1,232	\$ -
Extracurricular	8,000	119,313	-	-
Contributions and donations	-	4,763	-	-
Other local revenues	-	10,225	-	-
Intergovernmental - state	-	-	405,398	7,200
Intergovernmental - federal	-	-	-	-
Total revenues	<u>8,000</u>	<u>134,301</u>	<u>406,630</u>	<u>7,200</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,386	-	-	-
Special	8,000	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	7,200
Administration	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	401,454	-
Extracurricular activities	-	147,455	-	-
Total expenditures	<u>11,386</u>	<u>147,455</u>	<u>401,454</u>	<u>7,200</u>
Net change in fund balances	(3,386)	(13,154)	5,176	-
Fund balances (deficit) at beginning of year	<u>7,380</u>	<u>10,995</u>	<u>16,848</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 3,994</u>	<u>\$ (2,159)</u>	<u>\$ 22,024</u>	<u>\$ -</u>

<u>Miscellaneous State Grants</u>	<u>IDEA, Part B Special Education</u>	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,232
-	-	-	-	-	-	127,313
-	-	-	-	-	-	4,763
-	-	-	-	-	-	10,225
-	-	-	-	-	-	412,598
-	413,052	231,044	8,421	31,567	-	684,084
-	413,052	231,044	8,421	31,567	-	1,240,215
-	-	-	-	48,134	-	51,520
593	437,916	231,084	8,668	-	-	686,261
-	127,706	-	-	-	-	127,706
-	5,577	5,447	-	-	861	19,085
-	-	958	-	-	-	958
-	-	8,970	-	-	-	8,970
-	26,634	7,376	-	4,183	-	439,647
-	-	-	-	-	-	147,455
593	597,833	253,835	8,668	52,317	861	1,481,602
(593)	(184,781)	(22,791)	(247)	(20,750)	(861)	(241,387)
-	24,391	(36,846)	(1,836)	2,851	-	23,783
<u>\$ (593)</u>	<u>\$ (160,390)</u>	<u>\$ (59,637)</u>	<u>\$ (2,083)</u>	<u>\$ (17,899)</u>	<u>\$ (861)</u>	<u>\$ (217,604)</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Other Grants Fund</u>			
Total revenues and other financing sources	\$ 8,000	\$ 8,000	\$ -
Total expenditures and other financing uses	<u>20,000</u>	<u>11,386</u>	<u>8,614</u>
Net change in fund balance	(12,000)	(3,386)	8,614
Fund balance at beginning of year	<u>7,380</u>	<u>7,380</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (4,620)</u>	<u>\$ 3,994</u>	<u>\$ 8,614</u>
<u>District Managed Student Activity Fund</u>			
Total revenues and other financing sources	\$ 135,000	\$ 141,438	\$ 6,438
Total expenditures and other financing uses	<u>152,366</u>	<u>147,803</u>	<u>4,563</u>
Net change in fund balance	(17,366)	(6,365)	11,001
Fund balance at beginning of year	20,310	20,310	-
Prior year encumbrances appropriated	<u>7,366</u>	<u>7,366</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,310</u>	<u>\$ 21,311</u>	<u>\$ 11,001</u>
<u>Auxiliary Services Fund</u>			
Total revenues and other financing sources	\$ 410,000	\$ 517,108	\$ 107,108
Total expenditures and other financing uses	<u>423,812</u>	<u>518,641</u>	<u>(94,829)</u>
Net change in fund balance	(13,812)	(1,533)	12,279
Fund balance at beginning of year	3,146	3,146	-
Prior year encumbrances appropriated	<u>13,812</u>	<u>13,812</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,146</u>	<u>\$ 15,425</u>	<u>\$ 12,279</u>
<u>Miscellaneous State Grants Fund</u>			
Total revenues and other financing sources	\$ 593	\$ -	\$ (593)
Total expenditures and other financing uses	<u>593</u>	<u>593</u>	<u>-</u>
Net change in fund balance	-	(593)	(593)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (593)</u>	<u>\$ (593)</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Data Communication Fund</u>			
Total revenues and other financing sources	\$ 7,200	\$ 7,200	\$ -
Total expenditures and other financing uses	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>IDEA, Part B Special Education Fund</u>			
Total revenues and other financing sources	\$ 600,000	\$ 514,053	\$ (85,947)
Total expenditures and other financing uses	<u>674,074</u>	<u>638,511</u>	<u>35,563</u>
Net change in fund balance	(74,074)	(124,458)	(50,384)
Fund balance at beginning of year	29,600	29,600	-
Prior year encumbrances appropriated	<u>54,074</u>	<u>54,074</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 9,600</u>	<u>\$ (40,784)</u>	<u>\$ (50,384)</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Title I Fund</u>			
Total revenues and other financing sources	\$ 278,000	\$ 319,209	\$ 41,209
Total expenditures and other financing uses	<u>341,207</u>	<u>391,398</u>	<u>(50,191)</u>
Net change in fund balance	(63,207)	(72,189)	(8,982)
Fund balance at beginning of year	67,113	67,113	-
Prior year encumbrances appropriated	<u>1,207</u>	<u>1,207</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 5,113</u>	<u>\$ (3,869)</u>	<u>\$ (8,982)</u>
<u>Early Childhood Education Development Fund</u>			
Total revenues and other financing sources	\$ 8,771	\$ 10,521	\$ 1,750
Total expenditures and other financing uses	<u>12,326</u>	<u>14,060</u>	<u>(1,734)</u>
Net change in fund balance	(3,555)	(3,539)	16
Fund balance at beginning of year	3,206	3,206	-
Prior year encumbrances appropriated	<u>350</u>	<u>350</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 17</u>	<u>\$ 16</u>
<u>Improving Teacher Quality Fund</u>			
Total revenues and other financing sources	\$ 67,347	\$ 73,981	\$ 6,634
Total expenditures and other financing uses	<u>68,383</u>	<u>82,009</u>	<u>(13,626)</u>
Net change in fund balance	(1,036)	(8,028)	(6,992)
Fund balance at beginning of year	581	581	-
Prior year encumbrances appropriated	<u>455</u>	<u>455</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (6,992)</u>	<u>\$ (6,992)</u>
<u>Miscellaneous Federal Grants Fund</u>			
Total revenues and other financing sources	\$ 10,000	\$ 400	\$ (9,600)
Total expenditures and other financing uses	<u>10,000</u>	<u>1,669</u>	<u>8,331</u>
Net change in fund balance	-	(1,269)	(1,269)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (1,269)</u>	<u>\$ (1,269)</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Public School Support Fund</u>			
Total revenues and other financing sources	\$ 87,000	\$ 95,528	\$ 8,528
Total expenditures and other financing uses	104,557	96,328	8,229
Net change in fund balance	(17,557)	(800)	16,757
Fund balance at beginning of year	52,575	52,575	-
Prior year encumbrances appropriated	4,557	4,557	-
Fund balance at end of year	<u>\$ 39,575</u>	<u>\$ 56,332</u>	<u>\$ 16,757</u>
<u>Summer School Fund</u>			
Total expenditures and other financing uses	\$ 4,354	\$ -	\$ 4,354
Net change in fund balance	(4,354)	-	4,354
Fund balance at beginning of year	4,354	4,354	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,354</u>	<u>\$ 4,354</u>
<u>Termination Benefits Fund</u>			
Total expenditures and other financing uses	\$ 135,000	\$ 131,610	\$ 3,390
Net change in fund balance	(135,000)	(131,610)	3,390
Fund balance at beginning of year	208,754	208,754	-
Fund balance at end of year	<u>\$ 73,754</u>	<u>\$ 77,144</u>	<u>\$ 3,390</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Special Trusts Fund</u>			
Total revenues and other financing sources	\$ 2,500	\$ 2,699	\$ 199
Total expenditures and other financing uses	<u>3,107</u>	<u>1,794</u>	<u>1,313</u>
Net change in fund balance	(607)	905	1,512
Fund balance at beginning of year	21,078	21,078	-
Prior year encumbrances appropriated	<u>407</u>	<u>407</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,878</u>	<u>\$ 22,390</u>	<u>\$ 1,512</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final</u>	<u>Actual</u>	
<u>Bond Retirement Fund</u>			
Total revenues and other financing sources	\$ 2,205,867	\$ 2,253,265	\$ 47,398
Total expenditures and other financing uses	<u>2,790,000</u>	<u>2,323,022</u>	<u>466,978</u>
Net change in fund balance	(584,133)	(69,757)	514,376
Fund balance at beginning of year	<u>3,351,869</u>	<u>3,351,869</u>	-
Fund balance at end of year	<u>\$ 2,767,736</u>	<u>\$ 3,282,112</u>	<u>\$ 514,376</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Permanent Improvement Fund</u>			
Total revenues and other financing sources	\$ 2,215,007	\$ 2,374,786	\$ 159,779
Total expenditures and other financing uses	<u>2,850,962</u>	<u>3,009,393</u>	<u>(158,431)</u>
Net change in fund balance	(635,955)	(634,607)	1,348
Fund balance at beginning of year	570,555	570,555	-
Prior year encumbrances appropriated	<u>65,962</u>	<u>65,962</u>	<u>-</u>
Fund balance at end of year	<u>\$ 562</u>	<u>\$ 1,910</u>	<u>\$ 1,348</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DESCRIPTION OF FUNDS

Major Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the interest is the expense (including depreciation) of providing goods or services primarily or solely to the general public to be financed or recovered primarily through user charges.

Food Services Fund - This fund accounts for the provision of food service to the high school, middle school and elementary school.

Day Care Services Fund - This fund accounts for services provided primarily to the general public for day care services, which are financed or recovered through user charges.

Internal Service Funds

An Internal Service Fund is used to account for the financing of services provided by one department to the other departments of the government or to other districts on a cost reimbursement basis.

Employee Flex Benefits Plan Fund - This fund accounts for a flexible benefits plan offered to District employees.

Health Self Insurance Fund - A fund provided to account for monies received from other funds as payment for providing medical employee benefits.

Fiduciary Funds

Fiduciary funds are used to account for assets when a governmental unit is functioning either as a trustee or an agent for another party. Because the governmental unit is functioning in a fiduciary capacity, the authority to employ, dispose of, or otherwise use the assets is determined not by a legislative body or oversight board but by the public laws and private agreements that create the trustee or agency relationship.

Private Purpose Trust Fund

Endowment Trust Fund - This fund accounts for money set aside for scholarships. 55% of interest earned is to be used for scholarships and 45% of interest earned is added to existing principal.

Since there is only one private-purpose trust, no combining financial statements are required.

Agency Funds

Workers' Compensation Fund - This fund is used for Workers' Compensation Self-Insurance receipts and expenditures.

Student Managed Activities Fund - This fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating

Great Lakes Regional Council of Governments Fund - This fund accounts for an insurance purchasing pool in which the District was the fiscal agent. Effect February 1, 2018, the District concluded its fiscal agent relationship with the COG.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Food Services Fund</u>			
Total revenues and other financing sources	\$ 450,000	\$ 428,610	\$ (21,390)
Total expenses and other financing uses	<u>445,510</u>	<u>427,262</u>	<u>18,248</u>
Net change in fund equity	4,490	1,348	(3,142)
Fund equity at beginning of year	99,076	99,076	-
Prior year encumbrances appropriated	<u>10,510</u>	<u>10,510</u>	<u>-</u>
Fund equity at end of year	<u>\$ 114,076</u>	<u>\$ 110,934</u>	<u>\$ (3,142)</u>
<u>Day Care Services Fund</u>			
Total revenues and other financing sources	\$ 925,300	\$ 997,545	\$ 72,245
Total expenses and other financing uses	<u>929,401</u>	<u>896,744</u>	<u>32,657</u>
Net change in fund equity	(4,101)	100,801	104,902
Fund equity at beginning of year	133,609	133,609	-
Prior year encumbrances appropriated	<u>4,401</u>	<u>4,401</u>	<u>-</u>
Fund equity at end of year	<u>\$ 133,909</u>	<u>\$ 238,811</u>	<u>\$ 104,902</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	<u>Employee Flex Benefits Plan</u>	<u>Health Self Insurance Fund</u>	<u>Total Governmental Activities - Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments . . .	\$ 14	\$ 698,455	\$ 698,469
Total assets.	<u>14</u>	<u>698,455</u>	<u>698,469</u>
Liabilities:			
Current liabilities:			
Interfund loan payable	17,100	-	17,100
Claims payable	<u>-</u>	<u>212,216</u>	<u>212,216</u>
Total liabilities	<u>17,100</u>	<u>212,216</u>	<u>229,316</u>
Net position:			
Unrestricted (deficit)	<u>(17,086)</u>	<u>486,239</u>	<u>469,153</u>
Total net position	<u>\$ (17,086)</u>	<u>\$ 486,239</u>	<u>\$ 469,153</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Employee Flex Benefits Plan	Health Self Insurance Fund	Total Governmental Activities - Internal Service Funds
Operating revenues:			
Sales/charges for services.	\$ -	\$ 3,162,509	\$ 3,162,509
Other	91,240	-	91,240
Total operating revenues	<u>91,240</u>	<u>3,162,509</u>	<u>3,253,749</u>
Operating expenses:			
Purchased services.	108,328	-	108,328
Claims	-	3,090,116	3,090,116
Total operating expenses.	<u>108,328</u>	<u>3,090,116</u>	<u>3,198,444</u>
Operating income (loss)/change in net position	<u>(17,088)</u>	<u>72,393</u>	<u>55,305</u>
Change in net position.	(17,088)	72,393	55,305
Net position at beginning of year	<u>2</u>	<u>413,846</u>	<u>413,848</u>
Net position (deficit) at end of year	<u>\$ (17,086)</u>	<u>\$ 486,239</u>	<u>\$ 469,153</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Employee Flex Benefits Plan	Health Self Insurance Fund	Total Governmental Activities - Internal Service Funds
Cash flows from operating activities:			
Cash received from sales/charges for services	\$ -	\$ 3,162,509	\$ 3,162,509
Cash received from other operations	91,240	-	91,240
Cash payments for contractual services	(108,328)	-	(108,328)
Cash payments for claims	-	(3,162,740)	(3,162,740)
	(17,088)	(231)	(17,319)
Net cash used in operating activities			
Cash flows from noncapital financing activities:			
Cash received from interfund loans	17,100	-	17,100
	17,100	-	17,100
Net cash provided by noncapital financing activities.			
Net change in cash and cash equivalents	12	(231)	(219)
Cash and cash equivalents at beginning of year . . .	2	698,686	698,688
Cash and cash equivalents at end of year	\$ 14	\$ 698,455	\$ 698,469
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss).	\$ (17,088)	\$ 72,393	\$ 55,305
Changes in assets and liabilities:			
Claims payable	-	(72,624)	(72,624)
	-	(72,624)	(72,624)
Net cash used in operating activities	\$ (17,088)	\$ (231)	\$ (17,319)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Employee Flex Benefits Plan Fund</u>			
Total revenues and other financing sources	\$ 125,000	\$ 108,340	\$ (16,660)
Total expenses and other financing uses	<u>125,000</u>	<u>108,328</u>	<u>16,672</u>
Net change in fund equity	-	12	12
Fund equity at beginning of year	<u>2</u>	<u>2</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2</u>	<u>\$ 14</u>	<u>\$ 12</u>
<u>Health Self Insurance Fund</u>			
Total revenues and other financing sources	\$ 3,035,000	\$ 3,282,229	\$ 247,229
Total expenses and other financing uses	<u>3,300,000</u>	<u>3,282,460</u>	<u>17,540</u>
Net change in fund balance	(265,000)	(231)	264,769
Fund equity at beginning of year	<u>698,686</u>	<u>698,686</u>	<u>-</u>
Fund equity at end of year	<u>\$ 433,686</u>	<u>\$ 698,455</u>	<u>\$ 264,769</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Endowment Trust Fund</u>			
Total revenues and other financing sources	\$ 40,000	\$ 51,303	\$ 11,303
Total expenses and other financing uses	99,500	89,811	9,689
Net change in fund equity	(59,500)	(38,508)	20,992
Fund equity at beginning of year	3,641,939	3,641,939	-
Prior year encumbrances appropriated	24,500	24,500	-
Fund equity at end of year	<u>\$ 3,606,939</u>	<u>\$ 3,627,931</u>	<u>\$ 20,992</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Beginning Balance June 30, 2017	Additions	Deletions	Ending Balance June 30, 2018
<u>Workers' Compensation</u>				
Assets:				
Equity in pooled cash and investments	\$ 276,203	\$ 64,808	\$ 59,060	\$ 281,951
Receivables				
Accounts	-	-	-	-
Prepayments	-	28,559	-	28,559
Total assets	\$ 276,203	\$ 93,367	\$ 59,060	\$ 310,510
Liabilities:				
Undistributed monies	\$ 276,203	\$ 93,367	\$ 59,060	\$ 310,510
Total liabilities	\$ 276,203	\$ 93,367	\$ 59,060	\$ 310,510
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and investments	\$ 32,640	\$ 51,579	\$ 47,337	\$ 36,882
Receivables				
Accounts	-	1,025	-	1,025
Total assets	\$ 32,640	\$ 52,604	\$ 47,337	\$ 37,907
Liabilities:				
Accounts payable	\$ 1,249	\$ 1,892	\$ 1,249	\$ 1,892
Due to students	31,391	50,712	46,088	36,015
Total liabilities	\$ 32,640	\$ 52,604	\$ 47,337	\$ 37,907
<u>Great Lakes Regional Council of Governments</u>				
Assets:				
Equity in pooled cash and investments	\$ 2,570,156	\$ 8,488,281	\$ 11,058,437	\$ -
Receivables				
Accounts	-	430	-	430
Total assets	\$ 2,570,156	\$ 8,488,711	\$ 11,058,437	\$ 430
Liabilities:				
Accounts payable	\$ -	\$ 430	\$ -	\$ 430
Undistributed monies	2,570,156	-	2,570,156	-
Total liabilities	\$ 2,570,156	\$ 430	\$ 2,570,156	\$ 430

(Continued)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Beginning Balance June 30, 2017	Additions	Deletions	Ending Balance June 30, 2018
<u>Totals</u>				
Assets:				
Equity in pooled cash and investments	\$ 2,878,999	\$ 8,604,668	\$ 11,164,834	\$ 318,833
Receivables				
Accounts	-	1,455	-	1,455
Prepayments	-	28,559	-	28,559
Total assets	<u>\$ 2,878,999</u>	<u>\$ 8,634,682</u>	<u>\$ 11,164,834</u>	<u>\$ 348,847</u>
Liabilities:				
Accounts payable	\$ 1,249	\$ 2,322	\$ 1,249	\$ 2,322
Due to students	31,391	50,712	46,088	36,015
Undistributed monies	2,846,359	93,367	2,629,216	310,510
Total liabilities	<u>\$ 2,878,999</u>	<u>\$ 146,401</u>	<u>\$ 2,676,553</u>	<u>\$ 348,847</u>

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STATISTICAL SECTION



Learning to Believe & Achieve

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

This part of the Fairview Park City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	130-143
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	144-148
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	149-153
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	154-155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	156-164

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 6,120,726	\$ 7,064,475	\$ 7,746,123	\$ 7,882,991
Invested in capital assets, net of related debt	-	-	-	-
Restricted for:				
Capital projects	14,282	-	2,367	540,935
Debt service	3,080,358	3,578,965	2,840,995	2,724,609
Locally funded programs	3,994	7,380	8,510	9,300
State funded programs	5,929	2,423	-	13,280
Federally funded programs	119,775	14,039	21,827	50,260
Student activities	-	10,995	28,445	26,448
Public school support	-	-	-	-
Other purposes	-	-	-	-
Special Revenue	-	-	-	-
Set Asides	-	-	-	-
Unrestricted (deficit)	<u>(8,863,434)</u>	<u>(20,902,380)</u>	<u>(6,864,632)</u>	<u>(9,076,564)</u>
Total governmental activities net position	<u>481,630</u>	<u>(10,224,103)</u>	<u>3,783,635</u>	<u>2,171,259</u>
Business-type activities				
Net investment in capital assets	37,695	47,527	58,061	69,285
Invested in capital assets	-	-	-	-
Unrestricted (deficit)	<u>(1,226,051)</u>	<u>(1,461,100)</u>	<u>(819,906)</u>	<u>(920,747)</u>
Total business-type activities net position	<u>(1,188,356)</u>	<u>(1,413,573)</u>	<u>(761,845)</u>	<u>(851,462)</u>
Primary government				
Net investment in capital assets	6,158,421	7,112,002	7,804,184	7,952,276
Invested in capital assets, net of related debt	-	-	-	-
Restricted for:				
Capital projects	14,282	-	2,367	540,935
Debt service	3,080,358	3,578,965	2,840,995	2,724,609
Locally funded programs	3,994	7,380	8,510	9,300
State funded programs	5,929	2,423	-	13,280
Federally funded programs	119,775	14,039	21,827	50,260
Student activities	-	10,995	28,445	26,448
Public school support	-	-	-	-
Other purposes	-	-	-	-
Special Revenue	-	-	-	-
Set Asides	-	-	-	-
Unrestricted (deficit)	<u>(10,089,485)</u>	<u>(22,363,480)</u>	<u>(7,684,538)</u>	<u>(9,997,311)</u>
Total primary government net position	<u>\$ (706,726)</u>	<u>\$ (11,637,676)</u>	<u>\$ 3,021,790</u>	<u>\$ 1,319,797</u>

Source: District financial records.

(1) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.

(2) Net position restated for GASB Statement No. 68, which was implemented in 2015.

(3) Net position restated for GASB Statement No. 75, which was implemented in 2018.

	<u>2014 (2)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	7,601,570	\$ 7,549,500	\$ 8,373,342	\$ -	\$ -	\$ -
	-	-	-	9,202,452	6,393,963	4,067,939
	3,429	48,029	18,167	95,693	1,261,175	1,954,926
	2,542,419	2,635,272	2,467,211	2,344,828	2,443,764	2,374,692
	9,351	9,352	9,938	10,985	39,180	-
	41,370	23,137	37,313	128,670	112,716	-
	118,984	214,015	25,051	171,206	54,051	-
	31,077	27,784	57,117	38,907	22,248	-
	-	-	-	-	65,549	-
	-	-	-	-	22,416	-
	-	-	-	-	-	133,881
	-	-	-	-	364,682	364,682
	(10,167,556)	15,179,958	12,562,342	10,108,424	10,795,395	10,924,003
	<u>180,644</u>	<u>25,687,047</u>	<u>23,550,481</u>	<u>22,101,165</u>	<u>21,575,139</u>	<u>19,820,123</u>
	81,291	94,072	109,865	-	-	-
	-	-	-	130,266	11,878	14,988
	<u>25,496</u>	<u>(170,180)</u>	<u>(254,234)</u>	<u>(292,148)</u>	<u>(311,466)</u>	<u>(189,365)</u>
	<u>106,787</u>	<u>(76,108)</u>	<u>(144,369)</u>	<u>(161,882)</u>	<u>(299,588)</u>	<u>(174,377)</u>
	7,682,861	7,643,572	8,483,207	-	-	-
	-	-	-	9,332,718	6,405,841	4,082,927
	3,429	48,029	18,167	95,693	1,261,175	1,954,926
	2,542,419	2,635,272	2,467,211	2,344,828	2,443,764	2,374,692
	9,351	9,352	9,938	10,985	39,180	-
	41,370	23,137	37,313	128,670	112,716	-
	118,984	214,015	25,051	171,206	54,051	-
	31,077	27,784	57,117	38,907	22,248	-
	-	-	-	-	65,549	-
	-	-	-	-	22,416	-
	-	-	-	-	-	133,881
	-	-	-	-	364,682	364,682
	(10,142,060)	15,009,778	12,308,108	9,816,276	10,483,929	10,734,638
\$	<u>287,431</u>	<u>\$ 25,610,939</u>	<u>\$ 23,406,112</u>	<u>\$ 21,939,283</u>	<u>\$ 21,275,551</u>	<u>\$ 19,645,746</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

Expenses	2018	2017	2016	2015
Governmental activities:				
Instruction:				
Regular	\$ 5,772,202	\$ 12,713,393	\$ 11,182,440	\$ 10,613,471
Special	1,983,087	3,775,162	3,274,139	3,017,452
Vocational	212	46,841	92,529	85,816
Other instructional	31,499	31,936	29,776	27,580
Support services:				
Pupil	798,083	1,557,977	1,483,200	1,388,422
Instructional staff	393,706	608,533	619,491	481,574
Board of education	45,446	59,093	71,643	268,722
Administration	719,777	1,584,574	1,627,613	1,419,446
Fiscal	516,257	908,432	753,854	594,717
Business	82,291	21,753	14,811	18,594
Operations and maintenance	1,320,479	2,027,688	2,034,114	1,761,981
Pupil transportation	473,019	903,762	773,702	670,257
Central	181,326	2,342,440	800,018	605,860
Operation of non-instructional services:				
Other non-instructional services	393,264	452,870	479,910	487,070
Extracurricular activities	265,689	575,895	459,121	449,449
Interest and fiscal charges	2,170,106	1,380,473	830,372	534,058
Bond issuance costs	-	-	-	-
Total governmental activities expenses	<u>15,146,443</u>	<u>28,990,822</u>	<u>24,526,733</u>	<u>22,424,469</u>
Business-type activities:				
Food service	448,593	441,249	374,766	378,023
Day care services	776,171	1,038,329	805,092	717,833
Total business-type activities expenses	<u>1,224,764</u>	<u>1,479,578</u>	<u>1,179,858</u>	<u>1,095,856</u>
Total primary government expenses	<u>\$ 16,371,207</u>	<u>\$ 30,470,400</u>	<u>\$ 25,706,591</u>	<u>\$ 23,520,325</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	10,160,176	\$ 10,159,477	\$ 10,527,461	\$ 10,442,452	\$ 10,359,053	\$ 9,734,851
	2,966,148	2,763,960	2,044,031	2,124,180	2,608,089	3,068,363
	119,372	101,276	101,336	88,669	172,084	17,430
	28,429	27,004	26,963	24,695	6,538	15,305
	1,327,486	1,372,568	1,402,845	1,261,354	1,092,469	1,202,917
	508,121	589,672	1,227,221	1,406,625	1,297,713	1,764,724
	63,735	33,499	24,499	27,523	30,939	27,381
	1,530,055	1,465,239	1,525,224	1,437,284	1,491,518	1,361,033
	821,468	682,284	808,236	857,173	868,247	741,625
	15,969	33,442	15,108	20,454	201,637	219,281
	2,339,963	1,767,999	1,848,672	1,952,349	2,018,495	2,156,645
	635,344	636,919	598,342	630,610	709,469	703,411
	317,623	271,886	703,144	602,701	585,207	244,236
	435,425	448,198	440,844	567,715	523,037	637,148
	475,581	531,641	546,593	556,263	454,972	613,848
	782,309	861,026	1,343,335	1,413,555	1,528,481	1,441,200
	79,000	304,956	-	-	-	-
	<u>22,606,204</u>	<u>22,051,046</u>	<u>23,183,854</u>	<u>23,413,602</u>	<u>23,947,948</u>	<u>23,949,398</u>
	407,926	431,845	409,011	385,275	415,012	345,918
	710,406	728,605	732,200	677,048	725,270	925,404
	<u>1,118,332</u>	<u>1,160,450</u>	<u>1,141,211</u>	<u>1,062,323</u>	<u>1,140,282</u>	<u>1,271,322</u>
\$	<u>23,724,536</u>	<u>23,211,496</u>	<u>24,325,065</u>	<u>24,475,925</u>	<u>25,088,230</u>	<u>25,220,720</u>

(Continued)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2018	2017	2016	2015
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 259,126	\$ 284,146	\$ 388,870	\$ 377,091
Special	175,114	85,297	92,449	29,083
Vocational	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	4,546	-	-
Board of education	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	130,677	104,996	106,943	102,301
Pupil transportation	50,501	5,603	1,670	6,108
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	1,992	538	612	-
Extracurricular activities	121,031	119,805	109,506	116,018
Operating grants and contributions:				
Instruction:				
Regular	66,352	64,743	69,269	63,046
Special	1,114,651	996,773	856,418	962,436
Vocational	3,808	265	743	284
Adult/Continuing	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Pupil	112,271	115,201	97,004	114,345
Instructional staff	21,590	26,715	28,806	28,204
Board of education	-	-	-	-
Administration	871	535	764	1,162
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	8,154	13,636	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	440,936	445,008	465,242	457,319
Extracurricular activities	14,988	7,404	4,995	200
Capital grants and contributions:				
Instruction:				
Regular	109	-	-	-
Support services:				
Operations and maintenance	2,847	-	-	-
Pupil transportation	4,679	-	-	-
Total governmental program revenues	2,529,697	2,275,211	2,223,291	2,257,597
Business-type activities:				
Charges for services and sales:				
Food service	248,166	242,923	204,915	184,078
Day care services	995,895	951,572	854,022	741,552
Operating grants and contributions:				
Food service	205,920	196,829	199,368	187,378
Total business-type activities program revenues	1,449,981	1,391,324	1,258,305	1,113,008
Total primary government program revenue	3,979,678	3,666,535	3,481,596	3,370,605
Net (Expense)/Revenue				
Governmental activities	(12,616,746)	(26,715,611)	(22,303,442)	(20,166,872)
Business-type activities	225,217	(88,254)	78,447	17,152
Total primary government net expense	\$ (12,391,529)	\$ (26,803,865)	\$ (22,224,995)	\$ (20,149,720)

	2014	2013	2012	2011	2010	2009
\$	336,844	\$ 414,852	\$ 405,162	\$ 369,546	\$ 373,012	\$ 262,454
	38,480	33,017	11,753	-	-	53,948
	-	-	-	-	-	333
	-	-	1,712	2,257	3,435	-
	-	-	-	-	-	20,926
	-	-	-	479	11,063	31,346
	-	-	-	-	-	530
	-	-	1,872	-	-	27,200
	-	-	-	-	-	14,731
	-	-	-	-	-	4,098
	102,164	101,970	104,119	103,635	87,782	47,017
	29,600	35,520	33,382	21,541	19,363	12,392
	-	1,431	-	230	307	6,587
	1,990	1,237	172	1,750	6,258	7,636
	101,150	103,829	96,092	117,699	99,970	100,987
	63,770	64,233	66,040	189,310	86,014	63,267
	952,668	727,450	392,629	654,196	673,625	405,537
	140	7,802	7,802	7,802	7,744	3,133
	-	-	-	-	-	-
	-	784	654	290	-	17,258
	104,071	177,360	122,200	144,588	146,765	163,928
	44,373	62,143	-	77,163	101,288	38,154
	-	-	-	-	-	-
	4,133	8,771	2,831	17,816	20,605	16,607
	25,756	26,018	9,975	18,249	14,596	9,352
	2,589	-	1,161	130,747	78,839	-
	-	-	37,082	-	38,444	-
	-	2,146	8,321	5,030	5,170	6,695
	448,969	430,875	438,194	519,233	527,822	556,617
	1,825	6,306	25,737	1,193	125	-
	-	-	-	-	-	-
	-	-	-	1,256	-	-
	-	-	-	-	-	-
	<u>2,258,522</u>	<u>2,205,744</u>	<u>1,766,890</u>	<u>2,384,010</u>	<u>2,302,227</u>	<u>1,870,733</u>
	228,269	232,193	199,724	179,685	193,762	211,747
	793,720	791,579	746,139	686,999	637,749	688,074
	<u>171,535</u>	<u>188,987</u>	<u>202,397</u>	<u>175,548</u>	<u>145,805</u>	<u>125,262</u>
	<u>1,193,524</u>	<u>1,212,759</u>	<u>1,148,260</u>	<u>1,042,232</u>	<u>977,316</u>	<u>1,025,083</u>
	<u>3,452,046</u>	<u>3,418,503</u>	<u>2,915,150</u>	<u>3,426,242</u>	<u>3,279,543</u>	<u>2,895,816</u>
	(20,347,682)	(19,845,302)	(21,416,964)	(21,029,592)	(21,645,721)	(22,078,665)
	<u>75,192</u>	<u>52,309</u>	<u>7,049</u>	<u>(20,091)</u>	<u>(162,966)</u>	<u>(246,239)</u>
\$	<u>(20,272,490)</u>	<u>(19,792,993)</u>	<u>(21,409,915)</u>	<u>(21,049,683)</u>	<u>(21,808,687)</u>	<u>(22,324,904)</u>

(Continued)

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 15,230,017	\$ 13,214,078	\$ 16,945,403	\$ 15,302,280
Debt service	1,930,380	1,645,228	1,776,939	1,636,060
Capital outlay	727,981	579,683	-	-
Grants and entitlements not restricted to specific programs	4,911,677	4,873,761	4,850,596	4,776,039
Investment earnings	744,644	268,157	334,013	94,653
Fair value adjustment	(227,440)	(350,762)	-	-
Miscellaneous	5,220	23,184	8,867	388,455
Transfers	-	-	-	(40,000)
Total governmental activities	<u>23,322,479</u>	<u>20,253,329</u>	<u>23,915,818</u>	<u>22,157,487</u>
Business-type activities:				
Miscellaneous	-	-	11,170	8,185
Transfers	-	-	-	40,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>11,170</u>	<u>48,185</u>
Total primary government	<u>23,322,479</u>	<u>20,253,329</u>	<u>23,926,988</u>	<u>22,205,672</u>
Change in Net Position				
Governmental activities	10,705,733	(6,462,282)	1,612,376	1,990,615
Business-type activities	<u>225,217</u>	<u>(88,254)</u>	<u>89,617</u>	<u>65,337</u>
Total primary government	<u>\$ 10,930,950</u>	<u>\$ (6,550,536)</u>	<u>\$ 1,701,993</u>	<u>\$ 2,055,952</u>

Source: District financial records.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	16,876,303	\$ 15,093,080	\$ 15,697,755	\$ 14,008,337	\$ 15,773,158	\$ 16,115,346
	1,925,240	2,032,515	2,166,501	1,933,450	2,117,387	2,116,467
	-	-	-	-	-	-
	4,580,830	4,744,664	4,773,368	5,173,969	5,217,461	5,288,005
	135,563	31,082	118,471	127,727	223,267	513,033
	-	-	-	-	-	-
	26,392	80,527	110,185	57,879	69,464	68,766
	(107,000)	-	-	-	-	-
	<u>23,437,328</u>	<u>21,981,868</u>	<u>22,866,280</u>	<u>21,301,362</u>	<u>23,400,737</u>	<u>24,101,617</u>
	703	15,952	10,464	36,709	37,755	66,490
	107,000	-	-	-	-	-
	<u>107,703</u>	<u>15,952</u>	<u>10,464</u>	<u>36,709</u>	<u>37,755</u>	<u>66,490</u>
	<u>23,545,031</u>	<u>21,997,820</u>	<u>22,876,744</u>	<u>21,338,071</u>	<u>23,438,492</u>	<u>24,168,107</u>
	3,089,646	2,136,566	1,449,316	271,770	1,755,016	2,022,952
	182,895	68,261	17,513	16,618	(125,211)	(179,749)
\$	<u>3,272,541</u>	<u>2,204,827</u>	<u>1,466,829</u>	<u>288,388</u>	<u>1,629,805</u>	<u>1,843,203</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:				
Instruction:				
Regular	\$ 325,587	\$ 348,889	\$ 458,139	\$ 440,137
Special	1,289,765	1,082,070	948,867	991,519
Vocational	3,808	265	743	284
Adult/Continuing	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Pupil	112,271	115,201	97,004	114,345
Instructional staff	21,590	31,261	28,806	28,204
Board of education	-	-	-	-
Administration	871	535	764	1,162
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	133,524	104,996	106,943	102,301
Pupil transportation	63,334	19,239	1,670	6,108
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	442,928	445,546	465,854	457,319
Extracurricular activities	136,019	127,209	114,501	116,218
Total governmental activities	<u>2,529,697</u>	<u>2,275,211</u>	<u>2,223,291</u>	<u>2,257,597</u>
Business-type activities:				
Food service	454,086	439,752	404,283	371,456
Day care services	995,895	951,572	854,022	741,552
Total business-type activities	<u>1,449,981</u>	<u>1,391,324</u>	<u>1,258,305</u>	<u>1,113,008</u>
Total primary government	<u>\$ 3,979,678</u>	<u>\$ 3,666,535</u>	<u>\$ 3,481,596</u>	<u>\$ 3,370,605</u>

Source: District financial records.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	400,614	\$ 479,085	\$ 471,202	\$ 558,856	\$ 459,026	\$ 325,721
	991,148	760,467	404,382	654,196	673,625	459,485
	140	7,802	7,802	7,802	7,744	3,466
	-	-	-	-	-	-
	-	784	2,366	2,547	3,435	17,258
	104,071	177,360	122,200	144,588	146,765	184,854
	44,373	62,143	-	77,642	112,351	69,500
	-	-	-	-	-	530
	4,133	8,771	4,703	17,816	20,605	43,807
	25,756	26,018	9,975	18,249	14,596	24,083
	-	-	-	-	-	4,098
	104,753	101,970	105,280	235,638	166,621	47,017
	29,600	35,520	70,464	21,541	57,807	12,392
	-	3,577	8,321	5,260	5,477	13,282
	450,959	432,112	438,366	520,983	534,080	564,253
	102,975	110,135	121,829	118,892	100,095	100,987
	<u>2,258,522</u>	<u>2,205,744</u>	<u>1,766,890</u>	<u>2,384,010</u>	<u>2,302,227</u>	<u>1,870,733</u>
	399,804	421,180	402,121	355,233	339,567	337,009
	793,720	791,579	746,139	686,999	637,749	688,074
	<u>1,193,524</u>	<u>1,212,759</u>	<u>1,148,260</u>	<u>1,042,232</u>	<u>977,316</u>	<u>1,025,083</u>
\$	<u>3,452,046</u>	<u>\$ 3,418,503</u>	<u>\$ 2,915,150</u>	<u>\$ 3,426,242</u>	<u>\$ 3,279,543</u>	<u>\$ 2,895,816</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ 16,278	\$ 22,707	\$ 11,453	\$ 61,494
Committed	58,789	123,506	17,356	-
Assigned	2,745,502	1,230,332	230,746	1,550,484
Unassigned	12,816,652	16,109,357	20,549,891	18,007,077
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>15,637,221</u>	<u>17,485,902</u>	<u>20,809,446</u>	<u>19,619,055</u>
All Other Governmental Funds:				
Restricted	35,140,587	37,826,418	3,309,884	3,596,800
Committed	305,766	734,522	839,531	-
Unassigned (deficit)	(243,622)	(38,682)	(103,446)	(51,372)
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>35,202,731</u>	<u>38,522,258</u>	<u>4,045,969</u>	<u>3,545,428</u>
Total governmental funds	<u>\$ 50,839,952</u>	<u>\$ 56,008,160</u>	<u>\$ 24,855,415</u>	<u>\$ 23,164,483</u>

Source: District financial records.

(1) The District implemented GASB Statement 54 in fiscal year 2011.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 10,689	\$ 10,457	\$ 7,605	\$ -	\$ -	\$ -
-	-	10,234	178,302	-	-
313,968	223,219	294,570	326,450	-	-
17,921,642	15,341,983	13,732,862	12,512,850	-	-
-	-	-	-	2,889,744	3,089,568
-	-	-	-	9,225,324	9,066,925
<u>18,246,299</u>	<u>15,575,659</u>	<u>14,045,271</u>	<u>13,017,602</u>	<u>12,115,068</u>	<u>12,156,493</u>
2,892,863	2,822,345	2,638,222	2,652,841	-	-
273,857	374,441	111,584	299,333	-	-
-	(25,867)	(4,961)	(129)	-	-
-	-	-	-	1,120,673	661,129
-	-	-	-	(27,915)	166,615
-	-	-	-	2,122,537	2,045,656
-	-	-	-	616,222	965,628
<u>3,166,720</u>	<u>3,170,919</u>	<u>2,744,845</u>	<u>2,952,045</u>	<u>3,831,517</u>	<u>3,839,028</u>
<u>\$ 21,413,019</u>	<u>\$ 18,746,578</u>	<u>\$ 16,790,116</u>	<u>\$ 15,969,647</u>	<u>\$ 15,946,585</u>	<u>\$ 15,995,521</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
From local sources:				
Property taxes	\$ 17,910,207	\$ 15,434,566	\$ 18,653,576	\$ 17,463,995
Tuition	211,277	133,186	259,359	208,922
Transportation fees	17,230	-	-	-
Earnings on investments	745,200	298,909	338,748	88,514
Extracurricular	201,228	226,960	191,232	181,275
Classroom materials and fees	159,486	126,028	122,996	107,442
Rental income	110,438	104,996	106,943	102,301
Contributions and donations	25,248	21,307	20,573	10,671
Contract services	38,782	8,157	13,764	-
Other local revenues	20,781	51,563	19,171	36,032
Intergovernmental	6,477,788	6,527,414	6,454,356	6,407,102
Decrease in fair value on investments	(227,440)	(431,252)	-	-
Total revenues	<u>25,690,225</u>	<u>22,501,834</u>	<u>26,180,718</u>	<u>24,606,254</u>
Expenditures				
Current:				
Instruction:				
Regular	10,847,292	10,494,713	10,071,144	9,520,195
Special	4,081,533	3,490,003	3,294,387	3,063,183
Vocational	378	58,070	109,194	104,218
Other	11,558	12,192	11,966	12,029
Support services:				
Pupil	1,471,241	1,442,216	1,486,365	1,411,112
Instructional staff	692,700	581,746	609,876	450,574
Board of education	53,335	57,925	71,743	268,996
Administration	1,532,160	1,497,235	1,633,050	1,461,397
Fiscal	799,005	862,482	747,497	611,516
Business	159,100	21,428	14,811	18,594
Operations and maintenance	1,881,694	1,889,757	1,964,733	1,810,888
Pupil transportation	875,062	817,352	735,082	729,462
Central	243,806	2,182,297	795,281	788,137
Operation of non-instructional services:				
Other non-instructional services	441,527	440,186	485,062	488,433
Extracurricular activities	537,211	546,529	493,861	460,659
Facilities acquisition and construction	2,721,611	685,154	86,446	100,095
Capital outlay	-	-	-	-
Issuance costs	-	-	-	-
Debt service:				
Principal retirement	2,203,385	1,686,414	1,203,620	1,203,893
Interest and fiscal charges	2,079,047	803,544	675,668	702,849
Bond and certificates of participation issuance costs	-	457,402	-	-
Accretion on capital appreciation bonds	226,788	102,894	-	-
Total expenditures	<u>30,858,433</u>	<u>28,129,539</u>	<u>24,489,786</u>	<u>23,206,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,168,208)</u>	<u>(5,627,705)</u>	<u>1,690,932</u>	<u>1,400,024</u>
Other Financing Sources (Uses)				
Transfers in	1,368,000	850,000	1,600,000	899,000
Transfers (out)	(1,368,000)	(1,180,000)	(1,600,000)	(979,000)
Sale of assets	-	-	-	431,440
Capital lease transaction	-	1,644,518	-	-
General obligation bonds issued	-	10,750,000	-	-
Refunding bonds issued	-	-	-	-
Premium on certificates of participations and bonds	-	550,932	-	-
Payment refunded bond escrow agent	-	-	-	-
Certificates of participation issued	-	24,165,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>36,780,450</u>	<u>-</u>	<u>351,440</u>
Net change in fund balances	<u>\$ (5,168,208)</u>	<u>\$ 31,152,745</u>	<u>\$ 1,690,932</u>	<u>\$ 1,751,464</u>
Capital expenditures (included in expenditures above)	2,973,080	640,033	42,566	383,049
Debt service as a percentage of noncapital expenditures	16.17%	9.43%	7.69%	8.35%

Source: District financial records.

(1) Includes General, Special Revenue, Capital Projects, and Debt Service funds.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	18,416,893	\$ 17,392,923	\$ 17,083,443	\$ 17,064,594	\$ 17,595,767	\$ 18,168,781
	222,481	306,080	266,691	195,792	207,506	314,045
	-	-	-	-	-	-
	132,284	37,413	113,069	121,957	208,581	513,033
	164,039	171,383	155,419	160,095	153,008	183,195
	79,751	76,903	96,508	136,074	135,664	-
	102,164	101,970	104,119	103,635	87,782	115,447
	12,069	11,378	33,545	11,041	13,469	14,548
	-	-	-	-	-	-
	72,341	101,243	155,159	79,420	104,694	68,766
	6,368,137	5,994,215	6,084,947	6,736,014	6,835,178	6,497,091
	-	-	-	-	-	-
	<u>25,570,159</u>	<u>24,193,508</u>	<u>24,092,900</u>	<u>24,608,622</u>	<u>25,341,649</u>	<u>25,874,906</u>
	8,947,016	9,049,519	9,472,929	9,292,770	9,406,536	8,778,083
	2,969,311	2,749,086	2,054,128	2,127,551	2,723,835	3,004,012
	131,726	112,285	101,336	88,669	172,084	17,430
	14,478	14,650	15,954	24,695	6,538	15,305
	1,315,830	1,391,035	1,418,673	1,253,749	1,121,925	1,167,004
	454,886	543,701	1,191,611	1,382,636	1,304,854	1,654,506
	63,735	33,499	24,499	27,523	30,939	27,381
	1,514,324	1,446,104	1,525,693	1,434,797	1,557,313	1,336,634
	816,874	683,382	807,897	852,313	861,725	742,080
	15,969	33,442	15,108	37,798	184,293	219,281
	1,695,749	1,708,857	1,714,845	1,809,114	2,014,311	2,271,267
	697,314	693,156	714,197	535,905	736,858	640,776
	301,018	259,559	586,819	598,003	576,868	240,556
	434,108	446,655	440,733	562,698	519,876	603,912
	473,027	531,056	545,067	554,880	454,972	609,636
	821,181	409,514	263,660	1,573,926	1,263,770	1,765,933
	446,648	-	-	-	-	-
	79,000	304,956	-	-	-	-
	1,365,000	1,280,000	1,210,000	1,265,000	1,185,000	1,145,000
	729,413	854,092	1,174,282	1,197,228	1,268,888	1,268,198
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>23,286,607</u>	<u>22,544,548</u>	<u>23,277,431</u>	<u>24,619,255</u>	<u>25,390,585</u>	<u>25,506,994</u>
	2,283,552	1,648,960	815,469	(10,633)	(48,936)	367,912
	1,019,132	1,064,010	452,500	1,126,578	2,546,391	402,013
	(1,162,156)	(1,064,010)	(452,500)	(1,092,883)	(2,546,391)	(402,013)
	-	-	5,000	-	-	-
	446,648	-	-	-	-	-
	-	-	-	-	-	-
	6,901,000	16,539,980	-	-	-	-
	490,730	2,350,698	-	-	-	-
	(7,312,465)	(18,583,176)	-	-	-	-
	-	-	-	-	-	-
	<u>382,889</u>	<u>307,502</u>	<u>5,000</u>	<u>33,695</u>	<u>-</u>	<u>-</u>
\$	<u>2,666,441</u>	<u>1,956,462</u>	<u>820,469</u>	<u>23,062</u>	<u>(48,936)</u>	<u>367,912</u>
	692,418	453,102	263,660	1,573,926	1,263,770	1,765,933
	9.27%	9.66%	10.35%	10.63%	10.22%	10.20%

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Tangible Personal Property					
	Real Property		Public Utility		General Business	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	\$ 354,857,500	\$ 1,013,878,571	\$ 5,332,130	\$ 6,059,239	\$ -	\$ -
2017	354,231,570	1,012,090,200	4,984,210	5,663,875	-	-
2016	361,371,420	1,032,489,771	4,705,490	5,347,148	-	-
2015	334,796,640	956,561,829	4,598,810	5,225,920	-	-
2014	340,827,800	973,793,714	4,394,500	4,993,750	-	-
2013	336,463,920	961,325,486	4,011,650	4,558,693	-	-
2012	350,580,950	1,001,659,857	3,709,930	4,215,830	-	-
2011	356,225,970	1,017,788,486	3,580,770	4,069,057	-	-
2010	355,779,330	1,016,512,371	3,498,100	3,975,114	566,680	-
2009	387,103,710	1,106,010,600	3,279,780	3,727,023	1,941,250	-

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually. General business tangible personal property tax was being phased out in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2008, 6.25 percent for 2008 and zero for 2009.

Note: The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated by the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed. Beginning in 2006 collection year, the 10 percent for commercial/industry property has been eliminated.

(1) The effective tax rate has been replaced by the direct tax rate for all years covered by this schedule.

Source: Office of the Fiscal Officer, Cuyahoga County

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate (1)
\$ 360,189,630	\$ 1,019,937,810	35.31%	\$ 98.72
359,215,780	1,017,754,075	35.29%	98.62
366,076,910	1,037,836,919	35.27%	96.17
339,395,450	961,787,749	35.29%	96.47
345,222,300	978,787,464	35.27%	96.47
340,475,570	965,884,179	35.25%	97.70
354,290,880	1,005,875,687	35.22%	97.60
359,806,740	1,021,857,543	35.21%	97.27
359,844,110	1,020,487,485	35.26%	97.27
392,324,740	1,109,737,623	35.35%	95.97

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection	Direct Tax Rates					Overlapping Tax Rates			
	Voted			Unvoted	Total Direct	County Levy	City Levy	Total Levy	
Year	General	Bond	Permanent Improvement						
2017/2018	\$ 85.80	\$ 6.20	\$ 2.15	\$ 4.57	\$ 98.72	\$ 27.02	\$ 11.80	\$ 137.54	
2016/2017	85.70	6.20	2.15	4.57	98.62	27.02	11.80	137.44	
2015/2016	86.30	5.30	-	4.57	96.17	25.40	11.56	133.13	
2014/2015	86.30	5.60	-	4.57	96.47	25.83	11.80	134.10	
2013/2014	86.30	5.60	-	4.57	96.47	24.84	11.61	132.92	
2012/2013	86.10	7.03	-	4.57	97.70	20.80	11.80	130.30	
2011/2012	86.00	7.03	-	4.57	97.60	20.80	11.80	130.20	
2010/2011	85.77	6.93	-	4.57	97.27	20.60	11.80	129.67	
2009/2010	85.77	6.93	-	4.57	97.27	20.60	11.80	129.67	
2008/2009	85.17	6.23	-	4.57	95.97	20.60	11.80	128.37	

Source: Cuyahoga County Fiscal Officer's Office - Data is presented on a calendar year basis consistent with the County Fiscal Officer's method of maintaining the information. Composite Reduction Factor (DTE515) report for tax year 2012.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collection</u>	<u>Total Collection As a Percent of Total Levy</u>
2018	\$ 21,130,672	\$ 20,779,310	98.34%	\$ 371,336	\$ 21,150,646	100.09%
2017	21,030,238	20,598,397	97.95%	400,537	20,998,934	99.85%
2016	19,764,698	19,472,336	98.52%	280,719	19,753,055	99.94%
2015	19,772,724	19,361,912	97.92%	390,321	19,752,233	99.90%
2014	19,798,918	19,285,908	97.41%	461,947	19,747,855	99.74%
2013	20,507,201	19,663,016	95.88%	384,089	20,047,105	97.76%
2012	20,373,581	19,710,953	96.75%	548,602	20,259,555	99.44%
2011	20,793,529	19,732,467	94.90%	504,382	20,236,849	97.32%
2010	20,610,274	19,681,628	95.49%	523,827	20,205,455	98.04%
2009	20,538,092	19,852,476	96.66%	509,858	20,362,334	99.14%

Source: Office of the Fiscal Officer, Cuyahoga County.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) The County does not identify delinquent tax collections by tax year.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2018 AND DECEMBER 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Z & Sons Limited	\$ 6,560,510	1	1.82%
Fairview Retail, LLC	3,714,040	2	1.03%
Cleveland Electric Illuminating Company	3,699,420	3	1.03%
LVIHEF LLC	2,996,220	4	0.83%
200 West Apartments	1,973,580	5	0.55%
West Valley Medical	1,717,560	6	0.48%
Fairview Office Land Holdings, LLC	1,266,170	7	0.35%
American Transmission System	1,091,350	8	0.30%
Stallard-Schrier Fam Ltd Par	888,230	9	0.25%
East Ohio Gas Company	834,490	10	0.23%
Totals	\$ 24,741,570		6.87%
Toal Assessed Valuation	\$ 360,189,630		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Z & Sons Limited Partnership	\$ 5,950,000	1	1.52%
Board of Education of Fairview Park	5,836,010	2	1.49%
Fairview Shopping Center Corporation	4,138,690	3	1.05%
Cleveland Electrical Illuminating	2,717,140	4	0.69%
Lawn Village, Inc.	2,439,220	5	0.62%
200 West Apartments	1,855,000	6	0.47%
Fairview Land Office	1,136,250	7	0.28%
Positive Education	1,018,820	8	0.26%
Fairview Park Senior Apartments	866,530	9	0.22%
Stallard-Schrier Fam Ltd Par	805,000	10	0.21%
Totals	\$ 26,762,660		6.82%
Toal Assessed Valuation	\$ 392,324,740		

Source: Office of the Fiscal Officer, Cuyahoga County

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

Fiscal Year	Governmental Activities				Total	Percentage of Total Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases				
2018	\$ 33,729,443	\$ 23,465,000	\$ 548,172	\$ 57,742,615	10.72%	\$ 3,544	
2017	34,859,389	24,165,000	1,096,345	60,120,734	11.26%	3,573	
2016	24,708,615	-	149,135	24,857,750	4.78%	1,477	
2015	25,664,301	-	295,755	25,960,056	5.22%	1,543	
2014	26,842,945	-	446,648	27,289,593	5.49%	1,647	
2013	28,536,131	-	-	28,536,131	5.74%	1,696	
2012	27,604,200	-	-	27,604,200	5.55%	1,641	
2011	28,683,343	-	-	28,683,343	5.77%	1,705	
2010	29,758,438	-	-	29,758,438	6.44%	1,694	
2009	30,773,718	-	-	30,773,718	6.66%	1,751	

Source: District financial records.

(1) Includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) See "Demographic and Economic Statistics" for population and personal income information.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RATIO OF DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	(2) Estimated Actual Value of Taxable Property	General Bonded Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
			General Bonded Debt Outstanding (4)	Resources Available to Pay Principal (3)	Net General Bonded Debt			
2018	16,292	\$ 1,019,937,810	\$ 33,729,443	\$ 3,542,241	\$ 30,187,202	2.96%	1,853	
2017	16,826	1,017,754,075	34,859,389	3,709,916	31,149,473	3.06%	1,851	
2016	16,826	1,037,836,919	24,708,615	3,257,314	21,451,301	2.07%	1,275	
2015	16,826	961,787,749	25,664,301	2,970,985	22,693,316	2.36%	1,349	
2014	16,571	978,787,464	26,842,945	2,734,196	24,108,749	2.46%	1,455	
2013	16,826	965,884,179	28,536,131	2,734,196	25,801,935	2.68%	1,538	
2012	16,826	1,005,875,687	27,604,200	2,471,773	25,132,427	2.50%	1,494	
2011	16,826	1,021,857,543	28,683,343	2,457,586	26,225,757	2.57%	1,559	
2010	17,572	1,020,487,485	29,758,438	2,442,316	27,316,122	2.68%	1,555	
2009	17,572	1,109,737,623	30,773,718	2,372,936	28,400,782	2.56%	1,616	

Source: District financial records.

- (1) See "Demographic and Economic Statistics" for population information.
- (2) See "Assessed Valuation and estimated Actual Value of Taxable Property" for estimated actual value of taxable property information.
- (3) Represents the fund balance of the bond retirement fund. Portion specific to principal and interest cannot be determined. Entire balance may be applied to principal.
- (4) Includes unamortized premiums and accreted interest on capital appreciation bonds.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Voted</u>				
Assessed Valuation	\$ 360,189,630	\$ 359,215,780	\$ 366,076,910	\$ 339,395,450
Debt Limit - 9% of assessed value	\$ 32,417,067	\$ 32,329,420	\$ 32,946,922	\$ 30,545,591
Amount of debt applicable to debt limit:				
General obligation bonds (1)	54,325,701	55,980,913	22,055,019	23,019,717
Less amount available in debt service	(3,542,241)	(3,709,916)	(3,257,314)	(2,970,985)
Total	<u>50,783,460</u>	<u>52,270,997</u>	<u>18,797,705</u>	<u>20,048,732</u>
Overall debt margin	<u>\$ (18,366,393)</u>	<u>\$ (19,941,577)</u>	<u>\$ 14,149,217</u>	<u>\$ 10,496,859</u>
Total net debt applicable to limit as a percentage of debt limit	156.66%	161.68%	57.05%	65.64%
<u>Unvoted</u>				
Debt margin - .10% of assessed value	\$ 360,190	\$ 359,216	\$ 366,077	\$ 339,395
Amount of debt applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted debt margin	<u>\$ 360,190</u>	<u>\$ 359,216</u>	<u>\$ 366,077</u>	<u>\$ 339,395</u>

Source: District financial records.

(1) Excludes unamortized premiums and accreted interest on capital appreciation bonds.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>\$ 345,222,300</u>	<u>\$ 340,475,570</u>	<u>\$ 354,290,880</u>	<u>\$ 359,806,740</u>	<u>\$ 359,844,110</u>	<u>\$ 392,324,740</u>
<u>\$ 31,070,007</u>	<u>\$ 30,642,801</u>	<u>\$ 31,886,179</u>	<u>\$ 32,382,607</u>	<u>\$ 32,385,970</u>	<u>\$ 35,309,227</u>
23,991,516	25,304,980	25,980,773	26,624,993	27,659,992	30,212,992
<u>(2,771,555)</u>	<u>(25,801,935)</u>	<u>(25,132,427)</u>	<u>(26,225,757)</u>	<u>(27,316,122)</u>	<u>(28,400,782)</u>
<u>21,219,961</u>	<u>(496,955)</u>	<u>848,346</u>	<u>399,236</u>	<u>343,870</u>	<u>1,812,210</u>
<u>\$ 9,850,046</u>	<u>\$ 31,139,756</u>	<u>\$ 31,037,833</u>	<u>\$ 31,983,371</u>	<u>\$ 32,042,100</u>	<u>\$ 33,497,017</u>
68.30%	-1.62%	2.66%	1.23%	1.06%	5.13%
<u>\$ 345,222</u>	<u>\$ 340,476</u>	<u>\$ 354,291</u>	<u>\$ 359,807</u>	<u>\$ 359,844</u>	<u>\$ 392,325</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 345,222</u>	<u>\$ 340,476</u>	<u>\$ 354,291</u>	<u>\$ 359,807</u>	<u>\$ 359,844</u>	<u>\$ 392,325</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Fairview Park Population (1)	Average Personal Income (1)	Per Capita Personal Income (1)	Cuyahoga County Unemployment Rate (2)
2018	16,292	\$ 538,532,060	\$ 33,055	6.4%
2017	16,826	534,023,588	31,738	4.8%
2016	16,826	519,973,878	30,903	4.0%
2015	16,826	497,477,516	30,503	6.4%
2014	16,571	497,477,516	32,144	7.0%
2013	16,826	497,477,516	29,566	7.3%
2012	16,826	497,477,516	29,566	6.9%
2011	16,826	497,477,516	29,566	7.9%
2010	17,572	462,258,972	26,307	9.7%
2009	17,572	462,258,972	26,307	9.1%

(1) U. S. Census Bureau website

(2) Ohio Department of Job and Family Services

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

		2018	
Employer	Nature of Business	Number of Employees	Percentage of Total Employment
Fairview Park City School District	School District	359	4.29%
Target Corporation	Retail	323	3.86%
Kohls Department Stores, Inc.	Retail	296	3.53%
Cleveland Metroparks	Metroparks System	288	3.44%
City of Fairview Park	City Government	237	2.83%
Education Service Center, Inc.	School District Resources	214	2.55%
Cuyahoga County Auditor Payroll	County Government	164	1.96%
Riser Foods Co.	Retail Grocery	146	1.74%
McGowan & Company Inc.	Insurance Agency	99	1.18%
Reverves Network, Inc.	Staffing Agency	80	0.95%
Total		<u>2,206</u>	<u>26.33%</u>
Total employment within the District		<u>8,378</u>	

		2009	
Employer	Nature of Business	Number of Employees	Percentage of Total Employment
Fairview Park CSD	School District	413	4.59%
Target Corporation	Retail	323	3.59%
U.S. Department of Interior	Federal	232	2.58%
Cleveland Metroparks System	Metroparks System	229	2.54%
Cuyahoga County Auditor	County Government	201	2.23%
Analex Corporation	Information Technology	152	1.69%
ASRC Areospace Corporation	Engineering and Information Technology	139	1.54%
McGowan & Company	Health Care Services	92	1.02%
Cleveland Clinic Foundation	Health Care	61	0.68%
Westside Cardiology	Hospital & Health Services (Consulting)	51	0.57%
Total		<u>1,893</u>	<u>21.02%</u>
Total employment within the District (2)		<u>9,004</u>	

Source: Number of employees obtained from the W2's from RITA.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**BUILDING STATISTICS BY FUNCTION/PROGRAM
CURRENT FISCAL YEAR**

Parkview Early Education Learning Center

Constructed in 1952, 1959, 1966
Total Building Square Footage 40,086
Enrollment Grades - Preschool, Day Care, Kindergarten
Student Capacity - 500
Regular Instruction Classrooms - 7
Regular Instruction Teachers - 6
Special Instruction Teachers - 6

Fairview High School

Constructed in 1929, 1948, 1952, 1954
1960, 1968, 1970, 1978
Total Building Square Footage 160,559
Enrollment Grades - 9-12
Student Capacity - 850
Regular Instruction Classrooms - 35
Regular Instruction Teachers - 22
Special Instruction Teachers - 10

Lewis F. Mayer Middle School

Constructed in 1954, 1960, 1968
Total Building Square Footage 30,790
Enrollment Grades - 6 - 8
Student Capacity - 450
Regular Instruction Classrooms - 23
Regular Instruction Teachers - 18
Special Instruction Teachers - 10

Gilles-Sweet Elementary School

Constructed in 2007
Total Building Square Footage 104,987
Enrollment Grades - 1 - 5
Student Capacity - 882
Regular Instruction Classrooms - 30
Regular Instruction Teachers -30
Special Instruction Teachers - 8

Source: District records.

Latest information available

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PER PUPIL COST
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities Expenses	Enrollment (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2018	\$ 15,146,443	1,794	8,443	-47.38%	125.00	14.4
2017	28,990,822	1,807	16,044	20.69%	123.00	14.7
2016	24,526,733	1,845	13,294	5.82%	115.00	16.0
2015	22,424,469	1,785	12,563	-0.25%	118.33	15.1
2014	22,606,204	1,795	12,594	2.80%	105.00	17.1
2013	22,051,046	1,800	12,251	-9.17%	111.00	16.2
2012	23,413,602	1,736	13,487	2.39%	112.00	15.5
2011	23,183,854	1,760	13,173	-3.03%	111.82	15.7
2010	23,949,398	1,763	13,584	6.19%	112.97	15.6
2009	20,532,767	1,605	12,793	5.86%	110.00	14.6

Source: District records.

(1) Based upon EMIS information provided to the Ohio Department of Education.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Elementary Schools (1)	Middle School Enrollment	High School	Totals
2018	837	414	543	1,794
2017	830	405	572	1,807
2016	854	415	576	1,845
2015	815	394	573	1,782
2014	799	424	572	1,795
2013	943	277	580	1,800
2012	907	243	586	1,736
2011	915	244	601	1,760
2010	898	261	604	1,763
2009	724	265	616	1,605

Source: Ohio Department of Education.

(1) Includes Kindergarten enrollment.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

FULL-TIME EQUIVALENT SCHOOL DISTRICT TEACHERS BY EDUCATION
LAST TEN FISCAL YEARS (1)

<u>Fiscal Year</u>	<u>Bachelor's Degree</u>	<u>Bachelor + 18</u>	<u>Bachelor + 30</u>	<u>Master's Degree</u>	<u>Master + 18</u>	<u>Master + 30</u>	<u>PhD/EDS</u>	<u>Total</u>
2018	18.00	5.00	17.00	54.00	11.00	14.00	6.00	125.00
2017	10.00	10.00	19.00	60.00	7.00	13.00	4.00	123.00
2016	13.00	9.00	18.00	53.00	6.00	12.00	4.00	115.00
2015	19.00	8.00	18.33	50.00	9.00	10.00	4.00	118.33
2014	6.00	5.00	20.00	55.00	3.00	12.00	4.00	105.00
2013	7.00	6.00	24.00	49.00	4.00	17.00	4.00	111.00
2012	4.00	8.50	17.50	49.00	4.00	24.00	5.00	112.00
2011	7.50	5.00	22.50	44.56	4.00	24.26	4.00	111.82
2010	10.75	5.42	25.00	32.80	4.00	31.00	4.00	112.97
2009	10.00	6.00	20.00	40.00	7.00	26.00	1.00	110.00

Source: District records.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

AVERAGE NUMBER OF STUDENTS PER TEACHER
LAST TEN SCHOOL YEARS

<u>Fiscal Year</u>	<u>Fairview Park Average</u>	<u>State Average</u>
2018	(1)	(1)
2017	(1)	(1)
2016	(1)	(1)
2015	(1)	(1)
2014	(1)	(1)
2013	(1)	(1)
2012	(1)	(1)
2011	(1)	(1)
2010	(1)	(1)
2009	21.66	18.47

Source: Ohio Department of Education, EMIS Reports.

(1) Information for fiscal year 2018-2010 not available.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ATTENDANCE AND GRADUATION RATES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Fairview Park Attendance Rate</u>	<u>State Average</u>	<u>Fairview Park Graduation Rate</u>	<u>State Average</u>
2018	93.3%	(1)	94.3%	84.1%
2017	94.9%	(1)	93.1%	(1)
2016	95.4%	(1)	90.1%	78.7%
2015	(1)	(1)	(1)	(1)
2014	95.1%	94.3%	90.8%	82.2%
2013	94.8%	94.2%	92.0%	81.3%
2012	(1)	(1)	(1)	(1)
2011	95.6%	94.5%	98.6%	84.3%
2010	95.3%	95.3%	97.9%	83.0%
2009	95.3%	94.3%	95.9%	84.6%

Source: Ohio Department of Education Local Report Cards.

(1) Information for fiscal year 2012, 2015, 2016, 2017 and 2018 not available.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ACT COMPOSITE SCORES
LAST TEN SCHOOL YEARS

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Fairview Park Composite	Ohio Composite	National Composite
2017-2018	145	145	96%	21.2	20.3	20.8
2016-2017	94	94	67%	22.5	22.0	21.0
2015-2016	98	98	68%	22.7	22.0	20.8
2014-2015	97	97	70%	21.9	22.0	21.0
2013-2014	104	104	18%	22.1	22.0	21.0
2012-2013	96	68	16%	22.1	21.8	20.9
2011-2012	103	95	70%	22.5	21.8	21.0
2010-2011	96	93	65%	21.2	21.8	21.1
2009-2010	122	109	89%	21.9	21.8	21.0
2008-2009	108	98	91%	22.5	21.7	21.1

Source: High School Guidance Office.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Type	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Regular instruction:										
Elementary classroom teachers	40.4	38.5	38.5	43.7	35.5	36.5	38.6	39.9	43.4	42.2
Middle school classroom teachers	22.5	22.0	19.0	20.0	13.4	12.0	11.0	13.5	18.2	16.1
High School classroom teachers	26	31.5	27.0	26.5	25.5	24.6	24.8	27.7	30.3	30.6
Special instruction:										
Elementary classroom teachers	11.0	9.0	8.0	7.9	6.5	6.5	10.6	10.6	10.0	13.0
Gifted education teachers	1.0	1.0	1.0	1.0	1.4	1.4	1.0	1.0	2.0	2.0
Middle school classroom teachers	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.4	3.0
High school classroom teachers	5.0	4.5	4.0	4.0	3.0	3.0	4.5	4.5	4.9	5.8
Vocational instruction:										
High school classroom teachers	0.0	1.0	1.0	1.0	1.8	1.8	1.5	1.5	2.2	2.2
Pupil support services:										
Guidance counselors	4.0	4.0	4.0	4.0	4.0	3.9	5.0	5.0	5.0	5.0
Librarians	1.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Library Aids	4	3.5	3.5	3.4	3.5	2.5	2.7	2.7	4.0	4.0
Psychologists	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Speech and language pathologists	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-teaching support staff central	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.2	1.2
Instructional Support Service:										
Non-teaching support staff elementary	21	20.5	20.0	20.3	21.9	23.3	22.6	22.6	18.6	19.6
Non-teaching support staff middle	6.5	4.8	4.8	4.9	10.0	10.0	10.0	10.0	6.0	9.9
Non-teaching support staff high	10.5	9	10.0	9.0	10.8	11.0	10.8	11.9	9.9	11.9
Non-teaching support staff central	2.8	2.8	1.8	1.8	2.9	2.9	2.9	3.0	3.0	3.0
Administration:										
Elementary	3.0	3.0	3.0	2.2	3.0	3.0	3.0	3.0	2.0	2.0
Middle school	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
High school	1.5	1.5	1.5	1.5	2.0	2.0	2.5	2.5	2.0	2.0
Central	5.00	5.00	5.0	3.8	3.2	3.2	3.3	4.3	0.0	5.0
Business:										
Central	1	-	-	-	0.5	0.5	0.5	0.5	0.9	0.9
Fiscal:										
Treasurer department	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operation of plant:										
Custodial department	10.5	12.5	13.5	14.1	13.1	14.8	15.7	17.0	19.3	19.3
Maintenance department	2.0	2.0	2.0	2.0	2.0	1.8	1.8	2.0	2.0	2.0
Pupil transportation:										
Bus drivers	6.9	7.0	6.5	6.5	6.4	5.4	5.6	5.1	5.5	4.5
Bus aides	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Mechanics	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Transportation support staff	0.5	0.5	0.5	0.5	-	-	0.0	0.0	0.0	0.0
Central:										
Community relations	1.0	1.0	1.0	1.0	1.0	0.2	1.0	1.0	1.0	1.0
Technology	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Personnel	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Extracurricular:										
Athletic department	0.5	1.0	1.0	1.0	17.0	17.5	17.5	17.5	17.5	16.5
Food service program:										
Elementary	3.9	3.5	3.3	3.3	3.0	3.5	3.5	3.1	4.0	4.0
Middle school	0.75	0.6	0.6	-	-	-	0.0	0.0	0.0	0.0
High school cooks	0.75	0.6	0.6	1.2	1.8	2.4	2.4	2.4	2.4	2.4
Central	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Adult education/community service:										
Preschool	5.2	2.5	2.5	2.0	1.0	2.0	2.0	2.0	1.5	2.0
Extended care	16.0	12.0	12.0	11.1	10.0	10.0	14.0	14.0	10.0	10.0
Total	228.6	220.7	213.0	215.0	219.8	222.0	234.8	244.3	242.2	254.1

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

FREE OR REDUCED LUNCH PROGRAM PERCENTAGES
LAST TEN FISCAL YEARS

Fiscal Year	Students	Students Applicable for Free Lunch	Percentage of Applicable Students for the Free Lunch Program	Students Applicable for Reduced Lunch	Percentage of Applicable Students for the Reduced Lunch Program	Total Students Applicable for the Free and Reduced Lunch Programs	Total Percentage of Applicable Students for the Free and Reduced Programs
2018	1,794	451	25.14%	95	5.30%	546	30.43%
2017	1,807	419	23.19%	110	6.09%	529	29.28%
2016	1,845	447	24.23%	105	5.69%	552	29.92%
2015	1,785	434	24.31%	75	4.20%	509	28.52%
2014	1,795	376	20.95%	95	5.29%	471	26.24%
2013	1,800	407	22.61%	107	5.94%	514	28.55%
2012	1,736	385	22.18%	102	5.88%	487	28.06%
2011	1,760	361	20.51%	114	6.48%	475	26.99%
2010	1,763	324	18.38%	109	6.18%	433	24.56%
2009	1,605	256	15.95%	90	5.61%	346	21.56%

Source: "Lunch MR 81 Report for October" obtained from the Ohio Department of Education.

OHIO AUDITOR OF STATE KEITH FABER



FAIRVIEW PARK 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
MARCH 12, 2019**