

Mary Taylor, CPA
Auditor of State

ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings.....	7

This page intentionally left blank.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
Food Distribution Program	10.550	\$0	\$22,680	\$0	\$22,680
National School Lunch Program	10.555	78,977	0	78,977	0
Total U.S. Department of Agriculture		78,977	22,680	78,977	22,680
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education: Grants to States - FY 2007	84.027	122,238	0	114,242	0
Special Education: Grants to States - FY 2008	84.027	437,888	0	424,540	0
Total Special Education: Grants to States		560,126	0	538,782	0
Special Education: Preschool Grant - FY 2007	84.173	913	0	2,438	0
Special Education: Preschool Grant - FY 2008	84.173	24,612	0	26,845	0
Total Special Education: Preschool Grant		25,525	0	29,283	0
Total Special Education Cluster		585,651	0	568,065	0
Title I - Grants to Local Educational Agencies - Targeted - FY 2007	84.010	14,197	0	18,971	0
Title I - Grants to Local Educational Agencies - Targeted - FY 2008	84.010	102,049	0	100,497	0
Title I - Grants to Local Educational Agencies - Neglected - FY 2007	84.010	6,219	0	7,697	0
Title I - Grants to Local Educational Agencies - Neglected - FY 2008	84.010	42,972	0	42,604	0
Total Title I - Grants to Local Educational Agencies		165,437	0	169,769	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2007	84.186	(549)	0	0	0
Safe and Drug-Free Schools and Communities: State Grants - FY 2008	84.186	7,693	0	8,057	0
Total Safe and Drug-Free Schools Grant		7,144	0	8,057	0
Innovative Education Program Strategies Grant - FY 2007	84.298	1,050	0	0	0
Innovative Education Program Strategies Grant - FY 2008	84.298	1,320	0	5,260	0
Total Innovative Education Program Strategies Grant		2,370	0	5,260	0
Title II-A Grant - FY 2007	84.367	7,589	0	9,464	0
Title II-A Grant - FY 2008	84.367	45,591	0	48,000	0
Total Title II-A Grant		53,180	0	57,464	0
Title II-D Technology Literacy Challenge Funds - FY 2007	84.318	250	0	0	0
Title II-D Technology Literacy Challenge Funds - FY 2008	84.318	1,330	0	1,309	0
Total Title II-D Technology Literacy Challenge Funds		1,580	0	1,309	0
Title III LEP - English Language Acquisition Grants - FY 2007	84.365	2,206	0	3,884	0
Title III LEP - English Language Acquisition Grants - FY 2008	84.365	14,915	0	12,879	0
Total Title III LEP - English Language Acquisition Grants		17,121	0	16,763	0
Total U.S. Department of Education		832,483	0	826,687	0
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<i>Passed Through Western Reserve Area Agency on Aging:</i>					
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	6,347	0	6,347	0
Title III, Part E - National Family Caregiver Support	93.052	1,800	0	1,800	0
Total U.S. Department of Health and Human Services		8,147	0	8,147	0
<u>U.S. DEPARTMENT OF JUSTICE</u>					
COPS Secure Our Schools Program	16.710	10,100	0	10,100	0
Total U.S. Department of Justice		10,100	0	10,100	0
Total Federal Financial Assistance		\$929,707	\$22,680	\$923,911	\$22,680

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2008**

NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2008, the District had no significant food commodities in inventory.

NOTE C – FEDERAL TRANSFERS

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2007 grant year to the 2008 grant year for one separate grant. These amounts are shown as negative receipts for the 2007 grant year and positive receipts in the 2008 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 5, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the District's management in a separate letter dated December 5, 2008.

Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter dated December 5, 2008.

We intend this report solely for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 5, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

Compliance

We have audited the compliance of Orange City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 5, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Orange City School District, Cuyahoga County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 5, 2008

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Orange City School District

Cuyahoga County, Ohio

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2008



Orange City Schools
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124
Phone: 216.831.8600 Fax: 216.831.8029
www.OrangeSchools.org

Moreland Hills Elementary School...

Was selected as an Ohio Association of Elementary School Administrators (OAESA) Hall of Fame School for 2003. School staff submitted written documentation substantiating the quality of their educational program in various areas, including mission statement, instructional system, student achievement, student development, personnel, school management and community. A committee of principals who reviewed the documentation and another team who conducted onsite evaluations of the school chose it to receive this award.

Ballard Brady Middle School ...

Was recognized by the U.S. Department of Education as a 2001-2002 National Blue Ribbon School of Excellence. Brady was the only middle school in Northeastern Ohio to earn this distinction. The Blue Ribbon Schools Program focuses on school improvement initiatives. It identifies and recognizes schools that are models of excellence and equity, schools that demonstrate a strong commitment to educational excellence for all students, and that achieve high academic standards or have shown academic improvement over five-years.

Orange High School...

Has received Tier One status in the Ohio Award for Excellence (OAE), the State of Ohio's premier award program recognizing the positive impact of quality. The Ohio Partnership for Excellence (formally OAE) issues this award to a handful of organizations each year for their commitment to quality. The award is open to all organizations in business, education, health care, government and not-for-profit sectors. There are four tiers within the OPE. Tier One is the Pledge toward Excellence, which is awarded to organizations beginning their quality journey. The award criteria covers areas of leadership, strategic planning, customer focus, information and analysis, workforce development, process management and the organizational results achieved.



OHIOHALLOFFAME
2003



A NATIONAL SCHOOL
of
EXCELLENCE

Ohio
Award for
Excellence®
"Partners Now... and for the Future!"

This Page is Intentionally Left Blank.

Orange City School District

Cuyahoga County, Ohio

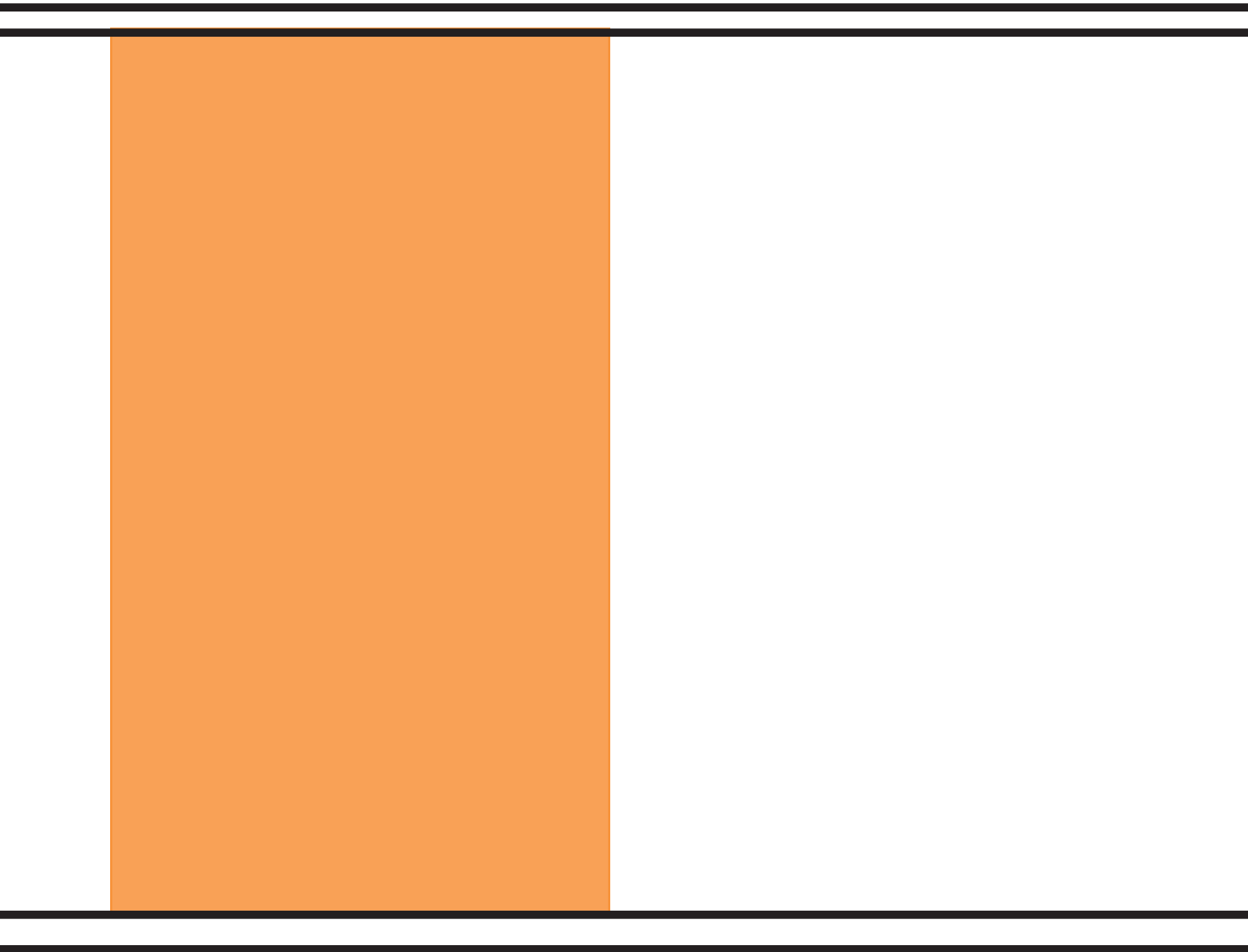


Introductory Section



Comprehensive Annual Financial Report

Orange City Schools
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124
Phone: 216.831.8600 Fax: 216.831.8029
www.OrangeSchools.org



Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008
Table of Contents

Title Page
Table of Contentsi

I. Introductory Section

Letter of Transmittalv
List of Principal Officials.....xv
Administrative Position Chart.....xvi
GFOA Certificate of Achievement xvii

II. Financial Section

Independent Accountants' Report..... 1
Management's Discussion and Analysis.....3

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Assets 19
Statement of Activities.....20

Fund Financial Statements:

Balance Sheet - Governmental Funds.....22
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities.....23
Statement of Revenues, Expenditures and Changes
In Fund Balances - Governmental Funds.....24
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds25
Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund.....26
Statement of Fund Net Assets – Proprietary Fund.....27
Statement of Revenues, Expenses and Changes in Fund
Net Assets - Proprietary Fund.....28
Statement of Cash Flows – Proprietary Fund29

Statement of Fiduciary Net Assets – Fiduciary Funds	30
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	31
Notes to the Basic Financial Statements	33
Combining Statements and Individual Fund Schedules:	
Major Funds:	
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity-Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund	66
Bond Retirement Fund	70
Permanent Improvement Fund	71
Recreation Fund	72
Nonmajor Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	75
Description of Funds – Special Revenue	76
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	82
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – Nonmajor Special Revenue:	
Public School Support Fund.....	86
Local Grants Fund	87
District Managed Activity Fund.....	88
Auxiliary Services Fund.....	89
Education Management Information Systems Fund	90
Entry Year Programs Fund.....	91
Ohio K-12 Network Connectivity Fund.....	92
eTech Professional Development Fund.....	93
Miscellaneous State Grants Fund	94
Title VI-B Fund.....	95
Title III Fund	96
Title I Fund.....	97
Title V Fund	98
Drug Free Schools Grant Fund.....	99
Preschool Disability Fund	100
Title II-A Fund	101
Miscellaneous Federal Grants Fund	102
Food Service Fund.....	103
Memorial Fund.....	104
Uniform School Supplies Fund	105

Description of Funds – Nonmajor Capital Projects Funds	106
Combining Balance Sheet - Nonmajor Capital Project Funds.....	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	108
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance -Budget and Actual (Non-GAAP Budgetary Basis) – Nonmajor Capital Projects:	
Building Improvement Fund	109
SchoolNet Fund.....	110
Description of Funds – Fiduciary Funds.....	111
Individual Fund Schedule of Revenues, Expenses and Changes in Fund Equity-Budget and Actual (Non-GAAP Budgetary Basis) - Private Purpose Trust Fund:	
Scholarship Fund.....	112
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	113

III. Statistical Section

Table of Contents.....	115
Net Assets by Component - Last Seven Fiscal Years	116
Changes in Net Assets - Last Seven Fiscal Years	118
Fund Balances, Governmental Funds - Last Ten Fiscal Years	124
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	126
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years	130
Direct and Overlapping Property Tax Rates – Last Ten Years	132
Principal Taxpayers, Real Estate Tax – December 31, 2007 and December 31, 1998	133
Principal Taxpayers, Tangible Personal Property Tax - December 31, 2007 and December 31, 1998	134
Principal Taxpayers, Public Utilities Tax – December 31, 2007 and December 31, 1998.....	135
Property Tax Levies and Collections - Last Ten Years.....	136

Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	137
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	138
Direct and Overlapping Governmental Activities Debt - As of June 30, 2008.....	139
Legal Debt Margin Information – Last Ten Fiscal Years	140
Demographic and Economic Statistics – Last Ten Years.....	141
Principal Employers - Current Year	142
Staffing Statistics, Full Time Equivalents by Type and Function - Last Ten Fiscal Years	143
Operating Indicators by Function - Last Ten Fiscal Years	144
Capital Asset Statistics - Last Seven Fiscal Years	145
School Building Information - Last Ten Fiscal Years	146
Operating Statistics - Last Ten Fiscal Years	148
Teacher Statistics – June 30, 2008	150



December 5, 2008

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

We are pleased to submit to you the Orange City School District's (the "District") Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2008. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds as well as the District as a whole. This report will provide the taxpayers of the District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be made available to all interested parties.

The School District

History

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

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

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange City School District. In 1994, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school. The original Moreland Hills Elementary School was used to educate students in grades K-2 as recently as the 2000-2001 school year. Starting with the 2001-2002 school year, the original school building was no longer used for K-12 education, but was replaced by the newly built Moreland Hills Elementary School serving students in grades pre-K-5. In 2003, the new school earned the distinction of becoming an Ohio Hall of Fame School based on its quality efforts. The original Moreland Hills Elementary School was converted to a centralized maintenance and technology facility serving the entire District.

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

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

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

Orange High School was remodeled and expanded many times with the last two renovations taking place in 2001 and 2007. In the 1990-1991 school year, Orange High School was recognized as a National Blue Ribbon School of Excellence by the United States Department of Education. In 2003, the high school was awarded Tier One status in the Ohio Award for Excellence. Throughout the District's history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

Present

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

Many of the District's 2,388 students are bused daily to the campus consisting of three main school buildings: Moreland Hills Elementary School, Brady Middle School and Orange High School. The District's campus also includes an administration building, centralized maintenance and technology center and a transportation depot. The District also manages the Orange Community Education and Recreation Department, which encompasses preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The Recreation Department utilizes all District facilities in concert with the school system. The District includes 68 students who attend the Gund School, which adjoins the District's campus within the Beechbrook residential facility for students with special needs. The District also serves 29 students from the New Directions residential drug treatment facility, which is located within the District's boundaries.

The population within the District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 32 percent of the student population in the District. Orange parents are generally college-educated and involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. Approximately 97 percent of the District's graduates pursue higher education. Over the past 25 years, residents have passed all school operating levies placed on the ballot for their approval. Most recently, a .95-mill replacement levy for the Orange Community Education and Recreation Department was approved by 67 percent of the voters in November 2005. The last general operating levy of five mills, which was on the ballot in early November 2004, was approved by 58 percent of the voters. In addition, a \$36.5 million-dollar bond issue was approved in November 1998 by 68 percent of the voters and a one-mill permanent improvement levy was approved in November 2003 by 66 percent of the voters. The District is fortunate to have residents who believe in, and are willing to support with tax dollars, a high quality of education for all children.

Organizational Structure

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

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

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

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

The District has implemented various aspects of Site Based Management with the building principals and supervisors for the purpose of providing site leadership while the central office directors strive to provide the highest quality services in order to fulfill the educational needs of the schools.

The Reporting Entity

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

The District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the Lakeshore Northeast Ohio Computer Association (LNOCA), the Ohio Schools Council and the Suburban Health Consortium. These organizations are presented in Notes 16 and 17 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaged Students

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

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

The educational plan for the District consists of the following:

1. Educational Programs - In order to develop students who will think critically to solve problems, acquire and apply knowledge, communicate effectively, utilize new technologies and are civic-minded, the District will:
 - Focus all energies on the core business of schools, which is to design engaging work for students.

- Encourage and design professional development for both certified and non-certified staff that focuses on designing engaging and satisfying work for students. This includes, but is not limited to Teachers' Academy, staff development days and Standard Bearer efforts.
 - Create an environment that supports the work of the District in designing work for students that engages them in learning what we know they need to learn in order to be well educated.
 - Design the schedule in each building to maximize available instructional and collaboration time to enhance student achievement.
 - Incorporate at each grade level curricular experiences that involve students and teachers in using instructional technology.
 - Maintain, improve and create programs that involve students from all grade levels in citizenship and school/community service programs.
 - Encourage student selection of electives, co-curricular and extra-curricular offerings that will contribute to the development of a well-qualified and well-rounded graduate.
 - Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
 - Value the contributions of all employees while establishing an atmosphere that enhances continuous improvement of both the individual and the system.
 - Establish a complementary and/or extended curriculum through courses offered by the Orange Community Education and Recreation Department.
 - Analyze, plan, implement and evaluate strategies which demonstrate a commitment to excellence as measured by student test scores, college admissions, artistic and athletic accomplishments and other indicators of success.
 - Encourage all parents to participate in the continuous improvement process.
 - Plan and articulate a curriculum which is consistent and sequential.
 - Improve the current parent/teacher communication process regarding student welfare.
2. Fiscal Management - To enhance the effectiveness and efficiency of fiscal operations, the District will:
- Provide useful and timely financial information in accordance with recognized standards, including, but not limited to, detailed spending/revenue plans and financial forecasts.
 - Implement and maintain strong internal controls.
 - Seek out opportunities to increase efficiencies through the use of available technology, when feasible.
 - Pursue appropriate non-traditional school funding sources.
 - Provide a clear accounting of the revenues and expenditures from school operation, bond retirement, permanent improvement and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of future school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act on a temporary appropriation measure prior to July 1 and a permanent appropriation measure prior to October 1 of each fiscal year.

3. Community Relations - To improve interaction with the community, the District will:
 - Periodically survey residents to determine where further communication is necessary and evaluate the perceptions and the extent of satisfaction or dissatisfaction with the District.
 - Keep the community well-informed by frequently and routinely providing news about the District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondence, District web site, local media and letters to the community.
 - Identify and communicate with Orange Alumni.

4. Business Services - To maintain and improve buildings and facilities, transportation and food service, the District will:
 - Work with the staff to analyze cost effectiveness of present programs and offer recommendations.
 - Involve support staff in continuous improvement opportunities.
 - Work with representative groups to formulate a plan and recommend solutions to issues of space, programming, and maintenance.
 - Periodically review and update the District's facility and equipment permanent improvement plan in order to effectively use available capital funds for such purposes. This will allow the District to adequately maintain and improve the utilization of its physical plant assets.

5. Board of Education Operations - To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education has established the following goals:
 - Maximize achievement for all Orange students.
 - Maintain fiscally responsible operation of the District.
 - Evaluate educational programs.
 - Acknowledge, embrace and address diversity.
 - Maintain a safe school environment.
 - Improve District relationships and communications with residents.
 - Expand community partnerships.

Major Initiatives and Accomplishments for School Year 2007-2008

The Orange Board of Education and the District's administration continue to work to improve the quality of education for all children and to provide prudent financial management to adequately fund this quality education. With respect to the latter, the District extended its levy cycle from four to five years during the current fiscal year. That is, when the most recent operating levy passed in November 2004, it was expected that the District would place a similar issue on the ballot in November 2008. Since the passage of the 2004 levy, better than expected operating results have enabled the District to delay any requests for additional funding until 2009.

The Orange High School Advanced Placement Program was named first in class in the State of Ohio by the Siemens Corporation for the 2006-2007 school year. During that same school year, approximately 90% of the Advanced Placement tests taken by Orange students earned a score of 3 or higher, representing college level achievement. That trend continued during the 2007-2008 school year. Orange High School continues to be among the top rated high schools in the State of Ohio. In grades 3-10, student performance met or exceeded all state and national standards. The District continued its tradition of earning an "Excellent" rating on the Ohio Department of Education report card and recorded a performance index score in the top 6% of all Ohio school districts. Additionally, all student groups met or exceeded value-added growth expectations in 2008.

The District is advancing several professional development initiatives aimed at ensuring student success in the twenty-first century. In particular, support and training are being provided in: addressing the diverse needs of students; integrating technology into core instructional programs; training students to use quality tools and to track their own achievement data; and understanding issues related to brain health and educational psychology. As teachers refine their practices in these areas, they will continue to find new ways to create engaged learning opportunities that inspire extraordinary achievement.

To reach out in partnership with parents and the community, two nationally-recognized speakers who gave addresses to the District staff also spoke at evening community events to parents and other interested citizens. This consistency in message builds a foundation on which both the schools and the home can support students as they develop academically and socially.

During fiscal year 2008, the Board reviewed and revised several Board policies to ensure compliance with current law and to address certain operational areas within the District. This process was completed with the input of the Superintendent, Treasurer, directors and school building-level management.

Future Projects

In an effort to most effectively utilize available space for educational purposes, the District will complete a project during the 2008-2009 school year to renovate the Pepper Pike Learning Center to accommodate an early childhood center. Currently, four classrooms in the Moreland Hills Elementary school are dedicated to a Pre-K program. Upon completion of the renovation, Pre-K students will be relocated to the early childhood center at the Pepper Pike Learning Center. This move will provide much needed space at the elementary school.

Student Accomplishments and Achievements

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

- 1) A graduation rate of 99 percent with 97 percent of graduates continuing their education at an institution of higher learning.
- 2) Four hundred sixteen advanced placement exams taken with 86 percent of all scores being a 3 or better, placing the District's students among the top in the nation.
- 3) Ninety-five students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations. This number represents 55 percent of students taking advanced placement exams.
- 4) Eleven National Scholars in the Advanced Placement Program.
- 5) Ten National Merit Scholars, six finalists and four commended students.
- 6) Orange High School students who took the SAT exam in the 2007-2008 school year scored an average of 551 on the critical reading section, 550 on the math section and 556 on the writing section. This was well above the national averages of 502 for critical reading, 515 for math and 494 for writing.

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

Economic Outlook

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

Eighty-two percent of the District's valuation is comprised of residential property, which proves the District is an ideal suburban setting. The valuation of this property has increased approximately 46 percent since fiscal year 1999. During the same period of time, the industrial base has increased approximately 60 percent. The current economic trend in the nation of keeping and attracting businesses has had its effect on the District through some local tax abatements for businesses. In addition, legislative changes have resulted in a loss of revenue for the District. Most notably, Am. Sub. House Bill 66 passed in 2005, will result in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year.

Property taxes and related state entitlements made up approximately 91 percent of the District's total general fund revenue in fiscal year 2008. This shows that the District relies heavily upon the continued support of its residents through the passage of tax levies.

The District's enrollment has increased along with the growth of the five municipalities that make up the majority of enrollment. The 2007-2008 enrollment of 2,388 compared with the 1988-1989 enrollment of 1,973 reflects an increase of 415 students, or 21 percent, over the 20 year period. In recent years, enrollment has remained fairly static and this trend is expected to continue into the foreseeable future.

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. Consequently, school districts throughout Ohio must regularly place funding issues on the ballot to receive significant revenue growth. As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the students' needs over the next several years.

The District passed a 5-mill, continuous general operating levy in November 2004 with a 58 percent vote of confidence. This levy generates approximately \$4.8 million per year for the general fund. The District also passed a 9.5-mill general operating levy in November 2000 with a 59 percent vote of confidence. This levy generates approximately \$7.6 million annually for the general fund. These levies, along with other operating levies passed prior to 2000, are projected to provide the funds needed to maintain current program levels through fiscal year 2009. A \$36.5 million dollar bond issue was passed with a 68 percent vote of confidence back in November 1998. In addition, a 1-mill, continuous permanent improvement levy was passed in November of 2003 with a 66 percent vote of confidence. These funds were used for various capital improvements and major equipment purchases (as required by law), including the construction of a new elementary school completed in 2001.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

As provided by Law, prior to the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure that remains in effect during the first three months of the ensuing fiscal year. Prior to October 1 of each fiscal year, the Board of Education adopts a permanent appropriation measure, which supersedes the previously passed temporary appropriation measure. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

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

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

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

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

Financial Reporting

The basic financial statements for reporting on the District's financial activities are as follows:

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

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

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

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

Cash Management

The Board of Education has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash that is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government, STAR Ohio, corporate commercial paper and other investments allowed by State law and the District's Board approved investment policy. The District maintains depository relationships with several banking institutions in order to provide for competitive treasury management and investment options as well as to contain the cost of services. The District retained the services of Productive Portfolios, Inc., a registered investment advisory firm, during fiscal year 2008 to assist in its investing strategy and to obtain even greater returns on investments while adhering to the principles of principal preservation and liquidity. The total amount of interest earned on investments (including adjustments to fair market value) for the fiscal year ended June 30, 2008 was \$1,977,361, with \$1,519,491 being credited directly to the general fund.

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

In January 2005, the Board formally affirmed and declared a practice in the interest of sound fiscal management by which the District will maintain a general fund cash balance equivalent to at least three months of operating expenses. This practice along with other factors, including a history of successful levy campaigns attributable to the community's ongoing support for the maintenance of the District's financial position, contributed to the District receiving the highest rating from two nationally recognized financial rating services. Moody's Investors Service gave the District its highest rating of Aaa, while Standard & Poor's gave the District its highest rating of AAA. The Orange City School District was the first district in the State of Ohio to ever receive Standard & Poor's highest rating. These ratings were reaffirmed by the two agencies in connection with the District's advance bond refunding completed in February 2007. These achievements will allow the District to secure better interest rates on all future credits.

Risk Management

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

The District maintains general liability insurance through Strassman Insurance Services. The limits of coverage are \$1,000,000 per occurrence and \$2,000,000 in aggregate. This insurance policy is supplemented by an umbrella policy that provides additional coverage of \$3,000,000 per occurrence and in the aggregate. The District also has insurance contracts for its buildings and contents, vehicles and crime protection. The District also contracts with private firms to assist in the management of its workers' compensation program.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Additionally, Auditor of State Mary Taylor's office presented the Orange City School District with the "Making Your Tax Dollars Count" award to recognize excellence in financial accountability in relation to the fiscal year 2006 audit. Fewer than 5 percent of all government agencies in the State of Ohio are eligible for this award.

Independent Audit

State statute requires the District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Auditor of State Mary Taylor was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2008. The opinion appears at the beginning of the financial section of this report.

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

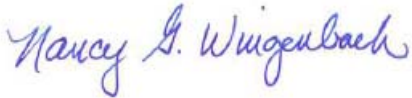
Acknowledgments

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

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

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

Respectfully submitted,



Dr. Nancy Wingenbach
Superintendent



David Denbow
Treasurer

*Orange City School District
List of Principal Officials
As of June 30, 2008*

Board of Education

Mrs. Dagmar Fellowes	President
Mr. Stanley Morganstern	Vice-President
Mrs. Cynthia Eickhoff	Member
Mr. Tom Bonda	Member
Mr. Vincent Carbone	Member

Treasurer/Director of Budget Services

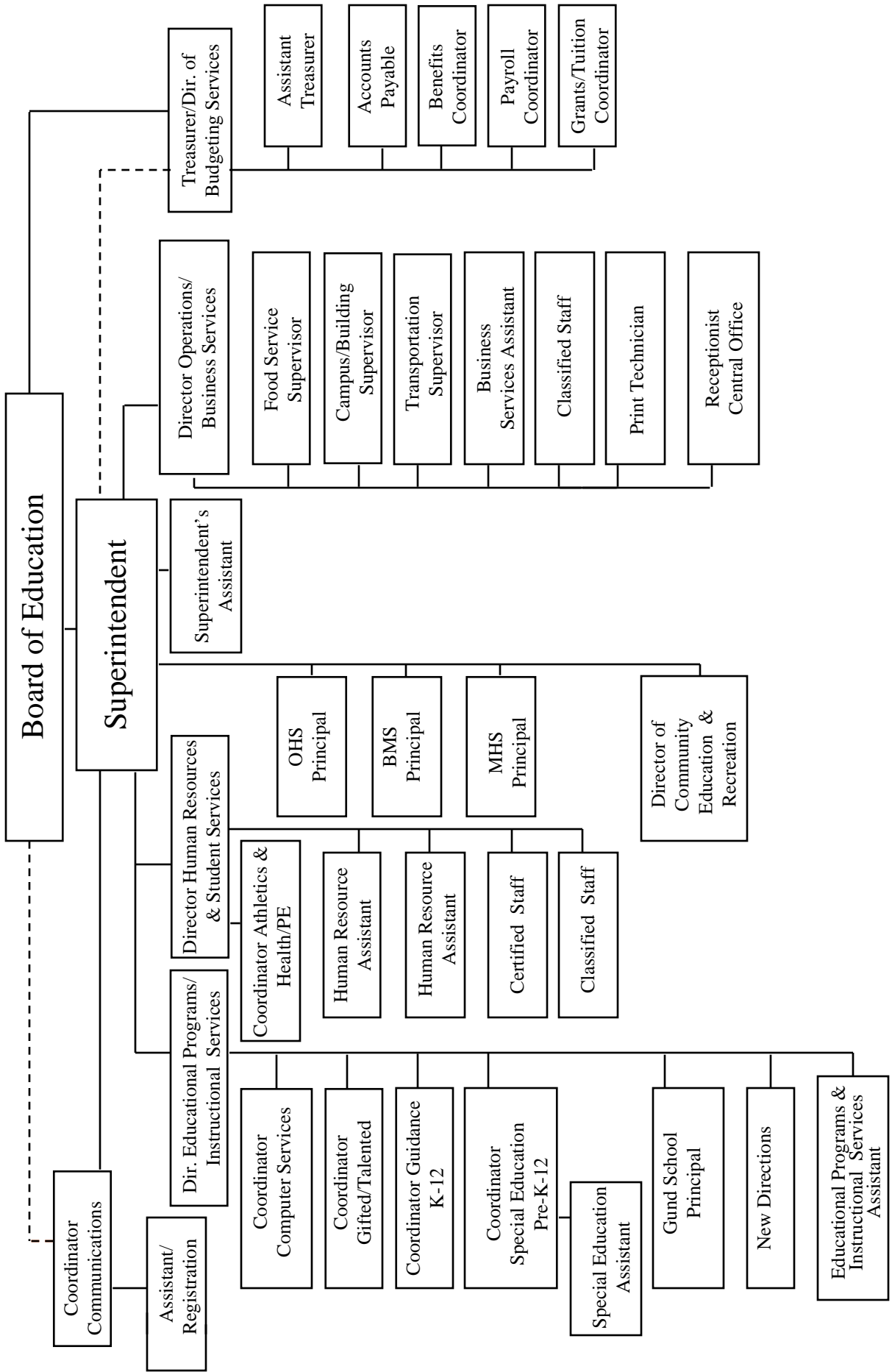
Mr. David Denbow

Administration

Dr. Nancy Wingenbach	Superintendent
Mr. David Burnison	Director of Human Resources/Student Services
Mr. Matt Deevers	Director of Educational Programs and Instructional Services
Mrs. Jennifer Fazio	Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Mrs. Laura Guentner	Director of Recreation
Mr. Kurt Bernardo	Coordinator of Computer Services
Mr. Neil Barnes, CPA	Assistant Treasurer
Mr. Phil Dickinson	Director of Operations and Business Services
Mrs. Cindy Finohr	Supervisor of Food Services
Mrs. Nancy Belle-Gordon	Supervisor of Transportation Services
Mr. Jim Taylor	Campus Supervisor

Orange Schools Administrative Position Chart

2007-2008



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

Orange City School District

Cuyahoga County, Ohio

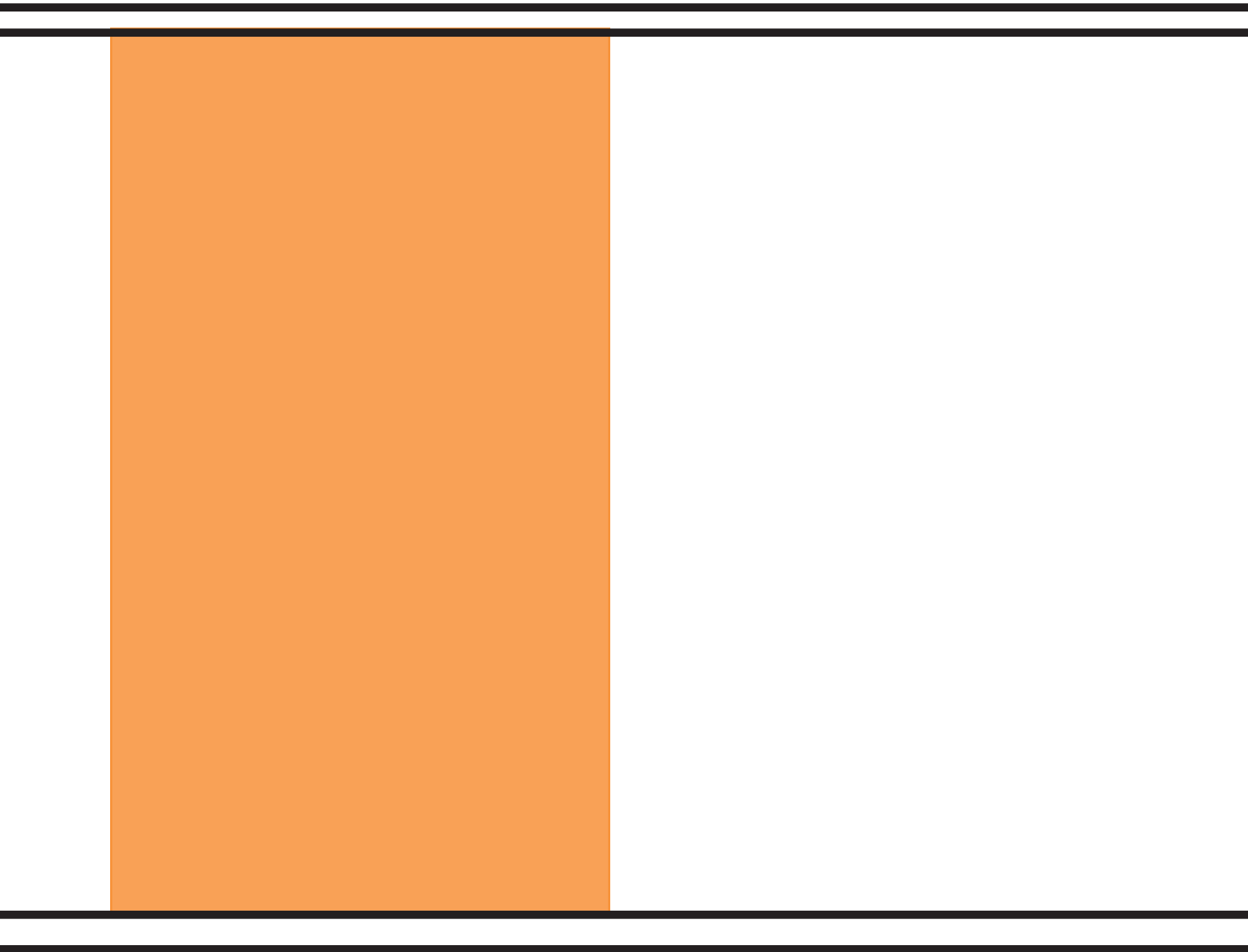


Financial Section



Comprehensive Annual Financial Report

Orange City Schools
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124
Phone: 216.831.8600 Fax: 216.831.8029
www.OrangeSchools.org





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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 Orange City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Orange City School District, Cuyahoga County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 5, 2008

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The management discussion and analysis of Orange City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- In total, net assets increased \$7,067,347. Net assets of governmental activities increased \$6,577,355, which represents a 14.10% increase from 2007. Net assets of business-type activities increased \$489,992 or 7.63% from 2007.
- General revenues accounted for \$50,492,744 in revenue or 89.00% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,242,419 or 11.00% of total governmental revenues of \$56,735,163.
- The District had \$50,099,277 in expenses related to governmental activities; only \$6,242,419 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$50,492,744 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$49,139,763 in revenues and other financing sources and \$45,257,451 in expenditures and other financing uses. The general fund's fund balance increased \$3,882,312 from \$27,301,730 to \$31,184,042.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$2,551,498 in revenues and \$2,239,202 in expenditures. The bond retirement fund's fund balance increased \$312,296 from \$2,065,087 to \$2,377,383.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$1,251,597 in revenues and other financing sources and \$1,003,471 in expenditures. The permanent improvement fund's fund balance increased \$248,126 from \$3,183,148 to \$3,431,274.
- Net assets for the District's enterprise fund, the recreation fund, increased \$489,992 or 7.63%. The recreation fund's net assets increased from \$6,418,112 to \$6,908,104 on expenses of \$2,257,947 versus revenues (both operating and non-operating) of \$2,689,408.

Using this Comprehensive Annual Financial Report (CAFR)

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question: How did we do financially during 2008? The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds and major enterprise fund begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, the bond retirement fund and the permanent improvement fund.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Governmental Funds

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

Proprietary Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-64 of this report.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The District as a Whole

The statement of net assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets at June 30, 2008 and June 30, 2007.

Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Assets</u>						
Current assets	\$ 81,347,866	\$ 76,623,379	\$ 4,990,051	\$ 4,419,906	\$86,337,917	\$81,043,285
Capital assets, net	<u>41,815,251</u>	<u>42,170,725</u>	<u>2,217,609</u>	<u>2,267,860</u>	<u>44,032,860</u>	<u>44,438,585</u>
Total assets	<u>123,163,117</u>	<u>118,794,104</u>	<u>7,207,660</u>	<u>6,687,766</u>	<u>130,370,777</u>	<u>125,481,870</u>
<u>Liabilities</u>						
Current liabilities	38,616,160	40,264,838	286,633	256,043	38,902,793	40,520,881
Long-term liabilities	<u>31,332,468</u>	<u>31,892,132</u>	<u>12,923</u>	<u>13,611</u>	<u>31,345,391</u>	<u>31,905,743</u>
Total liabilities	<u>69,948,628</u>	<u>72,156,970</u>	<u>299,556</u>	<u>269,654</u>	<u>70,248,184</u>	<u>72,426,624</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	15,940,380	15,338,264	2,217,609	2,267,860	18,157,989	17,606,124
Restricted	6,410,493	5,782,995	-	-	6,410,493	5,782,995
Unrestricted	<u>30,863,616</u>	<u>25,515,875</u>	<u>4,690,495</u>	<u>4,150,252</u>	<u>35,554,111</u>	<u>29,666,127</u>
Total net assets	<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$60,122,593</u>	<u>\$53,055,246</u>

Total governmental assets increased by \$4,369,013 while total governmental liabilities decreased by \$2,208,342 resulting in an increase to net assets of \$6,577,355. Total assets of business-type activities increased \$519,894 while total liabilities of business-type activities increased by \$29,902 resulting in an increase to net assets of \$489,992.

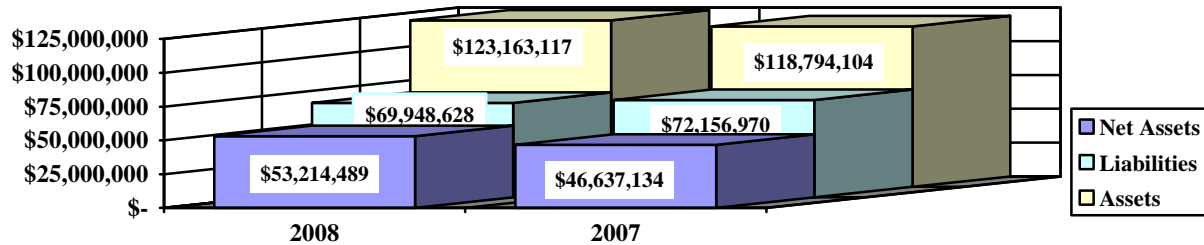
Taxes receivable contributed to 33.51% or \$41,269,129 of total governmental activities assets. Of this amount \$32,906,954 is offset as unearned revenue, revenue to be used in future periods. Liabilities for governmental activities totaled \$69,948,628; of this amount \$31,332,468 or 44.79% is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the District is good.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

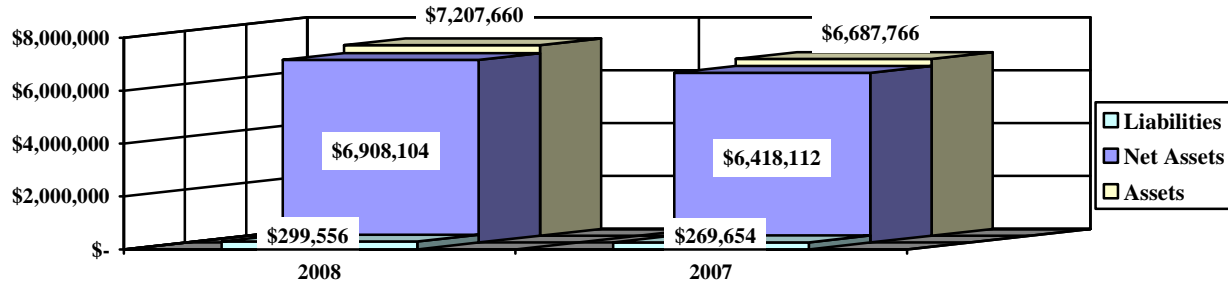
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The graphs below present the District's governmental and business-type net assets at June 30, 2008 and June 30, 2007.

Governmental - Net Assets



Business-Type - Net Assets



The table below shows the changes in net assets for fiscal year 2008 and 2007.

	Change in Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2008	2007	2008	2007	2008	2007
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 4,439,242	\$ 4,252,349	\$ 1,536,303	\$ 1,451,743	\$ 5,975,545	\$ 5,704,092
Operating grants and contributions	1,757,067	1,559,218	139,754	124,138	1,896,821	1,683,356
Capital grants and contributions	46,110	162,721	-	-	46,110	162,721
Total program revenues	6,242,419	5,974,288	1,676,057	1,575,881	7,918,476	7,550,169
General revenues:						
Property taxes	40,677,988	39,212,801	783,212	815,148	41,461,200	40,027,949
Grants and entitlements, not restricted	7,789,074	7,000,298	-	-	7,789,074	7,000,298
Investment earnings	1,956,626	1,990,147	191,095	193,580	2,147,721	2,183,727
Miscellaneous	69,056	22,700	39,044	30,172	108,100	52,872
Total general revenues	50,492,744	48,225,946	1,013,351	1,038,900	51,506,095	49,264,846
Total revenues	\$ 56,735,163	\$ 54,200,234	\$ 2,689,408	\$ 2,614,781	\$ 59,424,571	\$ 56,815,015

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Change in Net Assets – (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 18,238,270	\$ 17,962,128	\$ -	\$ -	\$ 18,238,270	\$ 17,962,128
Special	5,832,538	5,475,417	-	-	5,832,538	5,475,417
Vocational	293,462	324,513	-	-	293,462	324,513
Other	-	2,828	-	-	-	2,828
Support services:						
Pupil	3,471,580	3,337,866	-	-	3,471,580	3,337,866
Instructional staff	3,670,822	3,499,573	-	-	3,670,822	3,499,573
Board of Education	110,200	143,355	-	-	110,200	143,355
Administration	2,926,908	2,849,409	-	-	2,926,908	2,849,409
Fiscal	1,176,289	1,126,029	-	-	1,176,289	1,126,029
Business	549,721	509,048	-	-	549,721	509,048
Operations and maintenance of plant	5,118,866	5,096,407	-	-	5,118,866	5,096,407
Pupil transportation	3,367,878	3,366,186	-	-	3,367,878	3,366,186
Central	1,202,049	1,114,698	-	-	1,202,049	1,114,698
Operation of non-instructional services:						
Food service operations	589,901	603,470	-	-	589,901	603,470
Other non-instructional services	66,898	51,787	-	-	66,898	51,787
Intergovernmental pass through	568,910	483,574	-	-	568,910	483,574
Extracurricular activities	1,617,987	1,584,091	-	-	1,617,987	1,584,091
Interest and fiscal charges	1,296,998	1,165,809	-	-	1,296,998	1,165,809
Recreation	-	-	2,257,947	2,155,699	2,257,947	2,155,699
Total expenses	<u>50,099,277</u>	<u>48,696,188</u>	<u>2,257,947</u>	<u>2,155,699</u>	<u>52,357,224</u>	<u>50,851,887</u>
Excess of revenues over (under)						
expenses before transfers	6,635,886	5,504,046	431,461	459,082	7,067,347	5,963,128
Transfers	<u>(58,531)</u>	<u>-</u>	<u>58,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	6,577,355	5,504,046	489,992	459,082	7,067,347	5,963,128
Net assets at beginning of year	<u>46,637,134</u>	<u>41,133,088</u>	<u>6,418,112</u>	<u>5,959,030</u>	<u>53,055,246</u>	<u>47,092,118</u>
Net assets at end of year	<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$ 60,122,593</u>	<u>\$ 53,055,246</u>

Governmental Activities

Net assets of the District's governmental activities increased \$6,577,355. Total governmental expenses of \$50,099,277 were offset by program revenues of \$6,242,419 and general revenues of \$50,492,744. Program revenues supported 12.46% of the total governmental expenses.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

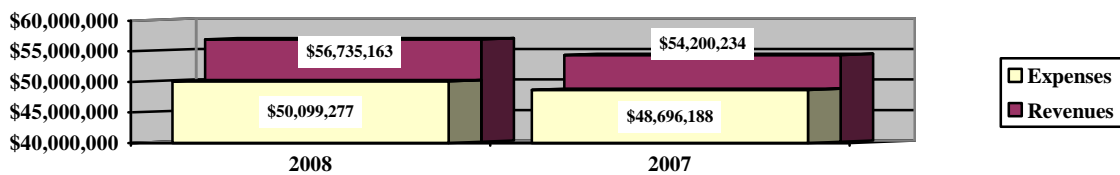
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 85.43% of total governmental revenues. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past twenty-five years, residents of the District have, without exception, supported all operating levies placed on the ballot. In November of 2004, the District successfully passed a 5-mill operating levy that generates approximately \$4.8 million in revenue per year. Collections on this levy began during the second half of fiscal year 2005 with full collection of this levy realized in fiscal year 2006. The additional income has been dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation). This levy was originally expected to cover four years of operation, but it has since been determined that it will cover five years. Ohio H.B. 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This state law, enacted in 1976, also eliminates any growth from local revenue with the exception of additional tax dollars created by new construction. As a result, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service. Tax revenue for the District increased in fiscal year 2008 versus 2007 as described in the analysis of the general fund's revenue which is provided below.

Approximately 48.63% of the District's budget is used for instructional expenses. Supporting services including those related to pupils, staff and business operations account for an additional 43.10%. The remaining amount of program expenses, roughly 8.27%, is budgeted to finance other obligations of the District such as interest and fiscal charges, food service operations and extracurricular activities. Further analysis of the causes for the variances in expenses from 2008 versus 2007 is provided in the analysis of the general fund expenditures which is provided below.

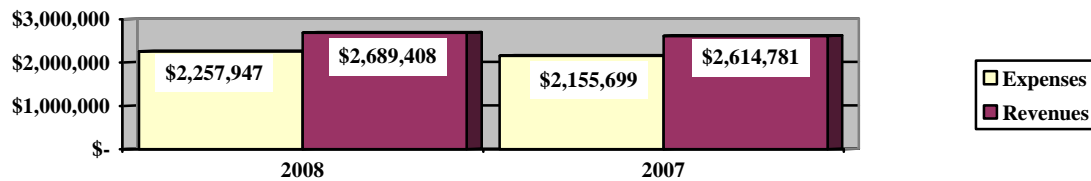
Actual expenses were relatively consistent with annual budget expectations. The District had an increase of net assets in 2008 of \$7,067,347. The increase was primarily attributable to the District's continued maintenance of a revenue stream fueled by local property taxes, the related entitlements from the State and investment earnings that exceeded operating expenses. Consistent support from the voters of the District has allowed this positive trend to continue.

The graphs below present the District's governmental and business-type activities revenues and expenses for fiscal year 2008 and 2007.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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 2008 and 2007. 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	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Program expenses:				
Instruction:				
Regular	\$ 18,238,270	\$ 17,962,128	\$ 17,701,907	\$ 17,171,446
Special	5,832,538	5,475,417	2,444,548	2,462,267
Vocational	293,462	324,513	69,352	246,251
Other	-	2,828	-	2,828
Support services:				
Pupil	3,471,580	3,337,866	3,144,168	2,965,444
Instructional staff	3,670,822	3,499,573	3,553,982	3,391,943
Board of Education	110,200	143,355	110,200	143,355
Administration	2,926,908	2,849,409	2,924,690	2,846,151
Fiscal	1,176,289	1,126,029	1,176,289	1,126,029
Business	549,721	509,048	549,721	509,048
Operations and maintenance of plant	5,118,866	5,096,407	5,101,586	4,959,244
Pupil transportation	3,367,878	3,366,186	3,177,325	3,152,701
Central	1,202,049	1,114,698	1,155,496	1,091,352
Operation of non-instructional services:				
Food service operations	589,901	603,470	(18,693)	45,306
Other non-instructional services	66,898	51,787	65,631	51,787
Intergovernmental pass through	568,910	483,574	(41,408)	(14,788)
Extracurricular activities	1,617,987	1,584,091	1,445,066	1,405,727
Interest and fiscal charges	<u>1,296,998</u>	<u>1,165,809</u>	<u>1,296,998</u>	<u>1,165,809</u>
Total expenses	<u>\$ 50,099,277</u>	<u>\$ 48,696,188</u>	<u>\$ 43,856,858</u>	<u>\$ 42,721,900</u>

The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent, as 82.97% of 2008 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 87.54% in 2008. The District's taxpayers, as a whole, are by far the primary support for the District's students.

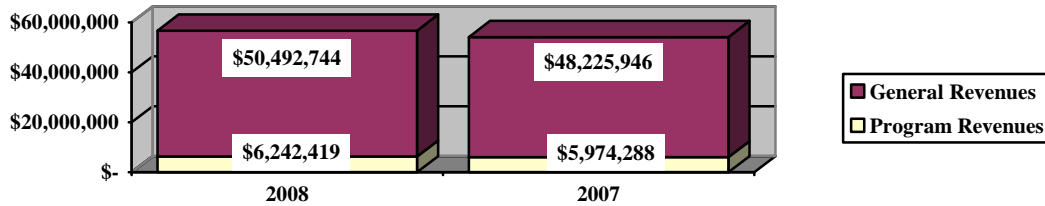
The communities of Pepper Pike, Moreland Hills, Orange, Hunting Valley, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

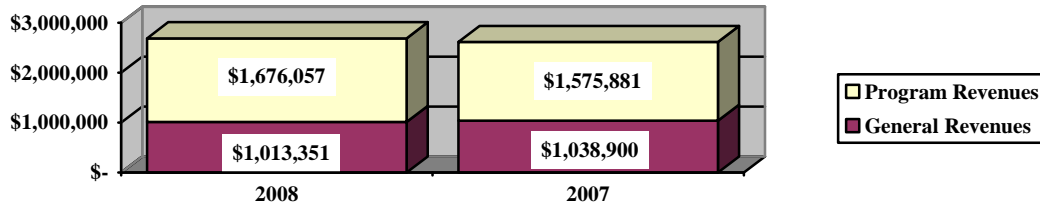
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The graphs below present the District's governmental and business-type activities revenues for fiscal years 2008 and 2007.

Governmental Activities - General and Program Revenues



Business-Type Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the recreation operation. This program had revenues of \$2,689,408 and expenses of \$2,257,947 for fiscal year 2008. During fiscal year 2008, the District's business activities received \$783,212 in support from tax revenues. The District passed a new replacement recreation levy in November of 2005. Collections for this replacement levy commenced in January of 2006. For fiscal year 2008, the Recreation fund had an operating loss of \$581,890 (prior to non-operating revenues such as interest revenue, grants and taxes) and a change in net assets of \$489,992. As can be seen, the recreation fund is dependent upon the tax levy to sustain profitable operations. Total net assets of the recreation fund at June 30, 2008 were \$6,908,104.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$37,745,574, which is above last year's total of \$33,203,767. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	<u>Fund Balance</u> <u>June 30, 2008</u>	<u>Fund Balance</u> <u>June 30, 2007</u>	<u>Increase</u>
General	\$ 31,184,042	\$ 27,301,730	\$ 3,882,312
Bond retirement	2,377,383	2,065,087	312,296
Permanent improvement	3,431,274	3,183,148	248,126
Other Governmental	<u>752,875</u>	<u>653,802</u>	<u>99,073</u>
Total	<u>\$ 37,745,574</u>	<u>\$ 33,203,767</u>	<u>\$ 4,541,807</u>

General Fund

The general fund is by far the District's most significant fund. The fund balance of the general fund increased \$3,882,312. The table that follows assists in illustrating the revenues of the general fund.

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Increase/</u> <u>Decrease</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 36,845,114	\$ 36,836,652	\$ 8,462	0.02 %
Tuition and fees	2,820,356	3,701,388	(881,032)	(23.80) %
Investment earnings	1,519,491	1,682,340	(162,849)	(9.68) %
Intergovernmental	7,618,159	6,870,354	747,805	10.88 %
Other revenues	<u>38,341</u>	<u>64,647</u>	<u>(26,306)</u>	<u>(40.69) %</u>
Total	<u>\$ 48,841,461</u>	<u>\$ 49,155,381</u>	<u>\$ (313,920)</u>	<u>(0.64) %</u>

Tuition and fees decreased \$881,032 or 23.80%. This decrease can be attributed to an increase in tuition receipts that are booked as deferred revenue on the fund financial statements. These receipts will be collected outside of the 60 day available period due to a change in the manner in which these revenues are billed for and collected utilizing the State Foundation Program. Previously, districts direct billed other districts for certain tuition costs. Currently, substantially all of these tuition amounts are collected through the State and delays have resulted from this new system. The decrease of \$162,849 or 9.68% in investment earnings is the result of the lower interest rates earned on investments. Interest rates are heavily dependent upon the actions of the Federal Reserve. Intergovernmental revenue increased \$747,805 or 10.88% from the prior year. This increase is primarily attributed to an increase in tangible personal property tax loss reimbursements from the State pursuant to Am. Sub. House Bill 66. All other revenues remained comparable to 2007.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

<u>Expenditures</u>	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase/ Decrease</u>	<u>Percentage Change</u>
Instruction	\$ 22,930,494	\$ 22,458,876	\$ 471,618	2.10 %
Support services	20,515,919	19,732,189	783,730	3.97 %
Operation of non-instructional services	15,604	-	15,604	100.00 %
Extracurricular activities	1,207,523	1,194,911	12,612	1.06 %
Capital outlay	294,690	-	294,690	100.00 %
Debt service	<u>32,902</u>	<u>32,935</u>	<u>(33)</u>	(0.10) %
Total	<u>\$ 44,997,132</u>	<u>\$ 43,418,911</u>	<u>\$ 1,578,221</u>	3.63 %

Instruction and support services expenditures remained relatively consistent with 2007 experiencing increases for anticipated salary/wage and fringe benefit increases. Additionally, support services experienced increases due to inflation in utility and fuel costs. The increase in capital outlay is the result of the District entering into capital lease agreements during the year. All other expenditure line items shown are deemed immaterial amounts relative to total expenditures or were consistent with 2007 and they do not warrant further analysis.

General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the District did not amend its total general fund permanent budget; however, numerous intrafund budget transfers were made amongst the various accounts within the general fund. None were significant. The District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses, but provide flexibility for site based decision-making by management.

The general fund's final budgeted revenues and other financing sources totaled \$48,962,047. This was \$938,976 higher than the original budget estimate of \$48,023,071. Actual budget basis revenues and other financing sources of \$48,938,880 were less than final budgeted revenues by \$23,167 primarily due to the previously mentioned decrease in tuition and fees. The final budgeted expenditures and other financing uses totaled \$47,547,015 compared to original estimates of \$47,492,015. Actual budget basis expenditures and other financing uses of \$45,336,683 were \$2,210,332 lower than the final budgeted expenditures due to conservative budget estimates for salaries/wages and fringe benefits and lower than expected purchased services expenditures (i.e. utilities, legal costs, repairs, tuition, travel, etc.).

The District's ending unencumbered cash balance totaled \$30,841,349, which was higher than that originally budgeted.

Bond Retirement Fund

The bond retirement fund had \$2,551,498 in revenues and \$2,239,202 in expenditures. The bond retirement fund's fund balance increased \$312,296 from \$2,065,087 to \$2,377,383. The fund balance increase is due to revenues surpassing required principal and interest payments for fiscal year 2008.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Permanent Improvement Fund

The permanent improvement fund had \$1,251,597 in revenues and other financing sources and \$1,003,471 in expenditures. The permanent improvement fund's fund balance increased \$248,126 from \$3,183,148 to \$3,431,274 primarily due to a transfer of \$100,319 received from the general fund and a decrease in expenditures from the previous year as there were fewer major permanent improvement projects in 2008.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the District had \$44,032,860 invested in land, construction in progress (CIP), land improvements, buildings, equipment and vehicles. Of this total, \$41,815,251 was reported in governmental activities and \$2,217,609 was reported in business-type activities. The following table shows fiscal year 2008 balances compared to 2007:

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

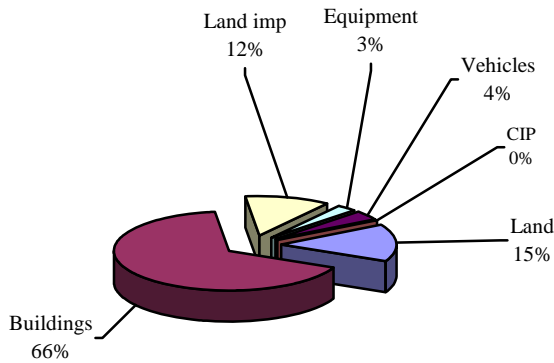
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Construction in progress	55,103	7,657	-	-	55,103	7,657
Land improvements	4,925,063	5,213,189	44,728	49,292	4,969,791	5,262,481
Buildings	27,698,365	28,168,267	2,131,584	2,170,785	29,829,949	30,339,052
Equipment	1,181,011	869,790	17,696	18,066	1,198,707	887,856
Vehicles	<u>1,585,559</u>	<u>1,541,672</u>	<u>23,601</u>	<u>29,717</u>	<u>1,609,160</u>	<u>1,571,389</u>
Total	<u>\$41,815,251</u>	<u>\$42,170,725</u>	<u>\$ 2,217,609</u>	<u>\$ 2,267,860</u>	<u>\$ 44,032,860</u>	<u>\$ 44,438,585</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

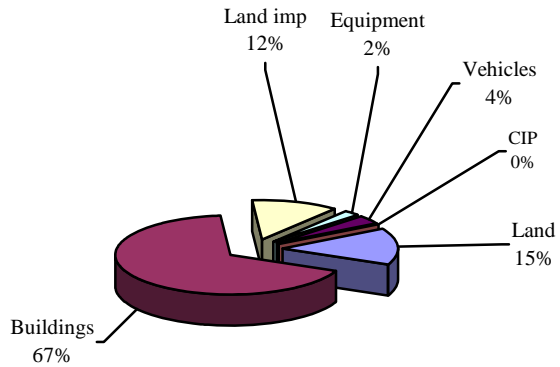
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2008 and 2007.

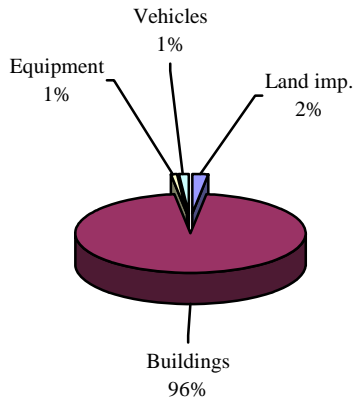
**Capital Assets - Governmental Activities
2008**



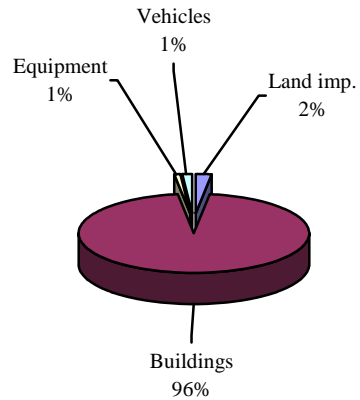
**Capital Assets - Governmental Activities
2007**



**Capital Assets - Business-Type Activities
2008**



**Capital Assets - Business-Type Activities
2007**



See Note 9 to the basic financial statements for additional information on the District's capital assets.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Debt Administration

At June 30, 2008 the District had \$26,861,292 in capital lease obligations and general obligation bonds outstanding. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2008</u>	<u>Governmental Activities 2007</u>
General obligation bonds - Series 1999	\$ 4,316,179	\$ 4,926,195
General obligation bonds - Series 2004	4,067,869	4,216,946
General obligation bonds - Series 2007	18,204,986	18,392,081
Capital lease obligation	<u>272,258</u>	<u>-</u>
Total	<u>\$ 26,861,292</u>	<u>\$ 27,535,222</u>

In an election held on November 3, 1998 the electors of the District approved the issuance of bonds (Series 1999 bonds) for the purpose of acquiring improved and additional educational technology, installing computer stations in school buildings, renovating school libraries (media centers), reconstructing and equipping of science and technology laboratories, constructing, furnishing and equipping a new elementary school, and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites.

The Series 2004 bonds were issued to provide funding for various school improvement projects throughout the District.

The Series 2007 bonds were issued to refund a significant portion of the Series 1999 general obligation bonds.

During fiscal year 2008, the District entered into capital lease obligations for copier equipment. See Note 8 for detail on the capital lease obligations.

See Note 15 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Overall, the District continues to academically perform at a high level as determined by the State of Ohio. Our most recent State report card shows the District's students achieving a score of 30 out of 30 with respect to the State's defined set of proficiency criteria.

As the preceding information shows, the District heavily depends on its property taxpayers. Our communities' support was recently measured by four most outstanding accomplishments. In the fall of 1998 the community passed a \$36.5 million bond issue, in November of 2000 they passed a 9.5-mill operating levy, in November of 2004 they passed a 5-mill operating levy and in November 2005 they passed a .95-mill replacement levy for the District's recreation operations. The support of these four issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

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

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

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

The District has committed itself to financial and educational excellence for many years. The District has received the Governmental Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 2007 CAFR. Orange City School District is committed to continuous improvement in financial reporting to our communities.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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 questions about this report or need additional financial information contact Mr. David Denbow, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974 or e-mail him at ddenbow@orange.k12.oh.us.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF NET ASSETS
JUNE 30, 2008*

	Governmental Activities	Business-Type Activity	Total
Assets:			
Equity in pooled cash and investments.	\$ 37,635,372	\$ 4,084,350	\$ 41,719,722
Receivables:			
Taxes	41,269,129	836,706	42,105,835
Accounts.	2,785	6,392	9,177
Accrued interest	504,474	55,378	559,852
Intergovernmental	1,274,224	-	1,274,224
Inventory held for resale	5,207	-	5,207
Materials and supplies inventory	412,112	7,225	419,337
Unamortized bond issue costs	244,563	-	244,563
Capital assets:			
Nondepreciable capital assets.	6,425,253	-	6,425,253
Depreciable capital assets, net	35,389,998	2,217,609	37,607,607
Total capital assets, net	<u>41,815,251</u>	<u>2,217,609</u>	<u>44,032,860</u>
<i>Total assets</i>	<u>123,163,117</u>	<u>7,207,660</u>	<u>130,370,777</u>
Liabilities:			
Accounts payable.	54,694	2,168	56,862
Contracts payable.	81,172	-	81,172
Accrued wages payable.	4,129,413	89,554	4,218,967
Intergovernmental payable	130,218	12,336	142,554
Pension obligation payable	1,203,585	182,575	1,386,160
Undistributed monies.	5,487	-	5,487
Accrued interest payable	104,637	-	104,637
Unearned revenue	32,906,954	-	32,906,954
Long-term liabilities:			
Due within one year.	1,585,162	5,078	1,590,240
Due in more than one year	29,747,306	7,845	29,755,151
<i>Total liabilities</i>	<u>69,948,628</u>	<u>299,556</u>	<u>70,248,184</u>
Net Assets:			
Invested in capital assets, net of related debt.	15,940,380	2,217,609	18,157,989
Restricted for:			
Capital projects	3,713,071	-	3,713,071
Debt service.	2,478,446	-	2,478,446
Locally funded programs	14,469	-	14,469
State funded programs	38,628	-	38,628
Federally funded programs	53,656	-	53,656
Student activities	60,798	-	60,798
Public school support	51,425	-	51,425
Unrestricted	<u>30,863,616</u>	<u>4,690,495</u>	<u>35,554,111</u>
<i>Total net assets</i>	<u>\$ 53,214,489</u>	<u>\$ 6,908,104</u>	<u>\$ 60,122,593</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 18,238,270	\$ 397,212	\$ 139,151	\$ -
Special	5,832,538	3,118,760	269,230	-
Vocational	293,462	220,075	4,035	-
Support services:				
Pupil	3,471,580	32,923	294,489	-
Instructional staff	3,670,822	4,493	112,347	-
Board of Education	110,200	-	-	-
Administration	2,926,908	-	2,218	-
Fiscal	1,176,289	-	-	-
Business	549,721	-	-	-
Operations and maintenance of plant	5,118,866	7,230	10,050	-
Pupil transportation	3,367,878	-	157,809	32,744
Central	1,202,049	-	33,187	13,366
Operation of non-instructional services:				
Food service operations	589,901	491,963	116,631	-
Other non-instructional services	66,898	-	1,267	-
Intergovernmental pass through	568,910	-	610,318	-
Extracurricular activities	1,617,987	166,586	6,335	-
Interest and fiscal charges	1,296,998	-	-	-
<i>Total governmental activities</i>	<u>50,099,277</u>	<u>4,439,242</u>	<u>1,757,067</u>	<u>46,110</u>
Business-Type activity:				
Recreation	2,257,947	1,536,303	139,754	-
<i>Totals</i>	<u>\$ 52,357,224</u>	<u>\$ 5,975,545</u>	<u>\$ 1,896,821</u>	<u>\$ 46,110</u>

General Revenues:

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

Total general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
\$ (17,701,907)	\$ -	\$ (17,701,907)
(2,444,548)	-	(2,444,548)
(69,352)	-	(69,352)
(3,144,168)	-	(3,144,168)
(3,553,982)	-	(3,553,982)
(110,200)	-	(110,200)
(2,924,690)	-	(2,924,690)
(1,176,289)	-	(1,176,289)
(549,721)	-	(549,721)
(5,101,586)	-	(5,101,586)
(3,177,325)	-	(3,177,325)
(1,155,496)	-	(1,155,496)
18,693	-	18,693
(65,631)	-	(65,631)
41,408	-	41,408
(1,445,066)	-	(1,445,066)
(1,296,998)	-	(1,296,998)
(43,856,858)	-	(43,856,858)
-	(581,890)	(581,890)
(43,856,858)	(581,890)	(44,438,748)
37,569,616	-	37,569,616
2,258,971	-	2,258,971
849,401	-	849,401
-	783,212	783,212
7,789,074	-	7,789,074
1,956,626	191,095	2,147,721
69,056	39,044	108,100
50,492,744	1,013,351	51,506,095
(58,531)	58,531	-
50,434,213	1,071,882	51,506,095
6,577,355	489,992	7,067,347
46,637,134	6,418,112	53,055,246
\$ 53,214,489	\$ 6,908,104	\$ 60,122,593

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 31,369,364	\$ 2,066,898	\$ 3,389,551	\$ 809,559	\$ 37,635,372
Receivables:					
Taxes	38,078,397	2,319,660	871,072	-	41,269,129
Accounts	2,153	-	-	632	2,785
Accrued interest	423,177	28,116	46,108	7,073	504,474
Intergovernmental	1,139,952	-	-	134,272	1,274,224
Interfund loan	62,326	-	-	-	62,326
Inventory held for resale	-	-	-	5,207	5,207
Materials and supplies inventory	379,319	-	-	32,793	412,112
<i>Total assets</i>	<u>\$ 71,454,688</u>	<u>\$ 4,414,674</u>	<u>\$ 4,306,731</u>	<u>\$ 989,536</u>	<u>\$ 81,165,629</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 41,061	\$ -	\$ -	\$ 13,633	\$ 54,694
Contracts payable	-	-	81,172	-	81,172
Accrued wages payable	4,024,200	-	-	105,213	4,129,413
Interfund loan payable	-	-	-	62,326	62,326
Compensated absences payable	255,592	-	-	-	255,592
Pension obligation payable	1,160,983	-	-	42,602	1,203,585
Intergovernmental payable	128,308	-	-	1,910	130,218
Undistributed monies	-	-	-	5,487	5,487
Deferred revenue	4,275,685	205,700	103,739	5,490	4,590,614
Unearned revenue	30,384,817	1,831,591	690,546	-	32,906,954
<i>Total liabilities</i>	<u>40,270,646</u>	<u>2,037,291</u>	<u>875,457</u>	<u>236,661</u>	<u>43,420,055</u>
Fund Balances:					
Reserved for encumbrances	428,658	-	213,211	55,335	697,204
Reserved for property taxes	4,720,045	301,519	111,417	-	5,132,981
Reserved for debt service	-	2,075,864	-	-	2,075,864
Unreserved:					
Undesignated, reported in:					
General fund	26,035,339	-	-	-	26,035,339
Special revenue funds	-	-	-	521,337	521,337
Capital projects funds	-	-	3,106,646	176,203	3,282,849
<i>Total fund balances</i>	<u>31,184,042</u>	<u>2,377,383</u>	<u>3,431,274</u>	<u>752,875</u>	<u>37,745,574</u>
<i>Total liabilities and fund balances</i>	<u>\$ 71,454,688</u>	<u>\$ 4,414,674</u>	<u>\$ 4,306,731</u>	<u>\$ 989,536</u>	<u>\$ 81,165,629</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008*

Total governmental fund balances		\$	37,745,574
 <i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			41,815,251
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes receivable	\$	3,130,232	
Accounts receivable		1,064,155	
Accrued interest receivable		<u>396,227</u>	
Total			4,590,614
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.			(104,637)
Unamortized premiums on bond issuances are not recognized in the funds.			(932,970)
Unamortized bond issuance costs are not recognized in the funds			244,563
Unamortized deferred amounts on refundings are not recognized in the funds.			603,983
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		(26,589,034)	
Compensated absences payable		(3,886,597)	
Capital lease obligations		<u>(272,258)</u>	
Total			<u>(30,747,889)</u>
<i>Net assets of governmental activities</i>		\$	<u><u>53,214,489</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 36,845,114	\$ 2,204,368	\$ 830,080	\$ -	\$ 39,879,562
Intergovernmental	7,618,159	250,344	111,124	1,558,847	9,538,474
Investment earnings	1,519,491	96,786	144,673	21,321	1,782,271
Tuition and fees	2,820,356	-	-	-	2,820,356
Extracurricular activities	-	-	-	202,607	202,607
Classroom materials and fees	5,344	-	-	72,500	77,844
Charges for services.	-	-	-	491,963	491,963
Rentals	7,230	-	-	-	7,230
Miscellaneous.	25,767	-	65,401	16,601	107,769
<i>Total revenues.</i>	<u>48,841,461</u>	<u>2,551,498</u>	<u>1,151,278</u>	<u>2,363,839</u>	<u>54,908,076</u>
Expenditures:					
Current:					
Instruction:					
Regular	17,235,563	-	-	149,611	17,385,174
Special.	5,427,337	-	-	298,309	5,725,646
Vocational.	267,594	-	-	5,021	272,615
Support Services:					
Pupil.	3,116,704	-	-	354,698	3,471,402
Instructional staff	3,530,790	-	-	118,806	3,649,596
Board of Education	110,200	-	-	-	110,200
Administration.	2,869,783	-	-	2,389	2,872,172
Fiscal	1,171,481	-	-	-	1,171,481
Business	537,479	-	-	-	537,479
Operations and maintenance of plant	4,597,992	-	-	10,100	4,608,092
Pupil transportation	3,424,859	-	-	-	3,424,859
Central.	1,156,631	-	-	43,871	1,200,502
Operation of non-instructional services:					
Food service operations.	-	-	-	585,191	585,191
Other non-instructional services.	15,604	-	-	1,854	17,458
Intergovernmental pass through.	-	-	-	561,489	561,489
Extracurricular activities	1,207,523	-	-	293,427	1,500,950
Capital outlay.	294,690	-	-	-	294,690
Facilities acquisition and construction	-	-	1,003,471	-	1,003,471
Debt service:					
Principal retirement	22,432	1,225,000	-	-	1,247,432
Interest and fiscal charges	10,470	1,014,202	-	-	1,024,672
<i>Total expenditures</i>	<u>44,997,132</u>	<u>2,239,202</u>	<u>1,003,471</u>	<u>2,424,766</u>	<u>50,664,571</u>
<i>Excess of revenues over (under) expenditures.</i>	<u>3,844,329</u>	<u>312,296</u>	<u>147,807</u>	<u>(60,927)</u>	<u>4,243,505</u>
Other financing sources (uses):					
Transfers in.	-	-	100,319	160,000	260,319
Transfers out	(260,319)	-	-	-	(260,319)
Sale of capital assets.	3,612	-	-	-	3,612
Capital lease transaction	294,690	-	-	-	294,690
<i>Total other financing sources (uses)</i>	<u>37,983</u>	<u>-</u>	<u>100,319</u>	<u>160,000</u>	<u>298,302</u>
<i>Net change in fund balances</i>	<u>3,882,312</u>	<u>312,296</u>	<u>248,126</u>	<u>99,073</u>	<u>4,541,807</u>
<i>Fund balances at beginning of year</i>	<u>27,301,730</u>	<u>2,065,087</u>	<u>3,183,148</u>	<u>653,802</u>	<u>33,203,767</u>
<i>Fund balances at end of year.</i>	<u>\$ 31,184,042</u>	<u>\$ 2,377,383</u>	<u>\$ 3,431,274</u>	<u>\$ 752,875</u>	<u>\$ 37,745,574</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

Net change in fund balances - total governmental funds		\$ 4,541,807
<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 costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 1,422,166	
Current year depreciation	<u>(1,735,706)</u>	
Total		(313,540)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(41,934)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:		
Decrease in accrued interest payable	1,638	
Accretion of interest on "capital appreciation" bonds	(278,812)	
Amortization of bond premium	59,324	
Amortization of deferred charges on refundings	(39,178)	
Amortization of bond issue costs	<u>(15,298)</u>	
Total		(272,326)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Taxes	798,426	
Tuition	879,113	
Earnings on investments	190,502	
Intergovernmental	<u>(40,954)</u>	
Total		1,827,087
Repayment of bond and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:		
Bonds	1,225,000	
Capital lease	<u>22,432</u>	
Total		1,247,432
Capital lease transactions are recorded as an other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets.		
		(294,690)
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.		
		<u>(116,481)</u>
Change in net assets of governmental activities		<u><u>\$ 6,577,355</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 36,174,886	\$ 36,054,808	\$ 36,280,412	\$ 225,604
Intergovernmental	7,305,833	7,558,868	7,606,165	47,297
Investment earnings	1,000,000	1,547,173	1,628,769	81,596
Tuition and fees	3,389,100	3,632,635	3,313,010	(319,625)
Classroom materials and fees	2,500	5,311	5,344	33
Rentals	6,000	7,185	7,230	45
Miscellaneous.	73,352	83,927	25,765	(58,162)
<i>Total revenues.</i>	47,951,671	48,889,907	48,866,695	(23,212)
Expenditures:				
Current:				
Instruction:				
Regular	17,656,475	17,668,989	17,132,553	536,436
Special.	5,744,305	5,781,632	5,642,039	139,593
Vocational.	470,822	470,822	350,746	120,076
Support Services:				
Pupil.	3,046,983	3,051,677	3,021,031	30,646
Instructional staff	3,587,269	3,580,100	3,485,813	94,287
Board of education	194,020	196,020	110,032	85,988
Administration.	2,995,006	3,035,100	2,901,431	133,669
Fiscal	1,218,365	1,221,205	1,153,604	67,601
Business	588,880	588,880	536,193	52,687
Operations and maintenance of plant	5,287,780	5,273,173	4,578,264	694,909
Pupil transportation	3,470,936	3,496,543	3,511,346	(14,803)
Central.	1,659,724	1,660,224	1,386,822	273,402
Operation of non-instructional services:				
Other non-instructional services	5,550	5,550	7,758	(2,208)
Extracurricular activities.	1,185,900	1,185,900	1,196,406	(10,506)
<i>Total expenditures</i>	47,112,015	47,215,815	45,014,038	2,201,777
<i>Excess of revenues over expenditures.</i>	839,656	1,674,092	3,852,657	2,178,565
Other financing sources (uses):				
Refund of prior year expenditure	6,000	3,650	3,673	23
Transfers out	(160,000)	(260,319)	(260,319)	-
Advances in	64,900	64,900	64,900	-
Advances out	-	-	(62,326)	(62,326)
Sale of capital assets	500	3,590	3,612	22
Contingencies	(220,000)	(70,881)	-	70,881
<i>Total other financing sources (uses).</i>	(308,600)	(259,060)	(250,460)	8,600
<i>Net change in fund balance</i>	531,056	1,415,032	3,602,197	2,187,165
<i>Fund balance at beginning of year</i>	26,590,529	26,590,529	26,590,529	-
Prior year encumbrances appropriated	648,623	648,623	648,623	-
<i>Fund balance at end of year.</i>	\$ 27,770,208	\$ 28,654,184	\$ 30,841,349	\$ 2,187,165

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008*

	Recreation
Assets:	
<i>Current assets:</i>	
Equity in pooled cash and investments	\$ 4,084,350
Receivables:	
Taxes	836,706
Accounts	6,392
Accrued interest	55,378
Materials and supplies inventory	7,225
<i>Total current assets.</i>	4,990,051
 <i>Noncurrent assets:</i>	
Depreciable capital assets, net	2,217,609
 <i>Total assets.</i>	 7,207,660
 Liabilities:	
<i>Current Liabilities:</i>	
Accounts payable	2,168
Accrued wages payable	89,554
Compensated absences payable	5,078
Pension obligation payable	182,575
Intergovernmental payable.	12,336
<i>Total current liabilities</i>	291,711
 <i>Long-term liabilities:</i>	
Compensated absences payable	7,845
 <i>Total liabilities</i>	 299,556
 Net assets:	
Invested in capital assets.	2,217,609
Unrestricted	4,690,495
 <i>Total net assets</i>	 \$ 6,908,104

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Recreation</u>
Operating revenues:	
Program fees	\$ 1,476,255
Sales/charges for services	60,048
Other	39,044
<i>Total operating revenues</i>	<u>1,575,347</u>
Operating expenses:	
Salaries.	1,104,723
Fringe benefits	360,180
Purchased services.	544,476
Materials and supplies	120,126
Depreciation	108,782
Other.	19,660
<i>Total operating expenses.</i>	<u>2,257,947</u>
<i>Operating loss</i>	<u>(682,600)</u>
Nonoperating revenues:	
Investment earnings	191,095
Property taxes	783,212
Contributions and donations.	23,302
Grants and subsidies	116,452
<i>Total nonoperating revenues.</i>	<u>1,114,061</u>
Income before capital contributions	431,461
Capital contributions	58,531
<i>Change in net assets</i>	489,992
<i>Net assets at beginning of year.</i>	<u>6,418,112</u>
<i>Net assets at end of year.</i>	<u>\$ 6,908,104</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Recreation
Cash flows from operating activities:	
Cash received from customers	\$ 1,530,331
Cash received from other operating revenues	39,044
Cash payments to suppliers for goods and services	(533,534)
Cash payments to employees for services	(1,105,822)
Cash payments for employee benefits	(341,249)
Cash payments for materials and supplies	(121,620)
Cash payments for other operating expenses	(19,072)
<i>Net cash used in operating activities</i>	<i>(551,922)</i>
Cash flows from noncapital financing activities:	
Property taxes	819,081
Contributions and donations	23,302
Grants and subsidies	116,452
<i>Net cash provided by noncapital financing activities.</i>	<i>958,835</i>
Cash flows from investing activities:	
Earnings on investments.	189,108
<i>Net cash provided by investing activities</i>	<i>189,108</i>
<i>Net increase in cash and cash equivalents</i>	<i>596,021</i>
<i>Cash and cash equivalents at beginning of year</i>	<i>3,488,329</i>
<i>Cash and cash equivalents at end of year.</i>	<i>\$ 4,084,350</i>
Reconciliation of operating loss to net cash used in operating activities:	
<i>Operating loss</i>	<i>\$ (682,600)</i>
<i>Adjustments:</i>	
Depreciation	108,782
Changes in assets and liabilities:	
(Increase) in accounts receivable	(5,986)
(Increase) in materials and supplies inventory.	(2,020)
Increase in accounts payable	1,070
Increase in accrued wages and benefits.	7,813
(Decrease) in compensated absences payable.	(688)
Increase in intergovernmental payable	10,819
Increase in pension obligation payable.	10,888
<i>Net cash used in operating activities.</i>	<i>\$ (551,922)</i>

Non-cash Transactions:

In 2008, the recreation fund received \$58,531 in capital contributions from governmental funds.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008*

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash		
and investments	\$ 81,054	\$ 98,174
Accrued interest receivable	813	-
<i>Total assets</i>	81,867	\$ 98,174
Liabilities:		
Undistributed monies	-	\$ 9,902
Due to students	-	88,272
<i>Total liabilities</i>	-	\$ 98,174
Net Assets:		
Held in trust for scholarships.	\$ 81,867	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Private-Purpose Trust
	Scholarship
Additions:	
Investment earnings	\$ 3,995
<i>Total additions.</i>	3,995
Deductions:	
Scholarships awarded	2,500
<i>Total deductions.</i>	2,500
<i>Change in net assets.</i>	1,495
<i>Net assets at beginning of year.</i>	80,372
<i>Net assets at end of year.</i>	\$ 81,867

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The District provides educational services as mandated by State and federal agencies. The Board of Education controls the District's three instructional support facilities staffed by 199 classified employees, 241 certified teaching personnel and 31 administrators/supervisors who provide services to 2,388 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 227th largest by enrollment among the 896 public school districts and community schools in the State of Ohio. The District operates one elementary school (pre-K-5), one middle school (6-8) and a high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The District participates in certain organizations which are defined as jointly governed organizations and public entity risk pools. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council and the Suburban Health Consortium. These organizations are discussed in Notes 16 and 17 to the basic financial statements.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

B. Basis of Presentation

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

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

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

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

C. Fund Accounting

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

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

Bond Retirement Fund - The bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds used for the construction of a new elementary school and other necessary school facility improvements.

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

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

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

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

Recreation Fund - This fund accounts for fees and property taxes for the upkeep of the recreational center and educational opportunities offered to District residents.

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

D. Measurement Focus

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

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

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

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

E. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 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 nonexchange transactions must also be available before it can be recognized.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

F. Budgetary Data

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

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

G. Cash and Investments

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

During fiscal year 2008, investments were limited to federal agency securities, commercial paper, repurchase agreements, nonnegotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio), the State Treasurer's Investment Pool.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2008.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$1,519,491 which includes \$41,694 assigned from other District funds.

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

H. Inventory

On government-wide financial statements, purchased inventories 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.

I. Capital Assets

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2008, the District maintained 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 asset or materially extend an asset's life are not.

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

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

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at June 30, 2008.

K. Compensated Absences

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

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

L. Accrued Liabilities and Long-term Obligations

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

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

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

M. Net Assets

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

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

N. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under GAAP, but not available for appropriations under State statute.

O. Interfund Activity

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

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

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

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

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 15.A.

Q. Estimates

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

R. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets purchased by the governmental funds. Capital contributions are reported as revenue in the proprietary fund financial statements.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2008.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

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;

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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 with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was \$18,273,004. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$18,549,989 of the District's bank balance of \$18,971,915 was exposed to custodial risk as discussed below, while \$421,926 was covered by the Federal Deposit Insurance Corporation.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and 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.

B. Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>					<u>Total</u>
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>	
FHLB	\$ 13,847,914	\$ 2,010,000	\$ -	\$ -	\$ 4,064,380	\$ 7,773,534	\$ 13,847,914
FNMA	8,919,080	-	-	-	3,002,820	5,916,260	8,919,080
Repurchase agreements	462,999	462,999	-	-	-	-	462,999
STAR Ohio	395,953	395,953	-	-	-	-	395,953
Total	\$ 23,625,946	\$ 2,868,952	\$ -	\$ -	\$ 7,067,200	\$ 13,689,794	\$ 23,625,946

The weighted average maturity of investments is 2.03 years.

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

Credit Risk: The District's investments in federal agency securities and the federal agency securities that underlie the repurchase agreements were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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 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. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. 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.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 13,847,914	58.61
FNMA	8,919,080	37.75
Repurchase agreements	462,999	1.96
STAR Ohio	<u>395,953</u>	<u>1.68</u>
Total	<u>\$ 23,625,946</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Assets

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 assets as of June 30, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 18,273,004
Investments	<u>23,625,946</u>
Total	<u>\$ 41,898,950</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 37,635,372
Business-type activities	4,084,350
Private-purpose trust funds	81,054
Agency funds	<u>98,174</u>
Total	<u>\$ 41,898,950</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2008, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 62,326</u>

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund transfers for the year ended June 30, 2008, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental fund	\$ 160,000
Permanent improvement fund	<u>100,319</u>
Total	<u>\$ 260,319</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.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental and business-type activities on the statement of activities represents transfers of contributed capital assets from the governmental funds to the enterprise funds during fiscal year 2008.

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, public utility and tangible personal property located in the District. Property tax revenue received during calendar year 2008 for real and public utility property taxes represents collections of calendar 2007 taxes. Property tax payments received during calendar year 2008 for tangible personal property (other than public utility property) are for calendar year 2008 taxes.

Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after April 1, 2007 and are collected in 2008 with real property taxes.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.5% for property including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30. This year, the June 2008 tangible personal property tax settlement was not received until July of 2008.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,017,969,380	96.15	\$ 1,023,957,100	96.82
Public utility personal	9,449,280	0.89	7,086,100	0.67
Tangible personal property	<u>31,382,118</u>	<u>2.96</u>	<u>26,514,560</u>	<u>2.51</u>
Total	<u>\$ 1,058,800,778</u>	<u>100.00</u>	<u>\$ 1,057,557,760</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$86.00		\$86.00	

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

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 6 - PROPERTY TAXES - (Continued)

The amount that was available as an advance at June 30, 2008, was \$5,246,137 and is recognized as revenue. \$4,720,045 was available to the general fund, \$301,519 was available to the bond retirement fund, \$111,417 was available to the permanent improvement fund and \$113,156 was available to the recreation fund. The amount that was available as an advance at June 30, 2007 was \$4,614,676. \$4,175,182 was available to the general fund, \$250,582 was available to the bond retirement fund, \$94,253 was available to the permanent improvement fund and \$94,659 was available to the recreation fund.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. For governmental funds, the receivable is therefore offset by a credit to unearned revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities	
Taxes	\$ 41,269,129
Accounts	2,785
Intergovernmental	1,274,224
Accrued interest	504,474
Business-type Activities	
Taxes	836,706
Accounts	6,392
Accrued interest	<u>55,378</u>
Total receivables	<u>\$ 43,949,088</u>

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 8 - CAPITALIZED LEASE

During fiscal year 2008, the District entered into capitalized leases for copiers. All leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$294,690, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2008 was \$25,679, leaving a current book value of \$269,011.

Principal and interest payments in the 2008 fiscal year totaled \$22,432 and \$10,470, respectively. These amounts are reported as debt service payments of the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2008.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 71,703
2010	71,703
2011	71,704
2012	71,703
2013	<u>38,799</u>
Total minimum lease payments	325,612
Less: amount representing interest	<u>(53,354)</u>
Total	<u>\$ 272,258</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance			Balance
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2008</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Construction in progress	<u>7,657</u>	<u>55,103</u>	<u>(7,657)</u>	<u>55,103</u>
Total capital assets, not being depreciated	<u>6,377,807</u>	<u>55,103</u>	<u>(7,657)</u>	<u>6,425,253</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,458,057	90,279	-	8,548,336
Buildings	40,720,214	468,286	(12,250)	41,176,250
Equipment	2,667,452	490,338	(53,325)	3,104,465
Vehicles	<u>3,534,221</u>	<u>318,160</u>	<u>(313,993)</u>	<u>3,538,388</u>
Total capital assets, being depreciated	<u>55,379,944</u>	<u>1,367,063</u>	<u>(379,568)</u>	<u>56,367,439</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(3,244,868)	(378,405)	-	(3,623,273)
Buildings	(12,551,947)	(927,005)	1,067	(13,477,885)
Equipment	(1,797,662)	(166,864)	41,072	(1,923,454)
Vehicles	<u>(1,992,549)</u>	<u>(263,432)</u>	<u>303,152</u>	<u>(1,952,829)</u>
Total accumulated depreciation	<u>(19,587,026)</u>	<u>(1,735,706)</u>	<u>345,291</u>	<u>(20,977,441)</u>
Total capital assets, being depreciated	<u>35,792,918</u>	<u>(368,643)</u>	<u>(34,277)</u>	<u>35,389,998</u>
Governmental activities capital assets, net	<u>\$ 42,170,725</u>	<u>\$ (313,540)</u>	<u>\$ (41,934)</u>	<u>\$ 41,815,251</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 751,924
Special	119,527
Vocational	19,545
<u>Support Services:</u>	
Pupil	49,979
Instructional staff	2,920
Administration	54,435
Fiscal	3,729
Business	6,950
Operations and maintenance	282,615
Pupil transportation	262,857
Central	30,791
Noninstructional operations	49,440
Extracurricular activities	89,536
Intergovernmental pass through	5,935
Food service operations	5,523
Total depreciation expense	<u>\$ 1,735,706</u>

B. Business-type capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2008</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 168,278	\$ -	\$ -	\$ 168,278
Buildings	3,262,687	52,000	-	3,314,687
Equipment	81,263	6,531	-	87,794
Vehicles	61,147	-	-	61,147
Total capital assets, being depreciated	<u>3,573,375</u>	<u>58,531</u>	<u>-</u>	<u>3,631,906</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(118,986)	(4,564)	-	(123,550)
Buildings	(1,091,902)	(91,201)	-	(1,183,103)
Equipment	(63,197)	(6,901)	-	(70,098)
Vehicles	(31,430)	(6,116)	-	(37,546)
Total accumulated depreciation	<u>(1,305,515)</u>	<u>(108,782)</u>	<u>-</u>	<u>(1,414,297)</u>
Business-type activities capital assets, net	<u>\$ 2,267,860</u>	<u>\$ (50,251)</u>	<u>\$ -</u>	<u>\$ 2,217,609</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the District maintained comprehensive insurance coverage for liability, violence, property, building contents and vehicles. The District obtains insurance coverage through Strassman Insurance Services. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Building and Contents - Replacement Cost	\$69,616,000
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	2,000,000
Umbrella Liability:	
Per occurrence	3,000,000
Total per year	3,000,000
Employer's Liability	1,000,000

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

B. Workers' Compensation

The District obtains Workers' Compensation coverage directly through the State of Ohio Bureau of Workers' Compensation. The District utilizes 1-888-OHIOCOMP as its managed care organization and Sheakley Uniserve, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal 2008, the District paid administration fees in the amount of \$7,350 for these services.

C. Employee Health Benefits

The District participates in the Suburban Health Consortium, a shared risk pool (Note 16) to provide employee medical, prescription, dental and vision benefits. Rates are set annually with the assistance of a consultant. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. During fiscal 2008, the District's Board of Education paid 94% and 90% of the cost of the monthly medical and prescription premiums for non-administrative, full-time employees and administrators, respectively. Additionally, the Board paid 90% of the monthly premium for dental and vision coverage.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 12 to 22 days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators employed to work 225 days per year receive 22 days of vacation annually. Classified employees and administrators who receive vacation are paid for accumulated, unused vacation time upon separation of employment in accordance with Ohio Revised Code Section 3319.084. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, classified OAPSE employees receive payment for one-fourth of total sick leave accumulation up to a maximum accumulation of 270 days. For classified CESSA and certified employees, upon retirement, employees receive one-fourth of total sick leave accumulation up to a maximum accumulation of 336 and 320 days, respectively, plus eight percent of sick leave accumulation over the last five years of service less sick leave used over the last five years of service.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem in the amount of \$100,000 and \$200,000 for all administrators.

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$825,783, \$867,675 and \$803,179, respectively; 44.04 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 12 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site 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. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For fiscal year 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$2,691,562, \$2,607,823 and \$2,472,253, respectively; 82.92 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$37,477 made by the District and \$68,786 made by the plan members.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 12 - PENSION PLANS - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS/STRS Ohio have an option to choose Social Security or SERS/STRS Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$552,994, \$453,435 and \$351,317, respectively; 44.04 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$59,500, \$59,002 and \$63,926, respectively; 44.04 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$207,043, \$200,602 and \$190,173, respectively; 82.92 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 14 - CONTRACTUAL COMMITMENTS

As of June 30, 2008, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Mayfield Board of Education	Vocational/Special Education Services	\$ 84,000
Shaker Heights Board of Education	Special Education Services	70,000
Solon Board of Education	Special Education Services	20,000
South Euclid-Lyndhurst Board of Education	Vocational Education Services	27,500
Squires, Sanders & Dempsey	Legal Services	35,000
Reliance Mechanical	Installation of Chilled Water Pumps	23,840
McQuay International	Purchase of Air Conditioners	21,225
Industrial Energy Systems	Exterior Masonry Repair and Replacement	116,755
Chagrin Valley Paving	Asphalt Projects	54,913
Kadish, Hinkel & Weibel	Legal Services	35,000
Total		<u>\$ 488,233</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 15 - LONG-TERM OBLIGATIONS

A. During fiscal year 2008, the following changes occurred in governmental activities long-term obligations:

	<u>Balance Outstanding June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding June 30, 2008</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement					
Current Interest Bonds					
3.3 - 5.1%, 12/01/23 maturity	\$ 3,425,000	\$ -	\$ (735,000)	\$ 2,690,000	\$ 835,000
Series 1999, Improvement					
Capital Appreciation Bonds					
8.16% (average effective)					
12/01/12 and 12/01/13 maturity	788,221	-	-	788,221	-
Series 1999, Improvement					
Capital Appreciation Bonds					
Accreted Interest	712,974	124,984	-	837,958	-
Series 2004, Improvement					
Current Interest Bonds					
2.0 - 4.625%, 12/01/26 maturity	4,135,000	-	(170,000)	3,965,000	170,000
Series 2004, Improvement					
Capital Appreciation Bonds					
24.185% (average effective)					
12/01/13 and 12/01/14 maturity	39,998	-	-	39,998	-
Series 2004, Improvement					
Capital Appreciation Bonds					
Accreted Interest	41,948	20,923	-	62,871	-
Series 2007, Refunding					
Current Interest Bonds					
4.00 - 4.50%, 12/01/23 maturity	16,960,000	-	(320,000)	16,640,000	190,000
Series 2007, Refunding					
Capital Appreciation Bonds					
9.281% (average effective)					
12/01/15 and 12/01/16 maturity	1,394,970	-	-	1,394,970	-
Series 2007, Refunding					
Capital Appreciation Bonds					
Accreted Interest	37,111	132,905	-	170,016	-
Total, general obligation bonds	<u>27,535,222</u>	<u>278,812</u>	<u>(1,225,000)</u>	<u>26,589,034</u>	<u>1,195,000</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2008</u>	Amount Due in <u>One Year</u>
Other Obligations:					
Capital lease obligation	\$ -	\$ 294,690	\$ (22,432)	\$ 272,258	\$ 51,794
Compensated absences	<u>4,007,777</u>	<u>529,171</u>	<u>(394,759)</u>	<u>4,142,189</u>	<u>338,368</u>
Total, other obligations	<u>4,007,777</u>	<u>823,861</u>	<u>(417,191)</u>	<u>4,414,447</u>	<u>390,162</u>
Total, all governmental activities long-term liabilities	<u>\$ 31,542,999</u>	<u>\$ 1,102,673</u>	<u>\$ (1,642,191)</u>	31,003,481	<u>\$ 1,585,162</u>
Less: Unamortized deferred charges on refundings				(603,983)	
Add: Unamortized premium on bonds				<u>932,970</u>	
Total on statement of net assets				<u>\$ 31,332,468</u>	
Business-Type Activity:					
Compensated absences	<u>\$ 13,611</u>	<u>\$ 4,749</u>	<u>\$ (5,437)</u>	<u>\$ 12,923</u>	<u>\$ 5,078</u>
Total business-type activities, long-term obligations	<u>\$ 13,611</u>	<u>\$ 4,749</u>	<u>\$ (5,437)</u>	<u>\$ 12,923</u>	<u>\$ 5,078</u>

The general obligation bonds will be paid with property tax revenue from the bond retirement fund. Compensated absences will be paid from the fund from which the employee is paid which, for the District is primarily the general fund. Capital lease obligations will be paid from the general fund.

Series 1999 General Obligation Bonds

On May 12, 1999, the District issued \$29,498,221 in general obligation bonds. The proceeds of these bonds were used to provide long-term financing of the District's building projects. These bonds bear an annual interest rate of 3.3% to 5.1% and mature in fiscal year 2014. The Series 1999 general obligation bond issue is comprised of both current interest bonds, par value \$28,710,000 and capital appreciation bonds, par value \$788,221. The capital appreciation bonds mature on December 1, 2012 and December 1, 2013 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption rate. The accreted value at maturity of the capital appreciation bonds is \$2,425,000. A total of \$837,958 in accreted interest has been included in the statement of net assets at June 30, 2008. The capital appreciation bonds are not subject to redemption prior to maturity. A portion of the Series 1999 general obligation bonds were refunded during fiscal year 2007 in the amount of \$18,354,970.

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, 2013.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 School Improvement General Obligation Bonds

On April 8, 2004, the District issued \$4,499,998 in general obligation bonds. The proceeds of the bond issue were used to retire the Series 2003 School Improvement Notes which matured on July 15, 2004. The Series 2004 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$4,460,000 and capital appreciation bonds, par value \$39,998. The capital appreciation bonds mature on December 1, 2013 and December 1, 2014 (effective interest 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2008 was \$39,998. A total of \$62,871 in accreted interest has been included in the statement of net assets at June 30, 2008. The capital appreciation bonds are not subject to redemption prior to maturity. The current interest bonds maturing on December 1, 2026 (the 2026 Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption of the 2026 Term Bonds is to occur on December 1 in each of the years 2024 and 2025 (with the balance of \$320,000 to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

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

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

Series 2007 Refunding General Obligation Bonds

On February 14, 2007, the District issued general obligation bonds (Series 2007 Refunding Bonds) to advance refund the callable portion of the Series 1999 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The balance of the refunded current interest bonds at June 30, 2008, is \$18,355,000.

The refunding issue is comprised of both current interest bonds, par value \$16,960,000 and capital appreciation bonds par value \$1,394,970. The interest rates on the current interest bonds range from 4.00% - 4.50%. The capital appreciation bonds mature on December 1, 2015 (effective interest rate 9.281%) and December 1, 2016 (effective interest rate 9.281%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 is \$1,590,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 is \$1,590,000. Total accreted interest of \$170,016 has been included in the statement of net assets at June 30, 2008.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

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

- B.** Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2008 are as follows:

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 1999)			Capital Appreciation G.O. Bonds (Series 1999)		
	Principal	Interest	Total	Principal	Interest	Total
	2009	\$ 835,000	\$ 100,523	\$ 935,523	\$ -	\$ -
2010	905,000	62,660	967,660	-	-	-
2011	950,000	21,375	971,375	-	-	-
2012	-	-	-	-	-	-
2013	-	-	-	407,160	792,840	1,200,000
2014	-	-	-	381,061	843,939	1,225,000
Total	\$ 2,690,000	\$ 184,558	\$ 2,874,558	\$ 788,221	\$ 1,636,779	\$ 2,425,000

Fiscal Year Ending June 30	Current Interest G.O. Bonds (Series 2004)			Capital Appreciation G.O. Bonds (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total
	2009	\$ 170,000	\$ 160,995	\$ 330,995	\$ -	\$ -
2010	175,000	156,033	331,033	-	-	-
2011	180,000	150,483	330,483	-	-	-
2012	185,000	144,320	329,320	-	-	-
2013	200,000	137,333	337,333	-	-	-
2014 - 2018	630,000	631,661	1,261,661	39,998	360,002	400,000
2019 - 2023	1,230,000	416,735	1,646,735	-	-	-
2024 - 2027	1,195,000	113,659	1,308,659	-	-	-
Total	\$ 3,965,000	\$ 1,911,219	\$ 5,876,219	\$ 39,998	\$ 360,002	\$ 400,000

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Fiscal Year Ending June 30	Current Interest			Capital Appreciation		
	G.O. Bonds (Series 2007)			G.O. Bonds (Series 2007)		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 190,000	\$ 704,663	\$ 894,663	\$ -	\$ -	\$ -
2010	195,000	696,962	891,962	-	-	-
2011	205,000	688,963	893,963	-	-	-
2012	1,280,000	659,262	1,939,262	-	-	-
2013	190,000	629,863	819,863	-	-	-
2014 - 2018	3,315,000	2,849,214	6,164,214	1,394,970	1,785,030	3,180,000
2019 - 2023	9,335,000	1,500,218	10,835,218	-	-	-
2024	1,930,000	43,425	1,973,425	-	-	-
Total	<u>\$ 16,640,000</u>	<u>\$ 7,772,570</u>	<u>\$ 24,412,570</u>	<u>\$ 1,394,970</u>	<u>\$ 1,785,030</u>	<u>\$ 3,180,000</u>

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The 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, 2008, are a voted debt margin of \$69,652,065 (including available funds of \$2,377,383) and an unvoted debt margin of \$1,031,032.

NOTE 16 - PUBLIC ENTITY RISK POOL

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among fifteen Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LNOCA based on a per pupil charge. The District contributed \$77,341 to LNOCA during fiscal year 2008. LNOCA is governed by a Board of Directors consisting of a superintendent or designated representative from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Cuyahoga County, who serves as LNOCA's fiscal agent, at 5811 Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred twenty-one member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2008, the District paid \$14,067 to the Council for membership and other services, \$402,810 to the Council's prepaid natural gas program and \$652,287 to the Council's prepaid electricity program. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's Energy for Education Program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an extended period of time. The current, three year contract expires in December 2008. The participants make monthly payments based upon estimated usage. At the end of each fiscal year, these estimated payments are compared to actual usage for the year and additional billings are made or refunds are issued accordingly.

In April 2005, the Energy Acquisition Corporation II, a non-profit corporation with a self-appointing board, issued \$246 million in bonds and used the proceeds to prepay for the estimated electric energy costs for 249 entities from Cleveland Electric Illuminating, Ohio Edison and Toledo Edison. The participating school districts are not obligated in any manner for this debt.

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

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

NOTE 18 - SET-ASIDES

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

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

	Textbooks/ Instructional Materials	Capital Acquisition
Set-aside balance as of June 30, 2007	\$ (744,317)	\$ -
Current year set-aside requirement	366,155	366,155
Current year offsets	-	(912,992)
Qualifying disbursements	(550,953)	(1,500,146)
Total	\$ (929,115)	\$ (2,046,983)
Balance carried forward to FY 2009	\$ (929,115)	\$ -

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

NOTE 19 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

NOTE 19 - CONTINGENCIES - (Continued)

B. Litigation

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

NOTE 20 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis);
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis);
5. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance	
	<u>General Fund</u>
Budget basis	\$ 3,602,197
Net adjustment for revenue accruals	(25,234)
Net adjustment for expenditure accruals	(430,913)
Net adjustment for other financing sources/(uses)	288,443
Adjustment for encumbrances	447,819
GAAP basis	<u>\$ 3,882,312</u>

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES
SUPPLEMENTARY INFORMATION

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND*

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 36,174,886	\$ 36,054,808	\$ 36,280,412	\$ 225,604
Intergovernmental.	7,305,833	7,558,868	7,606,165	47,297
Investment earnings.	1,000,000	1,547,173	1,628,769	81,596
Tuition and fees	3,389,100	3,632,635	3,313,010	(319,625)
Classroom materials and fees	2,500	5,311	5,344	33
Rentals	6,000	7,185	7,230	45
Miscellaneous.	73,352	83,927	25,765	(58,162)
<i>Total revenues.</i>	<u>47,951,671</u>	<u>48,889,907</u>	<u>48,866,695</u>	<u>(23,212)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	12,734,499	12,747,236	12,611,280	135,956
Fringe benefits	3,858,269	3,860,356	3,607,812	252,544
Purchased services	250,473	267,623	212,890	54,733
Materials and supplies.	529,504	478,773	437,339	41,434
Capital outlay	283,730	315,001	263,232	51,769
<i>Total instruction-regular.</i>	<u>17,656,475</u>	<u>17,668,989</u>	<u>17,132,553</u>	<u>536,436</u>
Instruction-special:				
Salaries and wages	3,336,600	3,336,600	3,263,541	73,059
Fringe benefits	1,014,369	1,014,369	999,092	15,277
Purchased services	1,322,362	1,362,565	1,319,257	43,308
Materials and supplies.	40,837	38,778	31,104	7,674
Capital outlay	30,137	29,320	29,045	275
<i>Total instruction-special</i>	<u>5,744,305</u>	<u>5,781,632</u>	<u>5,642,039</u>	<u>139,593</u>
Instruction-vocational:				
Salaries and wages	91,500	91,500	92,214	(714)
Fringe benefits	32,990	32,990	33,775	(785)
Purchased services	342,232	342,232	220,657	121,575
Materials and supplies.	4,100	4,100	4,100	-
<i>Total instruction-vocational</i>	<u>470,822</u>	<u>470,822</u>	<u>350,746</u>	<u>120,076</u>
Support services-pupil:				
Salaries and wages	2,218,600	2,218,599	2,225,387	(6,788)
Fringe benefits	736,555	736,555	712,532	24,023
Purchased services	51,200	49,485	41,072	8,413
Materials and supplies.	36,094	42,504	40,833	1,671
Capital outlay	4,534	4,534	1,207	3,327
<i>Total support services-pupil.</i>	<u>3,046,983</u>	<u>3,051,677</u>	<u>3,021,031</u>	<u>30,646</u>

-- Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 2,361,690	\$ 2,396,591	\$ 2,308,711	\$ 87,880
Fringe benefits	1,014,442	1,018,042	1,031,046	(13,004)
Purchased services	130,348	88,197	73,446	14,751
Materials and supplies.	60,345	58,905	54,373	4,532
Capital outlay	20,444	18,365	18,237	128
Total support services-instructional staff	3,587,269	3,580,100	3,485,813	94,287
Support services-Board of Education:				
Salaries and wages	15,000	15,000	15,000	-
Fringe benefits	220	220	3,031	(2,811)
Purchased services	10,300	10,300	1,572	8,728
Other	168,500	170,500	90,429	80,071
Total support services-Board of Education	194,020	196,020	110,032	85,988
Support services-administration:				
Salaries and wages	1,687,750	1,682,650	1,665,448	17,202
Fringe benefits	754,895	754,895	742,617	12,278
Purchased services	479,841	525,185	417,399	107,786
Materials and supplies.	39,520	39,520	37,263	2,257
Capital outlay	9,100	8,950	7,912	1,038
Other	23,900	23,900	30,792	(6,892)
Total support services-administration.	2,995,006	3,035,100	2,901,431	133,669
Support services-fiscal:				
Salaries and wages	331,500	331,500	332,808	(1,308)
Fringe benefits	159,840	159,840	163,250	(3,410)
Purchased services	65,625	68,465	54,774	13,691
Materials and supplies.	10,100	10,100	5,521	4,579
Capital outlay	8,000	8,000	1,657	6,343
Other	643,300	643,300	595,594	47,706
Total support services-fiscal	1,218,365	1,221,205	1,153,604	67,601
Support services-business:				
Salaries and wages	255,000	255,000	255,138	(138)
Fringe benefits	90,330	90,330	92,494	(2,164)
Purchased services	137,000	135,000	111,082	23,918
Materials and supplies.	66,400	72,450	52,789	19,661
Capital outlay	34,500	30,450	22,531	7,919
Other	5,650	5,650	2,159	3,491
Total support services-business	588,880	588,880	536,193	52,687

-- Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance of plant:				
Salaries and wages	\$ 1,793,550	\$ 1,793,550	\$ 1,737,850	\$ 55,700
Fringe benefits	679,190	679,190	694,569	(15,379)
Purchased services	2,403,158	2,390,551	1,777,587	612,964
Materials and supplies.	300,395	300,395	281,798	18,597
Capital outlay	76,487	74,487	69,672	4,815
Other	35,000	35,000	16,788	18,212
Total support services-operations and maintenance of plant	<u>5,287,780</u>	<u>5,273,173</u>	<u>4,578,264</u>	<u>694,909</u>
Support services-pupil transportation:				
Salaries and wages	1,833,000	1,832,999	1,855,778	(22,779)
Fringe benefits	867,460	867,460	860,565	6,895
Purchased services	127,301	134,363	122,088	12,275
Materials and supplies.	296,078	342,130	327,924	14,206
Capital outlay	347,097	319,591	344,991	(25,400)
Total support services-pupil transportation	<u>3,470,936</u>	<u>3,496,543</u>	<u>3,511,346</u>	<u>(14,803)</u>
Support services-central:				
Salaries and wages	545,500	545,500	498,553	46,947
Fringe benefits	762,973	762,973	612,165	150,808
Purchased services	217,707	218,207	159,458	58,749
Materials and supplies.	78,682	78,682	63,973	14,709
Capital outlay	54,862	54,862	52,673	2,189
Total support services-central	<u>1,659,724</u>	<u>1,660,224</u>	<u>1,386,822</u>	<u>273,402</u>
Operation of non-instructional services:				
Other non-instructional services:				
Fringe benefits	2,000	2,000	7,206	(5,206)
Materials and supplies.	3,550	3,550	552	2,998
Total operation of non-instructional services	<u>5,550</u>	<u>5,550</u>	<u>7,758</u>	<u>(2,208)</u>
Extracurricular activities:				
Salaries and wages	977,750	977,750	991,817	(14,067)
Fringe benefits	207,950	207,950	204,389	3,561
Purchased services	200	200	200	-
Total extracurricular activities.	<u>1,185,900</u>	<u>1,185,900</u>	<u>1,196,406</u>	<u>(10,506)</u>
Total expenditures	<u>47,112,015</u>	<u>47,215,815</u>	<u>45,014,038</u>	<u>2,201,777</u>
Excess of revenues over expenditures	<u>839,656</u>	<u>1,674,092</u>	<u>3,852,657</u>	<u>2,178,565</u>

-- Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 6,000	\$ 3,650	\$ 3,673	\$ 23
Transfers out	(160,000)	(260,319)	(260,319)	-
Advances in	64,900	64,900	64,900	-
Advances out.	-	-	(62,326)	(62,326)
Sale of capital assets	500	3,590	3,612	22
Contingencies	(220,000)	(70,881)	-	70,881
<i>Total other financing sources (uses)</i>	<u>(308,600)</u>	<u>(259,060)</u>	<u>(250,460)</u>	<u>8,600</u>
<i>Net change in fund balance</i>	531,056	1,415,032	3,602,197	2,187,165
<i>Fund balance at beginning of year</i>	26,590,529	26,590,529	26,590,529	-
<i>Prior year encumbrances appropriated.</i>	<u>648,623</u>	<u>648,623</u>	<u>648,623</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 27,770,208</u>	<u>\$ 28,654,184</u>	<u>\$ 30,841,349</u>	<u>\$ 2,187,165</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 2,219,493	\$ 2,152,872	\$ (66,621)
Intergovernmental.	258,091	250,344	(7,747)
Investment earnings.	107,305	104,084	(3,221)
<i>Total revenues.</i>	2,584,889	2,507,300	(77,589)
 Expenditures:			
Debt service:			
Principal retirement.	1,225,000	1,225,000	-
Interest and fiscal charges	1,014,202	1,014,201	1
Total debt service	2,239,202	2,239,201	1
<i>Total expenditures</i>	2,239,202	2,239,201	1
 <i>Excess of revenues over expenditures</i>	345,687	268,099	(77,588)
 <i>Net change in fund balance</i>	345,687	268,099	(77,588)
 <i>Fund balance at beginning of year</i>	1,793,469	1,793,469	-
<i>Fund balance at end of year.</i>	\$ 2,139,156	\$ 2,061,568	\$ (77,588)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 658,640	\$ 812,672	\$ 154,032
Intergovernmental.	90,062	111,124	21,062
Investment earnings	128,716	158,818	30,102
Miscellaneous.	53,005	65,401	12,396
<i>Total revenues.</i>	<u>930,423</u>	<u>1,148,015</u>	<u>217,592</u>
Expenditures:			
Current:			
Facilities acquisition and construction:			
Capital outlay	<u>1,369,705</u>	<u>1,300,788</u>	<u>68,917</u>
Total facilities acquisition and construction.	<u>1,369,705</u>	<u>1,300,788</u>	<u>68,917</u>
<i>Total expenditures</i>	<u>1,369,705</u>	<u>1,300,788</u>	<u>68,917</u>
<i>Excess of revenues (under) expenditures</i>	<u>(439,282)</u>	<u>(152,773)</u>	<u>286,509</u>
Other financing sources:			
Transfers in.	<u>81,305</u>	<u>100,319</u>	<u>19,014</u>
<i>Total other financing sources.</i>	<u>81,305</u>	<u>100,319</u>	<u>19,014</u>
<i>Net change in fund balance</i>	<u>(357,977)</u>	<u>(52,454)</u>	<u>305,523</u>
<i>Fund balance at beginning of year</i>	2,632,213	2,632,213	-
<i>Prior year encumbrances appropriated.</i>	515,228	515,228	-
<i>Fund balance at end of year.</i>	<u>\$ 2,789,464</u>	<u>\$ 3,094,987</u>	<u>\$ 305,523</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Program fees	\$ 1,614,190	\$ 1,470,283	\$ (143,907)
Sales/charges for services.	65,925	60,048	(5,877)
Other.	<u>42,866</u>	<u>39,044</u>	<u>(3,822)</u>
<i>Total operating revenues</i>	<u>1,722,981</u>	<u>1,569,375</u>	<u>(153,606)</u>
Operating expenses:			
Salaries.	1,286,277	1,105,821	180,456
Fringe benefits	454,274	341,249	113,025
Purchased services	844,492	533,696	310,796
Materials and supplies	149,199	97,618	51,581
Capital outlay.	59,714	24,880	34,834
Other.	<u>24,400</u>	<u>19,072</u>	<u>5,328</u>
<i>Total operating expenses</i>	<u>2,818,356</u>	<u>2,122,336</u>	<u>696,020</u>
<i>Operating loss</i>	<u>(1,095,375)</u>	<u>(552,961)</u>	<u>542,414</u>
Nonoperating revenues:			
Grants and subsidies	127,851	116,453	(11,398)
Investment earnings	202,151	184,129	(18,022)
Property taxes	899,249	819,080	(80,169)
Contributions and donations.	25,583	23,302	(2,281)
Refund of prior year's expense.	<u>178</u>	<u>162</u>	<u>(16)</u>
<i>Total nonoperating revenues</i>	<u>1,255,012</u>	<u>1,143,126</u>	<u>(111,886)</u>
<i>Net change in fund balance</i>	159,637	590,165	430,528
<i>Fund equity at beginning of year</i>	3,477,495	3,477,495	-
<i>Prior year encumbrances appropriated.</i>	<u>5,315</u>	<u>5,315</u>	<u>-</u>
<i>Fund equity at end of year.</i>	<u>\$ 3,642,447</u>	<u>\$ 4,072,975</u>	<u>\$ 430,528</u>

THIS PAGE INTENTIONALLY LEFT BLANK

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 633,891	\$ 175,668	\$ 809,559
Accounts receivable	632	-	632
Accrued interest receivable	4,683	2,390	7,073
Intergovernmental receivable	134,272	-	134,272
Inventory held for resale	5,207	-	5,207
Materials and supplies inventory	32,793	-	32,793
	<u>811,478</u>	<u>178,058</u>	<u>989,536</u>
<i>Total assets.</i>	<u>\$ 811,478</u>	<u>\$ 178,058</u>	<u>\$ 989,536</u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 13,633	\$ -	\$ 13,633
Accrued wages payable	105,213	-	105,213
Interfund loan payable	62,326	-	62,326
Pension obligation payable	42,602	-	42,602
Intergovernmental payable	1,910	-	1,910
Undistributed monies	5,487	-	5,487
Deferred revenue	3,635	1,855	5,490
	<u>234,806</u>	<u>1,855</u>	<u>236,661</u>
<i>Total liabilities.</i>	<u>234,806</u>	<u>1,855</u>	<u>236,661</u>
 Fund Balances:			
Reserved for encumbrances	55,335	-	55,335
Unreserved, undesignated, reported in:			
Special revenue funds	521,337	-	521,337
Capital projects funds	-	176,203	176,203
	<u>576,672</u>	<u>176,203</u>	<u>752,875</u>
<i>Total fund balances.</i>	<u>576,672</u>	<u>176,203</u>	<u>752,875</u>
	<u>\$ 811,478</u>	<u>\$ 178,058</u>	<u>\$ 989,536</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 811,478</u>	<u>\$ 178,058</u>	<u>\$ 989,536</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 1,545,481	\$ 13,366	\$ 1,558,847
Investment earnings	13,627	7,694	21,321
Extracurricular activities	202,607	-	202,607
Classroom materials and fees	72,500	-	72,500
Charges for services	491,963	-	491,963
Miscellaneous	16,601	-	16,601
	<hr/>	<hr/>	<hr/>
<i>Total revenues</i>	<i>2,342,779</i>	<i>21,060</i>	<i>2,363,839</i>
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Instruction:			
Regular	149,611	-	149,611
Special	298,309	-	298,309
Vocational	5,021	-	5,021
Support services:			
Pupil	354,698	-	354,698
Instructional staff	118,806	-	118,806
Administration	2,389	-	2,389
Operations and maintenance of plant	10,100	-	10,100
Central	30,506	13,365	43,871
Operation of non-instructional services:			
Food service operations	585,191	-	585,191
Other non-instructional services	1,854	-	1,854
Extracurricular activities	293,427	-	293,427
Intergovernmental pass through	561,489	-	561,489
	<hr/>	<hr/>	<hr/>
<i>Total expenditures</i>	<i>2,411,401</i>	<i>13,365</i>	<i>2,424,766</i>
	<hr/>	<hr/>	<hr/>
<i>Excess (deficiency) of revenues (under) expenditures</i>	<i>(68,622)</i>	<i>7,695</i>	<i>(60,927)</i>
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in	160,000	-	160,000
	<hr/>	<hr/>	<hr/>
<i>Total other financing sources</i>	<i>160,000</i>	<i>-</i>	<i>160,000</i>
	<hr/>	<hr/>	<hr/>
<i>Net change in fund balances</i>	<i>91,378</i>	<i>7,695</i>	<i>99,073</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at beginning of year</i>	<i>485,294</i>	<i>168,508</i>	<i>653,802</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at end of year</i>	<i>\$ 576,672</i>	<i>\$ 176,203</i>	<i>\$ 752,875</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Public School Support Fund

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

Local Grants Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Education Management Information System Fund

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

Entry Year Programs Fund

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

Ohio K-12 Network Connectivity Fund

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

eTech Professional Development Fund

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

Miscellaneous State Grants

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

Title VI-B Fund

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

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Title III Fund

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

Title I Fund

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

Title V Fund

To account for federal monies used to assist in the reform of elementary and secondary education to facilitate school improvement and parental involvement activities.

Drug Free Schools Grant Fund

A fund provided to account for federal monies which support the implementation of programs designed to prevent violence and the illegal use of alcohol, tobacco and drugs.

Preschool Disability Fund

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

Title II-A Fund

To account for grant monies used for the hiring of additional teachers in grades 1-3.

Miscellaneous Federal Grants

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

Food Service Fund

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

Memorial Fund

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

Uniform School Supplies Fund

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008*

	<u>Public School Support</u>	<u>Local Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>
Assets:				
Equity in pooled cash and investments	\$ 52,669	\$ 14,469	\$ 61,928	\$ 100,833
Accounts receivable	-	-	-	-
Accrued interest receivable.	-	-	-	1,371
Intergovernmental receivable.	-	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
<i>Total assets.</i>	<u>\$ 52,669</u>	<u>\$ 14,469</u>	<u>\$ 61,928</u>	<u>\$ 102,204</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable.	\$ 1,244	\$ -	\$ 283	\$ 11,759
Accrued wages payable.	-	-	-	30,788
Interfund loan payable	-	-	-	-
Pension obligation payable.	-	-	672	3,658
Intergovernmental payable	-	-	175	430
Undistributed monies.	-	-	-	-
Deferred revenue	-	-	-	1,064
<i>Total liabilities.</i>	<u>1,244</u>	<u>-</u>	<u>1,130</u>	<u>47,699</u>
Fund Balances:				
Reserved for encumbrances	-	750	25	585
Unreserved, undesignated	51,425	13,719	60,773	53,920
<i>Total fund balances</i>	<u>51,425</u>	<u>14,469</u>	<u>60,798</u>	<u>54,505</u>
<i>Total liabilities and fund balances</i>	<u>\$ 52,669</u>	<u>\$ 14,469</u>	<u>\$ 61,928</u>	<u>\$ 102,204</u>

Education Management Information Systems	Entry Year Programs	Ohio K-12 Network Connectivity	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 2,038	\$ 19	\$ 1	\$ 703	\$ 725	\$ 63,348
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	76,088
-	-	-	-	-	-
-	-	-	-	-	8,133
<u>\$ 2,038</u>	<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ 703</u>	<u>\$ 725</u>	<u>\$ 147,569</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	31,462
-	-	-	-	-	50,000
-	-	-	-	68	9,052
-	-	-	-	-	663
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	68	91,177
-	-	-	-	-	53,878
<u>2,038</u>	<u>19</u>	<u>1</u>	<u>703</u>	<u>657</u>	<u>2,514</u>
<u>2,038</u>	<u>19</u>	<u>1</u>	<u>703</u>	<u>657</u>	<u>56,392</u>
<u>\$ 2,038</u>	<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ 703</u>	<u>\$ 725</u>	<u>\$ 147,569</u>

-- Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2008*

	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools Grant</u>
Assets:				
Equity in pooled cash and investments	\$ 2,036	\$ 1,920	\$ -	\$ 22
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Intergovernmental receivable	-	25,192	4,040	384
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
<i>Total assets.</i>	<u>\$ 2,036</u>	<u>\$ 27,112</u>	<u>\$ 4,040</u>	<u>\$ 406</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	-	22,655	-	-
Interfund loan payable	-	-	3,940	386
Pension obligation payable	-	2,580	-	-
Intergovernmental payable	-	456	-	-
Undistributed monies	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities.</i>	<u>-</u>	<u>25,691</u>	<u>3,940</u>	<u>386</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Unreserved, undesignated	2,036	1,421	100	20
<i>Total fund balances</i>	<u>2,036</u>	<u>1,421</u>	<u>100</u>	<u>20</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,036</u>	<u>\$ 27,112</u>	<u>\$ 4,040</u>	<u>\$ 406</u>

Preschool Disability	Title II-A	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 2,767	\$ 591	\$ 21	\$ 194,314	\$ 55,398	\$ 80,089	\$ 633,891
-	-	-	632	-	-	632
-	-	-	2,643	669	-	4,683
5,046	12,379	-	11,143	-	-	134,272
-	-	-	5,207	-	-	5,207
-	-	-	-	-	24,660	32,793
<u>\$ 7,813</u>	<u>\$ 12,970</u>	<u>\$ 21</u>	<u>\$ 213,939</u>	<u>\$ 56,067</u>	<u>\$ 104,749</u>	<u>\$ 811,478</u>
\$ 347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,633
-	8,320	-	11,988	-	-	105,213
5,000	3,000	-	-	-	-	62,326
-	1,052	-	25,520	-	-	42,602
-	186	-	-	-	-	1,910
-	-	-	-	5,487	-	5,487
-	-	-	2,052	519	-	3,635
<u>5,347</u>	<u>12,558</u>	<u>-</u>	<u>39,560</u>	<u>6,006</u>	<u>-</u>	<u>234,806</u>
97	-	-	-	-	-	55,335
<u>2,369</u>	<u>412</u>	<u>21</u>	<u>174,379</u>	<u>50,061</u>	<u>104,749</u>	<u>521,337</u>
<u>2,466</u>	<u>412</u>	<u>21</u>	<u>174,379</u>	<u>50,061</u>	<u>104,749</u>	<u>576,672</u>
<u>\$ 7,813</u>	<u>\$ 12,970</u>	<u>\$ 21</u>	<u>\$ 213,939</u>	<u>\$ 56,067</u>	<u>\$ 104,749</u>	<u>\$ 811,478</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Public School Support	Local Grants	District Managed Activity	Auxiliary Services	Education Management Information Systems
Revenues:					
Intergovernmental	\$ -	\$ 16,641	\$ -	\$ 604,470	\$ 8,270
Investment earnings	-	-	-	4,784	-
Extracurricular activities	121,989	-	80,618	-	-
Classroom materials and fees	5,360	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	8,379	-	5,073	-	-
<i>Total revenues</i>	<u>135,728</u>	<u>16,641</u>	<u>85,691</u>	<u>609,254</u>	<u>8,270</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	25,800	-	-	-
Special	5,518	-	-	-	-
Vocational	-	2,831	-	-	-
Support services:					
Pupil	33,228	-	-	-	-
Instructional staff	4,535	-	-	-	-
Administration	-	-	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Central	-	-	-	-	6,233
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	-	-
Extracurricular activities	86,765	-	206,662	-	-
Intergovernmental pass through	-	-	-	561,489	-
<i>Total expenditures</i>	<u>130,046</u>	<u>28,631</u>	<u>206,662</u>	<u>561,489</u>	<u>6,233</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>5,682</u>	<u>(11,990)</u>	<u>(120,971)</u>	<u>47,765</u>	<u>2,037</u>
Other financing sources:					
Transfers in	-	-	110,000	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	5,682	(11,990)	(10,971)	47,765	2,037
<i>Fund balances at beginning of year</i>	<u>45,743</u>	<u>26,459</u>	<u>71,769</u>	<u>6,740</u>	<u>1</u>
<i>Fund balances at end of year</i>	<u>\$ 51,425</u>	<u>\$ 14,469</u>	<u>\$ 60,798</u>	<u>\$ 54,505</u>	<u>\$ 2,038</u>

Entry Year Programs	Ohio K-12 Network Connectivity	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 2,400	\$ 12,000	\$ 12,917	\$ 6,075	\$ 485,767
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,400</u>	<u>12,000</u>	<u>12,917</u>	<u>6,075</u>	<u>485,767</u>
6,107	-	-	68	-
-	-	-	-	103,159
-	-	-	-	-
-	-	-	-	296,511
-	-	-	5,469	97,680
-	-	-	-	2,389
-	-	-	-	-
-	11,999	12,274	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,107</u>	<u>11,999</u>	<u>12,274</u>	<u>5,537</u>	<u>499,739</u>
<u>(3,707)</u>	<u>1</u>	<u>643</u>	<u>538</u>	<u>(13,972)</u>
-	-	-	-	-
-	-	-	-	-
<u>(3,707)</u>	<u>1</u>	<u>643</u>	<u>538</u>	<u>(13,972)</u>
<u>3,726</u>	<u>-</u>	<u>60</u>	<u>119</u>	<u>70,364</u>
<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ 703</u>	<u>\$ 657</u>	<u>\$ 56,392</u>

-- Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Title III	Title I	Title V	Drug Free Schools Grant
Revenues:				
Intergovernmental	\$ 15,916	\$ 166,246	\$ 4,433	\$ 7,528
Investment earnings	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,916</u>	<u>166,246</u>	<u>4,433</u>	<u>7,528</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	1,287
Special	16,763	156,975	-	-
Vocational	-	-	-	-
Support services:				
Pupil	-	-	4,439	6,182
Instructional staff	-	10,997	-	-
Administration	-	-	-	-
Operations and maintenance of plant	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	820	588
Extracurricular activities	-	-	-	-
Intergovernmental pass through	-	-	-	-
<i>Total expenditures</i>	<u>16,763</u>	<u>167,972</u>	<u>5,259</u>	<u>8,057</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(847)</u>	<u>(1,726)</u>	<u>(826)</u>	<u>(529)</u>
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(847)	(1,726)	(826)	(529)
<i>Fund balances at beginning of year</i>	<u>2,883</u>	<u>3,147</u>	<u>926</u>	<u>549</u>
<i>Fund balances at end of year</i>	<u>\$ 2,036</u>	<u>\$ 1,421</u>	<u>\$ 100</u>	<u>\$ 20</u>

Preschool Disability	Title II-A	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 27,518	\$ 56,243	\$ 11,353	\$ 107,704	\$ -	\$ -	\$ 1,545,481
-	-	-	7,683	1,160	-	13,627
-	-	-	-	-	-	202,607
-	-	-	-	-	67,140	72,500
-	-	-	491,963	-	-	491,963
-	-	-	-	3,149	-	16,601
<u>27,518</u>	<u>56,243</u>	<u>11,353</u>	<u>607,350</u>	<u>4,309</u>	<u>67,140</u>	<u>2,342,779</u>
-	57,028	-	-	-	59,321	149,611
15,894	-	-	-	-	-	298,309
-	-	-	-	-	2,190	5,021
13,029	-	1,309	-	-	-	354,698
70	-	-	-	55	-	118,806
-	-	-	-	-	-	2,389
-	-	10,100	-	-	-	10,100
-	-	-	-	-	-	30,506
-	-	-	585,191	-	-	585,191
-	446	-	-	-	-	1,854
-	-	-	-	-	-	293,427
-	-	-	-	-	-	561,489
<u>28,993</u>	<u>57,474</u>	<u>11,409</u>	<u>585,191</u>	<u>55</u>	<u>61,511</u>	<u>2,411,401</u>
<u>(1,475)</u>	<u>(1,231)</u>	<u>(56)</u>	<u>22,159</u>	<u>4,254</u>	<u>5,629</u>	<u>(68,622)</u>
-	-	-	50,000	-	-	160,000
-	-	-	50,000	-	-	160,000
(1,475)	(1,231)	(56)	72,159	4,254	5,629	91,378
<u>3,941</u>	<u>1,643</u>	<u>77</u>	<u>102,220</u>	<u>45,807</u>	<u>99,120</u>	<u>485,294</u>
<u>\$ 2,466</u>	<u>\$ 412</u>	<u>\$ 21</u>	<u>\$ 174,379</u>	<u>\$ 50,061</u>	<u>\$ 104,749</u>	<u>\$ 576,672</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Extracurricular activities	\$ 130,800	\$ 122,139	\$ (8,661)
Classroom materials and fees	5,760	5,360	(400)
Miscellaneous	<u>13,825</u>	<u>8,378</u>	<u>(5,447)</u>
<i>Total revenues</i>	<u>150,385</u>	<u>135,877</u>	<u>(14,508)</u>
Expenditures:			
Instruction-special:			
Purchased services	5,052	4,584	468
Materials and supplies	<u>940</u>	<u>934</u>	<u>6</u>
Total instruction-special	<u>5,992</u>	<u>5,518</u>	<u>474</u>
Support services-pupil:			
Materials and supplies	43,500	33,203	10,297
Capital outlay	<u>9,000</u>	<u>65</u>	<u>8,935</u>
Total support services-pupil	<u>52,500</u>	<u>33,268</u>	<u>19,232</u>
Support services-instructional staff:			
Purchased services	4,500	498	4,002
Materials and supplies	4,500	4,038	462
Capital outlay	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total support services-instructional staff	<u>12,300</u>	<u>4,536</u>	<u>7,764</u>
Extracurricular activities:			
Purchased services	80,516	64,718	15,798
Materials and supplies	19,325	18,328	997
Capital outlay	<u>6,784</u>	<u>2,514</u>	<u>4,270</u>
Total extracurricular activities	<u>106,625</u>	<u>85,560</u>	<u>21,065</u>
<i>Total expenditures</i>	<u>177,417</u>	<u>128,882</u>	<u>48,535</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(27,032)</u>	<u>6,995</u>	<u>34,027</u>
Other financing sources:			
Refund of prior year's expenditure	-	40	(40)
<i>Total other financing sources</i>	<u>-</u>	<u>40</u>	<u>(40)</u>
<i>Net change in fund balance</i>	(27,032)	7,035	33,987
<i>Fund balance at beginning of year</i>	45,402	45,402	-
<i>Prior year encumbrances appropriated</i>	<u>232</u>	<u>232</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 18,602</u>	<u>\$ 52,669</u>	<u>\$ 33,987</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 30,000	\$ 16,641	\$ (13,359)
<i>Total revenues.</i>	30,000	16,641	(13,359)
Expenditures:			
Current:			
Instruction-regular:			
Purchased services	6,820	1,000	5,820
Materials and supplies.	17,708	10,376	7,332
Capital outlay	15,635	15,173	462
<i>Total instruction-regular.</i>	40,163	26,549	13,614
Instruction-vocational:			
Purchased services	1,752	1,752	-
Materials and supplies.	1,248	1,080	168
<i>Total instruction-vocational</i>	3,000	2,832	168
<i>Total expenditures</i>	43,163	29,381	13,782
<i>Net change in fund balance</i>	(13,163)	(12,740)	423
<i>Fund balance at beginning of year</i>	26,459	26,459	-
<i>Fund balance at end of year.</i>	\$ 13,296	\$ 13,719	\$ 423

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Extracurricular activities.	\$ 94,890	\$ 80,653	\$ (14,237)
Miscellaneous	<u>12,400</u>	<u>5,039</u>	<u>(7,361)</u>
<i>Total revenues.</i>	<u>107,290</u>	<u>85,692</u>	<u>(21,598)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	14,800	16,138	(1,338)
Fringe benefits	2,540	2,592	(52)
Purchased services	113,462	114,441	(979)
Materials and supplies.	77,788	71,897	5,891
Capital outlay	<u>3,600</u>	<u>1,176</u>	<u>2,424</u>
Total extracurricular activities.	<u>212,190</u>	<u>206,244</u>	<u>5,946</u>
<i>Total expenditures</i>	<u>212,190</u>	<u>206,244</u>	<u>5,946</u>
<i>Deficiency of revenues under expenditures.</i>	<u>(104,900)</u>	<u>(120,552)</u>	<u>(15,652)</u>
Other financing sources:			
Transfers in	<u>108,000</u>	<u>110,000</u>	<u>2,000</u>
<i>Total other financing sources</i>	<u>108,000</u>	<u>110,000</u>	<u>2,000</u>
<i>Net change in fund balance</i>	3,100	(10,552)	(13,652)
<i>Fund balance at beginning of year</i>	<u>72,455</u>	<u>72,455</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 75,555</u>	<u>\$ 61,903</u>	<u>\$ (13,652)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 604,470	\$ 604,470	\$ -
Investment earnings	<u>371</u>	<u>4,192</u>	<u>3,821</u>
<i>Total revenues.</i>	<u>604,841</u>	<u>608,662</u>	<u>3,821</u>
Expenditures:			
Current:			
Intergovernmental pass through			
Salaries and wages	182,100	155,959	26,141
Fringe benefits	59,690	47,775	11,915
Purchased services	293,360	282,877	10,483
Materials and supplies	42,822	21,609	21,213
Capital outlay	<u>56,858</u>	<u>42,228</u>	<u>14,630</u>
Total intergovernmental pass through	<u>634,830</u>	<u>550,448</u>	<u>84,382</u>
<i>Total expenditures</i>	<u>634,830</u>	<u>550,448</u>	<u>84,382</u>
Other financing uses:			
Refund of prior year's receipts	<u>(11,261)</u>	<u>(11,261)</u>	<u>-</u>
Total other financing uses	<u>(11,261)</u>	<u>(11,261)</u>	<u>-</u>
<i>Net change in fund balance</i>	(41,250)	46,953	88,203
<i>Fund balance at beginning of year</i>	39,634	39,634	-
<i>Prior year encumbrances appropriated.</i>	<u>1,616</u>	<u>1,616</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 88,203</u>	<u>\$ 88,203</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 8,270	\$ 8,271	\$ 1
<i>Total revenues.</i>	8,270	8,271	1
Expenditures:			
Current:			
Support services-central:			
Purchased services	4,170	2,144	2,026
Capital outlay	4,100	4,089	11
Total support services-central	8,270	6,233	2,037
<i>Total expenditures</i>	8,270	6,233	2,037
<i>Net change in fund balance</i>	-	2,038	2,038
<i>Fund balance at beginning of year</i>	-	-	-
<i>Fund balance at end of year.</i>	\$ -	\$ 2,038	\$ 2,038

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 6,100	\$ 6,100	\$ -
Total revenues.	6,100	6,100	-
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	6,125	6,107	18
Total instruction-regular.	6,125	6,107	18
Total expenditures	6,125	6,107	18
Net change in fund balance	(25)	(7)	18
Fund balance at beginning of year	26	26	-
Fund balance at end of year.	\$ 1	\$ 19	\$ 18

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO K-12 NETWORK CONNECTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 12,000	\$ 12,000	\$ -
<i>Total revenues.</i>	12,000	12,000	-
Expenditures:			
Current:			
Support services-central:			
Purchased services	12,000	11,999	1
Total support services-central	12,000	11,999	1
<i>Total expenditures</i>	12,000	11,999	1
<i>Net change in fund balance</i>	-	1	1
<i>Fund balance at beginning of year</i>	-	-	-
<i>Fund balance at end of year.</i>	\$ -	\$ 1	\$ 1

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ETECH PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 23,164	\$ 12,917	\$ (10,247)
<i>Total revenues.</i>	<u>23,164</u>	<u>12,917</u>	<u>(10,247)</u>
Expenditures:			
Current:			
Support services-central:			
Salaries and wages	6,661	2,250	4,411
Fringe benefits	1,089	368	721
Purchased services	4,155	2,758	1,397
Materials and supplies.	1,700	497	1,203
Capital outlay	<u>9,318</u>	<u>6,401</u>	<u>2,917</u>
Total support services-central	<u>22,923</u>	<u>12,274</u>	<u>10,649</u>
<i>Total expenditures</i>	<u>22,923</u>	<u>12,274</u>	<u>10,649</u>
<i>Net change in fund balance</i>	241	643	402
<i>Fund balance at beginning of year</i>	<u>60</u>	<u>60</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 301</u>	<u>\$ 703</u>	<u>\$ 402</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 6,100	\$ 6,075	\$ (25)
<i>Total revenues.</i>	<u>6,100</u>	<u>6,075</u>	<u>(25)</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Salaries and wages	2,179	1,550	629
Fringe benefits	356	267	89
Purchased services	990	990	-
Supplies	<u>2,551</u>	<u>2,543</u>	<u>8</u>
Total support services-instructional staff	<u>6,076</u>	<u>5,350</u>	<u>726</u>
<i>Total expenditures</i>	<u>6,076</u>	<u>5,350</u>	<u>726</u>
<i>Excess of revenues over expenditures</i>	<u>24</u>	<u>725</u>	<u>701</u>
Other financing uses:			
Refund of prior year's receipts	<u>(119)</u>	<u>(119)</u>	<u>-</u>
<i>Total other financing uses.</i>	<u>(119)</u>	<u>(119)</u>	<u>-</u>
<i>Net change in fund balance</i>	(95)	606	701
<i>Fund balance at beginning of year</i>	<u>119</u>	<u>119</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 24</u>	<u>\$ 725</u>	<u>\$ 701</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 683,406	\$ 560,126	\$ (123,280)
<i>Total revenues.</i>	<u>683,406</u>	<u>560,126</u>	<u>(123,280)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	43,383	39,372	4,011
Fringe benefits	15,705	8,292	7,413
Purchased services	2,000	822	1,178
Materials and supplies	40,770	37,542	3,228
Capital outlay	16,860	16,860	-
Total instruction-special	<u>118,718</u>	<u>102,888</u>	<u>15,830</u>
Support services-pupil:			
Salaries and wages	111,741	89,439	22,302
Fringe benefits	33,045	26,583	6,462
Purchased services	275,269	262,872	12,397
Materials and supplies	7,134	6,293	841
Capital outlay	2,464	2,464	-
Total support services-pupil	<u>429,653</u>	<u>387,651</u>	<u>42,002</u>
Support services-instructional staff:			
Salaries and wages	95,902	80,956	14,946
Fringe benefits	21,646	17,515	4,131
Purchased services	500	468	32
Materials and supplies	1,000	792	208
Total support services-instructional staff	<u>119,048</u>	<u>99,731</u>	<u>19,317</u>
Support services-administration:			
Purchased services	1,300	1,102	198
Materials and supplies	162	162	-
Capital outlay	1,126	1,126	-
Total support services-administration	<u>2,588</u>	<u>2,390</u>	<u>198</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	5,110	-	5,110
Total operation of non-instructional services	<u>5,110</u>	<u>-</u>	<u>5,110</u>
Total expenditures	<u>675,117</u>	<u>592,660</u>	<u>82,457</u>
<i>Excess (deficiency) of revenues (under) expenditures</i>	<u>8,289</u>	<u>(32,534)</u>	<u>(40,823)</u>
Other financing sources (uses):			
Advances in	-	50,000	50,000
Advances out	(63,000)	(63,000)	-
Total other financing sources (uses)	<u>(63,000)</u>	<u>(13,000)</u>	<u>50,000</u>
<i>Net change in fund balance</i>	<u>(54,711)</u>	<u>(45,534)</u>	<u>9,177</u>
<i>Fund balance at beginning of year</i>	2,194	2,194	-
<i>Prior year encumbrances appropriated</i>	52,810	52,810	-
<i>Fund balance at end of year</i>	<u>\$ 293</u>	<u>\$ 9,470</u>	<u>\$ 9,177</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 18,152	\$ 17,121	\$ (1,031)
<i>Total revenues.</i>	18,152	17,121	(1,031)
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	3,100	3,100	-
Fringe benefits	447	447	-
Purchased services	15,986	13,215	2,771
Total instruction-special	19,533	16,762	2,771
<i>Total expenditures</i>	19,533	16,762	2,771
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,381)	359	1,740
Other financing uses:			
Advances out	(300)	(300)	-
<i>Total other financing uses.</i>	(300)	(300)	-
<i>Net change in fund balance</i>	(1,681)	59	1,740
<i>Fund balance at beginning of year</i>	149	149	-
<i>Prior year encumbrances appropriated.</i>	1,828	1,828	-
<i>Fund balance at end of year.</i>	\$ 296	\$ 2,036	\$ 1,740

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 199,004	\$ 165,437	\$ (33,567)
<i>Total revenues.</i>	199,004	165,437	(33,567)
 Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	130,947	112,516	18,431
Fringe benefits	50,627	41,829	8,798
Purchased services	605	605	-
Materials and supplies.	4,086	3,821	265
Total instruction-special.	186,265	158,771	27,494
Support services-instructional staff:			
Purchased services	14,822	9,825	4,997
Supplies	3,727	1,173	2,554
Total support services-instructional staff	18,549	10,998	7,551
<i>Total expenditures</i>	204,814	169,769	35,045
 <i>Net change in fund balance</i>	(5,810)	(4,332)	1,478
 <i>Fund balance at beginning of year</i>	6,596	6,596	-
<i>Prior year encumbrances appropriated.</i>	(344)	(344)	-
<i>Fund balance at end of year.</i>	\$ 442	\$ 1,920	\$ 1,478

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 6,950	\$ 2,370	\$ (4,580)
<i>Total revenues.</i>	<u>6,950</u>	<u>2,370</u>	<u>(4,580)</u>
Expenditures:			
Current:			
Support services-pupil:			
Purchased services	4,384	4,000	384
Materials and supplies.	<u>564</u>	<u>439</u>	<u>125</u>
Total support services-pupil.	<u>4,948</u>	<u>4,439</u>	<u>509</u>
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	<u>873</u>	<u>821</u>	<u>52</u>
Total operation of non-instructional services	<u>873</u>	<u>821</u>	<u>52</u>
Total expenditures	<u>5,821</u>	<u>5,260</u>	<u>561</u>
<i>Excess (deficiency) of revenues over (under) expenditures.</i>	<u>1,129</u>	<u>(2,890)</u>	<u>(4,019)</u>
Other financing sources (uses):			
Advances in	-	3,940	3,940
Advances out.	<u>(1,100)</u>	<u>(1,100)</u>	<u>-</u>
<i>Total other financing sources (uses).</i>	<u>(1,100)</u>	<u>2,840</u>	<u>3,940</u>
<i>Net change in fund balance</i>	29	(50)	(79)
<i>Fund balance at beginning of year</i>	<u>50</u>	<u>50</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ (79)</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 7,851	\$ 7,144	\$ (707)
<i>Total revenues.</i>	7,851	7,144	(707)
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies.	1,291	1,287	4
Total instruction-regular.	1,291	1,287	4
Support services-pupil:			
Purchased services	4,730	4,730	-
Materials and supplies.	1,469	1,452	17
Total support services-pupil.	6,199	6,182	17
Operation of non-instructional services:			
Materials and supplies.	588	588	-
Total operation of non-instructional services	588	588	-
<i>Total expenditures</i>	8,078	8,057	21
Deficiency of revenues under expenditures.	(227)	(913)	(686)
Other financing sources:			
Advances in	-	386	386
Total other financing sources	-	386	386
<i>Net change in fund balance</i>	(227)	(527)	(300)
<i>Fund balance at beginning of year</i>	549	549	-
<i>Fund balance at end of year.</i>	\$ 322	\$ 22	\$ (300)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 33,195	\$ 25,525	\$ (7,670)
<i>Total revenues.</i>	33,195	25,525	(7,670)
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	1,595	1,595	-
Fringe benefits	259	259	-
Purchased services	949	569	380
Materials and supplies.	10,787	9,096	1,691
Capital outlay	5,062	5,062	-
Total instruction-special	18,652	16,581	2,071
Support services-pupil:			
Salaries and wages	5,525	5,521	4
Fringe benefits	906	901	5
Purchased services	6,789	6,235	554
Materials and supplies.	496	419	77
Capital outlay	-	-	-
Total support services-pupil.	13,716	13,076	640
Support services-instructional staff:			
Purchased services	150	70	80
Total support services-instructional staff	150	70	80
<i>Total expenditures</i>	32,518	29,727	2,791
<i>Excess (deficiency) of revenues (under) expenditures</i>	677	(4,202)	(4,879)
Other financing sources:			
Advances in	-	5,000	5,000
Total other financing sources.	-	5,000	5,000
<i>Net change in fund balance</i>	677	798	121
<i>Fund balance at beginning of year</i>	905	905	-
<i>Prior year encumbrances appropriated.</i>	620	620	-
<i>Fund balance at end of year.</i>	\$ 2,202	\$ 2,323	\$ 121

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 67,125	\$ 53,180	\$ (13,945)
<i>Total revenues.</i>	67,125	53,180	(13,945)
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	52,472	44,954	7,518
Fringe benefits	13,971	12,064	1,907
<i>Total instruction-regular.</i>	66,443	57,018	9,425
Support services-instructional staff:			
Purchased services	1,574	-	1,574
Materials and supplies.	227	-	227
<i>Total support services-instructional staff.</i>	1,801	-	1,801
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	450	446	4
<i>Total operation of non-instructional services.</i>	450	446	4
<i>Total expenditures</i>	68,694	57,464	11,230
<i>Deficiency of revenues under expenditures.</i>	(1,569)	(4,284)	(2,715)
Other financing sources:			
Advances in	-	3,000	3,000
<i>Total other financing sources.</i>	-	3,000	3,000
<i>Net change in fund balance.</i>	(1,569)	(1,284)	285
<i>Fund balance at beginning of year.</i>	1,875	1,875	-
<i>Fund balance at end of year.</i>	\$ 306	\$ 591	\$ 285

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 11,750	\$ 11,680	\$ (70)
<i>Total revenues.</i>	11,750	11,680	(70)
Expenditures:			
Current:			
Support services-pupil:			
Purchased services	480	504	(24)
Materials and supplies	823	805	18
Total support services-pupil.	1,303	1,309	(6)
Support services-operations and maintenance			
Capital outlay	10,100	10,100	-
Total support services-operations and maintenance	10,100	10,100	-
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies	30	-	30
Total operation of non-instructional services	30	-	30
<i>Total expenditures</i>	11,433	11,409	24
<i>Excess (deficiency) of revenues over (under) expenditures</i>	317	271	(46)
Other financing uses:			
Advances out	(500)	(500)	-
Total other financing uses	(500)	(500)	-
<i>Net change in fund balance</i>	(183)	(229)	(46)
<i>Fund balance at beginning of year</i>	250	250	-
<i>Fund balance at end of year.</i>	\$ 67	\$ 21	\$ (46)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 66,500	\$ 80,686	\$ 14,186
Investment earnings	5,000	7,917	2,917
Charges for services	<u>489,000</u>	<u>492,209</u>	<u>3,209</u>
<i>Total revenues.</i>	<u>560,500</u>	<u>580,812</u>	<u>20,312</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	232,260	215,929	16,331
Fringe benefits	137,240	117,401	19,839
Purchased services	7,500	147	7,353
Materials and supplies	243,000	227,713	15,287
Capital outlay	<u>15,000</u>	<u>1,532</u>	<u>13,468</u>
<i>Total food service operations.</i>	<u>635,000</u>	<u>562,722</u>	<u>72,278</u>
<i>Total expenditures.</i>	<u>635,000</u>	<u>562,722</u>	<u>72,278</u>
<i>Excess (deficiency) of revenues (under) expenditures.</i>	<u>(74,500)</u>	<u>18,090</u>	<u>92,590</u>
Other financing sources:			
Transfers in	<u>-</u>	<u>50,000</u>	<u>50,000</u>
<i>Total other financing sources.</i>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
<i>Net change in fund balance.</i>	(74,500)	68,090	142,590
<i>Fund balance at beginning of year.</i>	<u>125,723</u>	<u>125,723</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 51,223</u>	<u>\$ 193,813</u>	<u>\$ 142,590</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEMORIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 1,160	\$ 1,345	\$ 185
Miscellaneous	<u>-</u>	<u>3,149</u>	<u>3,149</u>
<i>Total revenues.</i>	<u>1,160</u>	<u>4,494</u>	<u>3,334</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Materials and supplies	31,395	55	31,340
Capital outlay	<u>515</u>	<u>-</u>	<u>515</u>
Total support services-instructional staff	<u>31,910</u>	<u>55</u>	<u>31,855</u>
Support services-operations and maintenance:			
Materials and supplies	<u>255</u>	<u>-</u>	<u>255</u>
Total support services-operations and maintenance	<u>255</u>	<u>-</u>	<u>255</u>
Extracurricular activities:			
Materials and supplies	<u>755</u>	<u>-</u>	<u>755</u>
Total extracurricular activities	<u>755</u>	<u>-</u>	<u>755</u>
<i>Total expenditures</i>	<u>32,920</u>	<u>55</u>	<u>32,865</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(31,760)</u>	<u>4,439</u>	<u>36,199</u>
Other financing uses:			
Refund of prior year's receipts	<u>(17,810)</u>	<u>-</u>	<u>17,810</u>
<i>Total other financing uses</i>	<u>(17,810)</u>	<u>-</u>	<u>17,810</u>
<i>Net change in fund balance</i>	(49,570)	4,439	54,009
<i>Fund balance at beginning of year</i>	<u>50,832</u>	<u>50,832</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,262</u>	<u>\$ 55,271</u>	<u>\$ 54,009</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Classroom materials and fees	\$ 95,015	\$ 67,140	\$ (27,875)
<i>Total revenues.</i>	<u>95,015</u>	<u>67,140</u>	<u>(27,875)</u>
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies.	99,955	63,263	36,692
Total instruction-regular.	<u>99,955</u>	<u>63,263</u>	<u>36,692</u>
Instruction-vocational:			
Materials and supplies.	3,060	2,190	870
Total instruction-vocational	<u>3,060</u>	<u>2,190</u>	<u>870</u>
<i>Total expenditures</i>	<u>103,015</u>	<u>65,453</u>	<u>37,562</u>
<i>Net change in fund balance</i>	(8,000)	1,687	9,687
<i>Fund balance at beginning of year</i>	<u>78,402</u>	<u>78,402</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 70,402</u>	<u>\$ 80,089</u>	<u>\$ 9,687</u>

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

Nonmajor Capital Projects Funds

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

Building Improvement Fund

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

School Net Fund

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for classroom.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008*

	Building Improvement	School Net	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments	\$ 175,667	\$ 1	\$ 175,668
Accrued interest receivable	2,390	-	2,390
<i>Total assets.</i>	\$ 178,057	\$ 1	\$ 178,058
Liabilities and Fund Balances			
Liabilities:			
Deferred revenue	\$ 1,855	\$ -	\$ 1,855
<i>Total liabilities.</i>	1,855	-	1,855
Fund Balances:			
Unreserved, undesignated	176,202	1	176,203
<i>Total fund balances</i>	176,202	1	176,203
<i>Total liabilities and fund balances.</i>	\$ 178,057	\$ 1	\$ 178,058

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Building Improvement	School Net	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$ -	\$ 13,366	\$ 13,366
Investment earnings	7,694	-	7,694
<i>Total revenues</i>	<i>7,694</i>	<i>13,366</i>	<i>21,060</i>
Expenditures:			
Current:			
Support services:			
Central	-	13,365	13,365
<i>Total expenditures</i>	<i>-</i>	<i>13,365</i>	<i>13,365</i>
<i>Net change in fund balances</i>	<i>7,694</i>	<i>1</i>	<i>7,695</i>
<i>Fund balances at beginning of year</i>	<i>168,508</i>	<i>-</i>	<i>168,508</i>
<i>Fund balances at end of year</i>	<i>\$ 176,202</i>	<i>\$ 1</i>	<i>\$ 176,203</i>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings.	\$ 8,400	\$ 8,465	\$ 65
<i>Total revenues.</i>	<u>8,400</u>	<u>8,465</u>	<u>65</u>
Expenditures:			
Operation of non-instructional services:			
Capital outlay	62,800	-	62,800
Total operation of non-instructional services	<u>62,800</u>	<u>-</u>	<u>62,800</u>
Facilities acquisition and construction:			
Capital outlay	104,000	-	104,000
Total facilities acquisition and construction.	<u>104,000</u>	<u>-</u>	<u>104,000</u>
<i>Total expenditures</i>	<u>166,800</u>	<u>-</u>	<u>166,800</u>
<i>Net change in fund balance</i>	(158,400)	8,465	166,865
<i>Fund balance at beginning of year</i>	166,749	166,749	-
<i>Fund balance at end of year.</i>	<u>\$ 8,349</u>	<u>\$ 175,214</u>	<u>\$ 166,865</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental-state	\$ 13,366	\$ 13,366	\$ -
<i>Total revenues.</i>	<u>13,366</u>	<u>13,366</u>	<u>-</u>
Expenditures:			
Support services - central:			
Purchased services	<u>13,366</u>	<u>13,365</u>	<u>1</u>
<i>Total support services.</i>	<u>13,366</u>	<u>13,365</u>	<u>1</u>
<i>Total expenditures</i>	<u>13,366</u>	<u>13,365</u>	<u>1</u>
<i>Net change in fund balance</i>	-	1	1
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

PRIVATE-PURPOSE TRUST FUND

Scholarship Fund

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

AGENCY FUNDS

District Agency Fund

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

Employee Benefits Fund

This fund accounts for monies withheld from employees' paychecks for the pre-tax reimbursement of childcare and health services purchased by the employee.

Student Managed Activities Fund

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating expenses:			
Scholarships awarded	\$ 22,600	\$ 2,500	\$ 20,100
<i>Total operating expenses</i>	22,600	2,500	20,100
<i>Operating loss</i>	(22,600)	(2,500)	20,100
Nonoperating revenues:			
Investment earnings	3,840	4,015	175
<i>Total nonoperating revenues</i>	3,840	4,015	175
<i>Net change in fund balance</i>	(18,760)	1,515	20,275
<i>Fund equity at beginning of year</i>	79,385	79,385	-
<i>Fund equity at end of year</i>	\$ 60,625	\$ 80,900	\$ 20,275

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008*

	Beginning Balance July 1, 2007	Additions	Deletions	Ending Balance June 30, 2008
District Agency				
Assets:				
Equity in pooled cash and investments	\$ 6,431	\$ 68,579	\$ 68,909	\$ 6,101
Liabilities:				
Undistributed monies.	\$ 6,431	\$ 68,579	\$ 68,909	\$ 6,101
 Employee Benefits				
Assets:				
Equity in pooled cash and investments	\$ 5,212	\$ 74,008	\$ 75,419	\$ 3,801
Liabilities:				
Undistributed monies.	\$ 5,212	\$ 74,008	\$ 75,419	\$ 3,801
 Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 91,839	\$ 128,672	\$ 132,239	\$ 88,272
Liabilities:				
Due to students	\$ 91,839	\$ 128,672	\$ 132,239	\$ 88,272
 Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 103,482	\$ 271,259	\$ 276,567	\$ 98,174
Liabilities:				
Undistributed monies.	\$ 11,643	\$ 142,587	\$ 144,328	\$ 9,902
Due to students	91,839	128,672	132,239	88,272
<i>Total liabilities.</i>	\$ 103,482	\$ 271,259	\$ 276,567	\$ 98,174

THIS PAGE INTENTIONALLY LEFT BLANK

Orange City School District

Cuyahoga County, Ohio

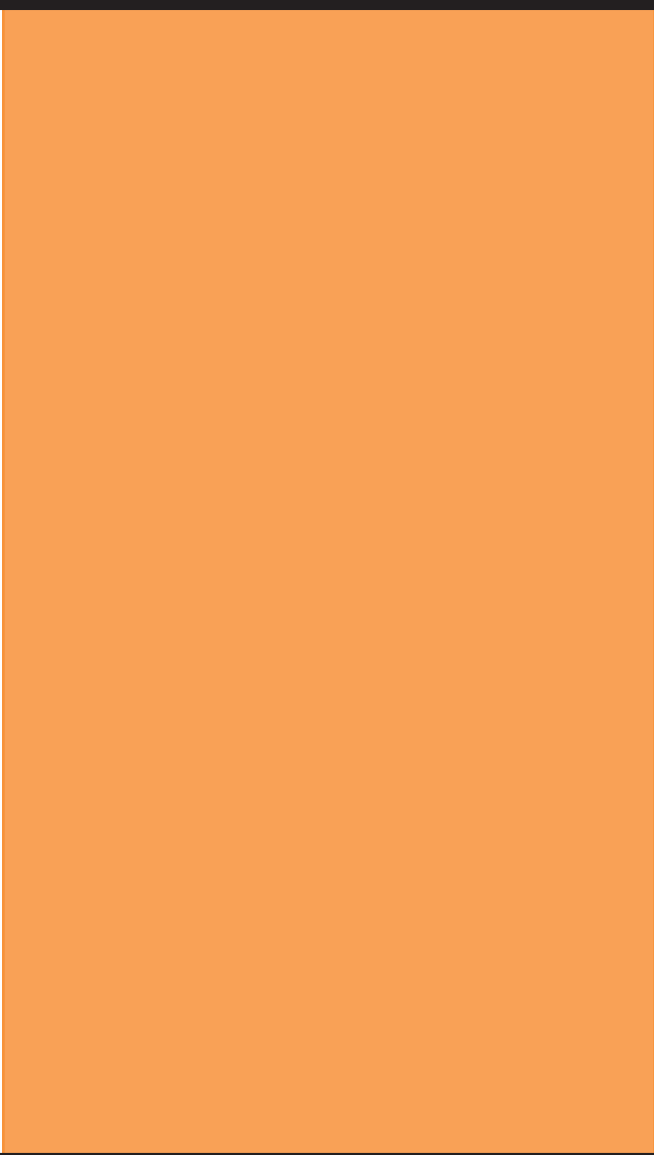


Statistical Section



Comprehensive Annual Financial Report

Orange City Schools
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124
Phone: 216.831.8600 Fax: 216.831.8029
www.OrangeSchools.org



**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

This part of the Orange City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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.	116-129
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	130-136
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.	137-140
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.	141-142
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.	143-150

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006 (1)</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,940,380	\$ 15,338,264	\$ 13,729,107	\$ 13,879,066
Restricted	6,410,493	5,782,995	4,129,749	4,258,217
Unrestricted	<u>30,863,616</u>	<u>25,515,875</u>	<u>23,274,232</u>	<u>20,781,033</u>
Total governmental activities net assets	<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>	<u>\$ 38,918,316</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,217,609	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295
Unrestricted	<u>4,690,495</u>	<u>4,150,252</u>	<u>3,581,815</u>	<u>2,624,723</u>
Total business-type activities net assets	<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>	<u>\$ 5,127,018</u>
Primary government				
Invested in capital assets, net of related debt	\$ 18,157,989	\$ 17,606,124	\$ 16,106,322	\$ 16,381,361
Restricted	6,410,493	5,782,995	4,129,749	4,258,217
Unrestricted	<u>35,554,111</u>	<u>29,666,127</u>	<u>26,856,047</u>	<u>23,405,756</u>
Total primary government net assets	<u>\$ 60,122,593</u>	<u>\$ 53,055,246</u>	<u>\$ 47,092,118</u>	<u>\$ 44,045,334</u>

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

Note: The District implemented GASB Statement No. 34 in fiscal year 2002. Information has been provided since that date.

<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 8,994,910	\$ 12,602,070	\$ 11,202,586
8,517,577	3,331,506	4,351,769
<u>17,943,454</u>	<u>14,916,846</u>	<u>12,902,453</u>
<u>\$ 35,455,941</u>	<u>\$ 30,850,422</u>	<u>\$ 28,456,808</u>
\$ 2,598,355	\$ 2,615,782	\$ 1,892,421
2,923,313	2,771,335	3,260,963
<u>\$ 5,521,668</u>	<u>\$ 5,387,117</u>	<u>\$ 5,153,384</u>
\$ 11,593,265	\$ 15,217,852	\$ 13,095,007
8,517,577	3,331,506	4,351,769
<u>20,866,767</u>	<u>17,688,181</u>	<u>16,163,416</u>
<u>\$ 40,977,609</u>	<u>\$ 36,237,539</u>	<u>\$ 33,610,192</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 18,238,270	\$ 17,962,128	\$ 17,066,373	\$ 16,379,861
Special	5,832,538	5,475,417	6,310,151	6,202,166
Vocational	293,462	324,513	296,866	253,802
Other instructional	-	2,828	-	-
Support services:				
Pupil	3,471,580	3,337,866	2,799,441	2,648,841
Instructional staff	3,670,822	3,499,573	2,864,820	2,681,775
Board of Education	110,200	143,355	181,753	163,202
Administration	2,926,908	2,849,409	2,827,023	2,603,395
Fiscal	1,176,289	1,126,029	1,129,981	1,115,331
Business	549,721	509,048	545,223	443,553
Operations and maintenance of plant	5,118,866	5,096,407	5,318,201	4,441,976
Pupil transportation	3,367,878	3,366,186	3,228,108	3,029,567
Central	1,202,049	1,114,698	1,223,883	924,539
Operation of non-instructional services:				
Food service operations	589,901	603,470	569,200	633,098
Other non-instructional services	66,898	51,787	16,871	23,129
Intergovernmental pass-through	568,910	483,574	394,972	380,069
Extracurricular activities	1,617,987	1,584,091	1,683,450	1,469,294
Interest and fiscal charges	1,296,998	1,165,809	1,401,244	1,452,048
Total governmental activities expenses	<u>50,099,277</u>	<u>48,696,188</u>	<u>47,857,560</u>	<u>44,845,646</u>
Business-type activities:				
Recreation	2,257,947	2,155,699	2,236,723	2,311,856
Total business-type activities expenses	<u>2,257,947</u>	<u>2,155,699</u>	<u>2,236,723</u>	<u>2,311,856</u>
 Total primary government expenses	 <u>\$ 52,357,224</u>	 <u>\$ 50,851,887</u>	 <u>\$ 50,094,283</u>	 <u>\$ 47,157,502</u>

<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 16,320,163	\$ 14,545,778	\$ 14,568,032
5,028,484	6,017,671	6,402,994
280,092	241,796	230,331
23,649	11,775	-
2,734,653	2,210,058	2,179,425
3,081,414	1,480,216	1,460,404
141,777	89,482	55,562
2,606,354	2,291,678	2,398,794
1,053,898	1,032,334	1,024,004
432,204	396,839	385,116
3,386,491	4,213,242	3,763,576
3,162,885	3,028,156	2,733,130
938,416	1,073,794	721,406
592,915	589,708	484,331
20,045	39,822	243,162
356,394	423,977	-
1,385,763	1,464,133	1,360,754
<u>1,335,954</u>	<u>1,640,230</u>	<u>1,435,275</u>
<u>42,881,551</u>	<u>40,790,689</u>	<u>39,446,296</u>
2,254,392	2,017,600	1,785,160
<u>2,254,392</u>	<u>2,017,600</u>	<u>1,785,160</u>
<u>\$ 45,135,943</u>	<u>\$ 42,808,289</u>	<u>\$ 41,231,456</u>

- - Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS (CONTINUED)
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 397,212	\$ 701,197	\$ 3,477,083	\$ 1,856,569
Special	3,118,760	2,770,390	4,823	3,773
Vocational	220,075	78,262	-	-
Support services:				
Pupil	32,923	38,767	41,945	44,702
Instructional staff	4,493	2,180	419	2,425
Operations and maintenance of plant	7,230	7,140	4,750	6,692
Pupil transportation	-	14,772	10,391	19,416
Operation of non-instructional services:				
Food service operations	491,963	466,038	480,615	441,373
Extracurricular activities	166,586	173,603	337,025	171,189
Operating grants and contributions:				
Instruction:				
Regular	139,151	89,485	84,881	93,586
Special	269,230	242,760	281,127	284,739
Vocational	4,035	-	227	-
Support services:				
Pupil	294,489	333,655	308,004	310,124
Instructional staff	112,347	105,450	114,446	70,685
Administration	2,218	3,258	11,788	6,688
Operations and maintenance of plant	10,050	2,310	-	2,315
Pupil transportation	157,809	163,705	-	-
Central	33,187	23,346	22,713	19,613
Operation of non-instructional services:				
Food service operations	116,631	92,126	61,784	67,179
Other non-instructional services	1,267	-	3,438	7,896
Extracurricular activities	6,335	4,761	25,967	10,223
Intergovernmental pass-through	610,318	498,362	399,230	381,847
Capital grants and contributions:				
Support services:				
Operations and maintenance of plant	-	127,713	11,211	43,794
Pupil transportation	32,744	35,008	-	-
Central	13,366	-	-	18,270
Total governmental program revenues	<u>6,242,419</u>	<u>5,974,288</u>	<u>5,681,867</u>	<u>3,863,098</u>
Business-type activities:				
Charges for services:				
Recreation	1,536,303	1,451,743	1,459,405	1,453,400
Operating grants and contributions	139,754	124,138	106,552	138,219
Capital grants and contributions	-	-	-	11,000
Total business-type activities program revenues	<u>1,676,057</u>	<u>1,575,881</u>	<u>1,565,957</u>	<u>1,602,619</u>
Total primary government program revenue	<u>\$ 7,918,476</u>	<u>\$ 7,550,169</u>	<u>\$ 7,247,824</u>	<u>\$ 5,465,717</u>
Net (Expense)/Revenue				
Governmental activities	(43,856,858)	(42,721,900)	(42,175,693)	(40,982,548)
Business-type activities	(581,890)	(579,818)	(670,766)	(709,237)
Total primary government net expense	<u>\$ (44,438,748)</u>	<u>\$ (43,301,718)</u>	<u>\$ (42,846,459)</u>	<u>\$ (41,691,785)</u>

<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 2,321,244	\$ 4,444,894	\$ 4,604,407
2,041	2,199	-
-	-	-
30,646	37,704	-
5,901	874	-
7,441	8,243	-
3,888	-	-
443,993	435,523	399,190
211,134	350,672	186,142
159,018	108,626	102,730
273,719	231,316	162,309
-	-	401
199,665	127,166	104,197
44,868	28,408	18,161
13,765	5,361	9,736
1,575	4,211	4,558
-	-	-
20,813	19,074	8,779
74,061	67,633	54,714
4,446	13,464	266,490
1,162	-	837
361,031	394,215	-
59,445	104,583	-
-	-	27,880
-	-	-
4,239,856	6,384,166	5,950,531
1,463,320	1,365,066	1,184,354
185,204	87,731	151,672
-	-	-
1,648,524	1,452,797	1,336,026
\$ 5,888,380	\$ 7,836,963	\$ 7,286,557
(38,641,695)	(34,406,523)	(33,495,765)
(605,868)	(564,803)	(449,134)
\$ (39,247,563)	\$ (34,971,326)	\$ (33,944,899)

- - Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS (CONTINUED)
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

**General Revenues and Other
Changes in Net Assets**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 37,569,616	\$ 36,302,829	\$ 34,123,527	\$ 34,448,820
Debt service	2,258,971	2,102,099	1,986,733	2,021,985
Capital projects	849,401	807,873	769,922	775,449
Grants and entitlements not restricted to specific programs	7,789,074	7,000,298	6,748,771	6,581,853
Investment earnings	1,956,626	1,990,147	1,196,647	575,766
Gain on sale of capital assets	-	-	-	-
Miscellaneous	69,056	22,700	8,816	46,550
Transfers	(58,531)	-	-	(5,500)
Extraordinary item	-	-	-	-
Total governmental activities	<u>50,434,213</u>	<u>48,225,946</u>	<u>44,834,416</u>	<u>44,444,923</u>
Business-type activities:				
Property taxes levied for:				
Recreation	783,212	815,148	1,362,258	230,367
Investment earnings	191,095	193,580	120,835	65,348
Miscellaneous	39,044	30,172	32,960	13,372
Transfers	58,531	-	-	5,500
Total business-type activities	<u>1,071,882</u>	<u>1,038,900</u>	<u>1,516,053</u>	<u>314,587</u>
Total primary government	<u>\$ 51,506,095</u>	<u>\$ 49,264,846</u>	<u>\$ 46,350,469</u>	<u>\$ 44,759,510</u>
Change in Net Assets				
Governmental activities	6,577,355	5,504,046	2,658,723	3,462,375
Business-type activities	489,992	459,082	845,287	(394,650)
Total primary government	<u>\$ 7,067,347</u>	<u>\$ 5,963,128</u>	<u>\$ 3,504,010</u>	<u>\$ 3,067,725</u>

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

Note: The District implemented GASB Statement No. 34 in fiscal year 2002. Information has been provided since that date.

<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 33,236,580	\$ 27,843,273	\$ 35,669,489
2,330,475	2,458,241	3,058,132
631,737	-	-
6,377,995	5,975,363	5,717,812
268,877	440,002	543,836
2,124	-	-
139,337	83,258	78,756
-	-	-
260,089	-	-
<u>43,247,214</u>	<u>36,800,137</u>	<u>45,068,025</u>
679,573	660,894	651,353
26,811	61,914	53,226
34,035	75,728	44,846
-	-	-
<u>740,419</u>	<u>798,536</u>	<u>749,425</u>
<u>\$ 43,987,633</u>	<u>\$ 37,598,673</u>	<u>\$ 45,817,450</u>
4,605,519	2,393,614	11,572,260
134,551	233,733	300,291
<u>\$ 4,740,070</u>	<u>\$ 2,627,347</u>	<u>\$ 11,872,551</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:				
Reserved	\$ 5,148,703	\$ 4,806,799	\$ 4,419,363	\$ 6,405,735
Unreserved	<u>26,035,339</u>	<u>22,494,931</u>	<u>19,852,597</u>	<u>15,513,098</u>
Total general fund	<u>31,184,042</u>	<u>27,301,730</u>	<u>24,271,960</u>	<u>21,918,833</u>
All Other Governmental Funds:				
Reserved	2,757,346	2,595,005	3,386,156	1,622,627
Unreserved, reported in:				
Special revenue funds	521,337	472,190	496,295	447,072
Capital projects funds	3,282,849	2,834,842	85,739	2,147,760
Debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>6,561,532</u>	<u>5,902,037</u>	<u>3,968,190</u>	<u>4,217,459</u>
Total governmental funds	<u>\$ 37,745,574</u>	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</u>	<u>\$ 26,136,292</u>

Source: School District financial records.

- (1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>
\$ 5,807,656	\$ 3,572,549	\$ 6,020,900	\$ 1,633,278	\$ 2,231,112	\$ 4,972,852
12,520,841	10,884,948	6,751,616	408,133	593,329	3,442,362
<u>18,328,497</u>	<u>14,457,497</u>	<u>12,772,516</u>	<u>2,041,411</u>	<u>2,824,441</u>	<u>8,415,214</u>
6,179,105	1,852,442	1,054,245	6,208,912	19,000,943	5,218,414
438,804	331,835	511,081	377,758	289,786	199,086
2,154,219	1,631,938	2,009,277	2,361,494	9,683,657	30,352,833
<u>-</u>	<u>-</u>	<u>1,179,003</u>	<u>1,172,264</u>	<u>1,555,512</u>	<u>1,452,218</u>
<u>8,772,128</u>	<u>3,816,215</u>	<u>4,753,606</u>	<u>10,120,428</u>	<u>30,529,898</u>	<u>37,222,551</u>
<u>\$ 27,100,625</u>	<u>\$ 18,273,712</u>	<u>\$ 17,526,122</u>	<u>\$ 12,161,839</u>	<u>\$ 33,354,339</u>	<u>\$ 45,637,765</u>

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
From local sources:				
Property and other local taxes	\$ 39,879,562	\$ 39,797,661	\$ 36,917,405	\$ 36,671,073
Tuition and fees	2,820,356	3,701,388	3,004,688	2,476,688
Charges for services	491,963	466,038	480,615	441,373
Investment earnings	1,782,271	1,963,335	1,031,383	575,766
Extracurricular	202,607	216,845	378,972	217,569
Classroom materials and fees	77,844	86,046	84,173	91,794
Contributions and donations	-	-	-	-
Rentals	7,230	7,140	4,750	6,692
Other local revenues	107,769	190,711	86,873	148,003
Intergovernmental	9,538,474	8,588,456	8,007,852	7,849,318
Total revenues	<u>54,908,076</u>	<u>55,017,620</u>	<u>49,996,711</u>	<u>48,478,276</u>
Expenditures				
Current:				
Instruction:				
Regular	17,385,174	17,305,337	16,173,320	15,563,319
Special	5,725,646	5,289,978	6,157,219	6,033,382
Vocational	272,615	303,665	276,743	231,760
Other	-	37,728	-	314,102
Current:				
Pupil	3,471,402	3,299,577	2,721,090	2,604,010
Instructional staff	3,649,596	3,511,311	2,780,562	2,650,240
Board of education	110,200	143,355	181,589	163,202
Administration	2,872,172	2,787,210	2,754,691	2,541,739
Fiscal	1,171,481	1,151,052	1,107,658	1,114,715
Business	537,479	510,033	509,897	418,029
Operations and maintenance of plant	4,608,092	4,278,812	4,563,040	3,938,245
Pupil transportation	3,424,859	3,511,181	3,286,647	3,072,781
Central	1,200,502	1,085,252	1,154,066	854,049
Operation of non-instructional services:				
Food service operations	585,191	618,018	527,599	589,150
Other non-instructional services	17,458	2,725	7,619	12,737
Intergovernmental pass-through	561,489	511,147	381,980	407,017
Extracurricular activities	1,500,950	1,490,130	1,589,738	1,376,799
Facilities acquisitions and construction	1,003,471	2,326,830	1,632,519	573,202
Capital outlay	294,690	-	-	-
Debt service:				
Principal retirement	1,247,432	881,536	799,104	5,568,582
Interest and fiscal charges	1,024,672	1,009,126	1,287,772	1,415,766
Bond issuance costs	-	183,859	-	-
Total expenditures	<u>50,664,571</u>	<u>50,237,862</u>	<u>47,892,853</u>	<u>49,442,826</u>
Excess of revenues over (under) expenditures	4,243,505	4,779,758	2,103,858	(964,550)

	2004 (1)	2003	2002	2001 (1)	2000 (1)	1999 (1)
\$	35,808,052	\$ 30,096,717	\$ 37,947,949	\$ 28,201,938	\$ 24,309,358	\$ 24,675,632
	3,474,021	4,043,241	4,362,668	1,224,851	919,285	954,258
	443,993	557,859	576,898	35,431	26,851	39,459
	259,712	440,002	543,836	1,928,964	2,706,402	1,243,485
	244,742	391,449	186,142	162,405	363,850	156,101
	85,328	-	-	-	-	-
	-	68,421	2,000	21,064	338,199	136,770
	7,441	8,243	64,031	24,983	25,311	27,822
	226,701	193,724	78,756	165,001	37,197	21,018
	7,528,082	6,961,005	6,559,647	5,633,637	4,940,474	6,105,356
	<u>48,078,072</u>	<u>42,760,661</u>	<u>50,321,927</u>	<u>37,398,274</u>	<u>33,666,927</u>	<u>33,359,901</u>
	15,953,841	14,077,659	13,447,944	12,625,478	12,442,821	11,872,111
	5,088,254	5,860,971	6,065,966	5,464,607	4,560,383	4,010,123
	254,318	218,558	202,804	232,294	213,375	82,633
	23,649	11,775	-	-	-	-
	2,608,696	2,133,191	2,050,681	1,888,665	1,930,600	1,804,779
	2,890,736	1,430,186	1,277,163	1,382,454	1,286,815	1,253,588
	141,777	90,263	55,528	62,624	69,623	82,571
	2,502,782	2,212,003	2,192,317	2,091,286	1,846,554	1,932,245
	1,045,621	1,028,462	1,001,996	863,583	760,422	701,767
	398,249	375,221	371,377	380,977	404,954	412,272
	3,154,984	3,993,961	3,558,199	3,424,856	3,066,533	2,957,963
	2,930,094	2,863,664	2,648,412	2,516,022	2,193,991	2,143,592
	876,060	986,330	625,026	485,845	547,736	728,006
	519,613	496,404	395,688	-	-	-
	14,437	30,782	243,543	291,444	257,264	252,887
	339,705	421,377	-	-	-	-
	1,293,867	1,408,265	1,239,596	1,024,709	1,287,229	960,062
	1,056,117	1,304,673	-	-	-	-
	-	169,374	6,533,745	22,877,238	10,125,065	1,758,291
	6,241,002	6,816,475	7,243,277	7,879,533	10,275,789	8,847
	1,295,340	1,405,032	1,554,382	1,528,572	1,659,463	923,992
	95,695	-	-	-	-	-
	<u>48,724,837</u>	<u>47,334,626</u>	<u>50,707,644</u>	<u>65,020,187</u>	<u>52,928,617</u>	<u>31,885,729</u>
	(646,765)	(4,573,965)	(385,717)	(27,621,913)	(19,261,690)	1,474,172

- - Continued

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Other Financing Sources (Uses)				
Transfers in	260,319	2,706,700	268,370	156,000
Transfers (out)	(260,319)	(2,706,700)	(268,370)	(156,000)
Refund of prior year expenditure	-	-	-	-
Sale of capital assets	3,612	-	-	217
Capital lease transaction	294,690	-	-	-
Sale of refunding bonds	-	18,354,970	-	-
Premium on refunding bonds sold	-	841,741	-	-
Payment to refunded bond escrow agent	-	(19,012,852)	-	-
Premium on bonds	-	-	-	-
Accrued interest on bonds	-	-	-	-
Issuance of bonds	-	-	-	-
Issuance of notes	-	-	-	-
Total other financing sources (uses)	<u>298,302</u>	<u>183,859</u>	<u>-</u>	<u>217</u>
Change in Inventory Reserve	-	-	-	-
Extraordinary item				
Reimbursement for storm damage	-	-	-	-
Net change in fund balances	<u>\$ 4,541,807</u>	<u>\$ 4,963,617</u>	<u>\$ 2,103,858</u>	<u>\$ (964,333)</u>
Capital expenditures	\$ 1,422,166	\$ 2,208,765	\$ 1,531,231	\$ 639,192
Debt service as a percentage of total noncapital expenditures	4.61%	4.32%	4.50%	14.31%

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>
764,000	734,000	515,000	1,171,037	4,234,358	1,032,308
(764,000)	(734,000)	(515,000)	(1,171,037)	(4,252,358)	(1,038,824)
-	-	-	-	-	-
2,124	2,181	-	-	150	756
-	169,374	-	188,536	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
202,302	-	-	-	-	-
9,165	-	-	-	-	-
4,499,998	-	-	-	-	29,570,390
4,500,000	5,150,000	5,750,000	6,250,000	7,000,000	9,405,631
<u>9,213,589</u>	<u>5,321,555</u>	<u>5,750,000</u>	<u>6,438,536</u>	<u>6,982,150</u>	<u>38,970,261</u>
-	-	-	(9,123)	(3,886)	(7,749)
260,089	-	-	-	-	-
<u>\$ 8,826,913</u>	<u>\$ 747,590</u>	<u>\$ 5,364,283</u>	<u>\$ (21,192,500)</u>	<u>\$ (12,283,426)</u>	<u>\$ 40,436,684</u>
\$ 1,247,635	\$ 1,562,357	\$ 6,533,745	\$ 22,877,238	\$ 6,859,344	\$ 1,758,291
16.08%	17.96%	19.92%	22.32%	25.91%	3.10%

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$ 1,023,957,100	\$ 2,925,591,714	\$ 26,514,560	\$ 424,232,960	\$ 7,086,100	\$ 8,052,386
2007	1,017,969,380	2,908,483,943	31,382,118	251,056,944	9,449,280	10,737,818
2006	921,968,860	2,634,196,743	38,351,782	166,746,878	9,984,050	11,345,511
2005	916,393,060	2,618,265,886	37,692,694	163,881,278	12,473,120	14,174,000
2004	904,032,290	2,618,254,600	35,735,048	155,369,774	10,764,920	12,232,864
2003	846,280,460	2,417,944,171	40,705,019	169,604,245	10,255,830	14,274,204
2002	827,980,640	2,365,658,971	43,236,393	172,945,572	8,213,920	9,334,000
2001	806,821,810	2,305,205,171	37,696,353	150,785,412	18,440,740	20,955,386
2000	705,439,830	2,015,542,371	40,664,220	162,656,880	16,126,190	18,325,216
1999	693,224,950	1,980,642,714	36,949,137	147,796,548	17,498,780	19,884,977

Source: Cuyahoga County Auditor's Office

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.
- (2) Tangible personal property is assessed at various percentages of actual value.
- (3) Public utility personal property is assessed at various percentages of actual value.
- (4) This amount represents the gross millage.
- (5) Information not readily available for this calendar year.

Total

Assessed Value	Estimated Actual Value	Percentage of Assessed Value to Estimated Actual Value	Total Direct Rate (4)	Effective Residential and Agricultural Tax Rate	Effective Commerical and Industrial Tax Rate
\$ 1,057,557,760	\$ 3,357,877,060	31.49%	\$ 86.00	\$ 40.03	\$ 46.65
1,058,800,778	3,170,278,705	33.40%	86.00	40.02	46.39
970,304,692	2,812,289,132	34.50%	86.10	43.39	48.01
966,558,874	2,796,321,164	34.57%	86.10	42.91	47.72
950,532,258	2,785,857,238	34.12%	81.10	38.27	42.75
897,241,309	2,601,822,620	34.49%	81.10	40.36	44.14
879,430,953	2,547,938,543	34.52%	81.10	(5)	(5)
862,958,903	2,476,945,970	34.84%	81.10	(5)	(5)
762,230,240	2,196,524,467	34.70%	71.50	(5)	(5)
747,672,867	2,148,324,240	34.80%	71.50	(5)	(5)

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection	Overlapping Rates			Direct Rates					
	County	City	Library	General	Bond	Voted		Unvoted	Total
						Permanent Improvement	Recreation		
Year									
2007/2008	\$ 18.20	\$9.50	\$ 2.00	\$ 76.55	\$2.30	\$ 1.00	\$ 0.95	\$ 5.20	86.00
2006/2007	18.20	9.50	2.00	76.55	2.30	1.00	0.95	5.20	86.00
2005/2006	18.30	9.50	2.00	76.55	2.40	1.00	0.95	5.20	86.10
2004/2005	18.30	7.10	2.00	76.55	2.40	1.00	0.95	5.20	86.10
2003/2004	16.50	7.20	1.40	71.55	2.40	1.00	0.95	5.20	81.10
2002/2003	16.20	7.30	1.40	71.55	3.40	-	0.95	5.20	81.10
2001/2002	16.20	7.60	1.40	71.55	3.40	-	0.95	5.20	81.10
2000/2001	16.20	7.60	1.40	71.55	3.40	-	0.95	5.20	81.10
1999/2000	15.30	7.60	1.40	62.05	3.30	-	0.95	5.20	71.50
1998/1999	15.30	7.30	1.40	62.05	3.30	-	0.95	5.20	71.50

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

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

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Eton Square	\$ 6,335,810	1	0.91%
Duke Realty Ltd. Partnership	4,270,000	2	0.62%
AM Castle & Company	4,087,650	3	0.59%
Olympic Steel, Inc.	2,383,850	4	0.34%
Pepper Pike Place	2,522,770	5	0.36%
RREEF Mid-American Fund	2,193,730	6	0.32%
Country Club, Inc.	2,021,530	7	0.29%
American Spring Wire Corporation	1,993,670	8	0.29%
PAH-Beachwood I, L.L.C.	1,933,650	9	0.28%
Cleveland Racquet Club	1,902,080	10	0.27%
Total	<u>\$ 29,644,740</u>		<u>693,224,950</u>

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

December 31, 2007			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Tangible Assessed Value</u>
AM Castle & Company	\$ 4,614,940	1	17.41%
Olympic Steel, Inc.	3,698,880	2	13.95%
American Spring Wire Corporation	2,835,690	3	10.69%
Sherwin Williams Co.	1,848,160	4	6.97%
Branch Group, Inc.	856,400	5	3.23%
Lowe's Home Center, Inc.	808,130	6	3.05%
Alson Jeweler's, Inc.	543,630	7	2.05%
Formtek Metal Forming, Inc.	468,990	8	1.77%
Cleveland Coca-Cola	432,460	9	1.63%
USB Corporation	404,070	10	1.52%
Total	<u>\$ 16,511,350</u>		<u>\$ 26,514,560</u>

December 31, 1998			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total District Tangible Assessed Value</u>
AM Castle & Company	\$ 5,549,490	1	15.02%
Olympic Steel, Inc.	4,498,730	2	12.18%
American Spring Wire Corporation	4,116,060	3	11.14%
Sherwin Williams Co.	3,453,630	4	9.35%
Telerama, Inc.	1,324,490	5	3.58%
Southern Electric Supply Co., Inc.	1,146,250	6	3.10%
North Coast Distributing, Inc.	1,035,760	7	2.80%
BF Goodrich Co.	962,860	8	2.61%
Forest City Babin Co.	955,610	9	2.59%
Total	<u>\$ 23,042,880</u>		<u>36,949,137</u>

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

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

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 10,656,820	1	60.90%
Ohio Bell Telephone Company	2,433,570	2	13.91%
East Ohio Gas Company	1,138,450	3	6.51%
Total	<u>\$ 14,228,840</u>		<u>17,498,780</u>

Source: Cuyahoga County Auditor's Office

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year/ Collection Year	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy	Outstanding Delinquent Taxes (1)	Total Delinquent Taxes As a Percent of Total Levy
2007/2008	\$ 44,567,977	\$ 42,867,026	96.18%	\$ 1,575,408	\$ 44,442,434	99.72%	\$ 3,199,238	7.18%
2006/2007	45,354,998	42,835,059	94.44%	1,645,469	44,480,528	98.07%	2,331,806	5.14%
2005/2006	41,499,416	39,341,393	94.80%	1,373,393	40,714,786	98.11%	1,987,957	4.79%
2004/2005	41,103,795	37,140,146	90.36%	1,215,109	38,355,255	93.31%	2,480,347	6.03%
2003/2004	36,471,190	34,338,004	94.15%	1,197,127	35,535,131	97.43%	2,553,822	7.00%
2002/2003	36,294,519	32,885,998	90.61%	1,108,311	33,994,309	93.66%	1,899,567	5.23%
2001/2002	35,605,453	33,218,805	93.30%	704,915	33,923,720	95.28%	1,702,658	4.78%
2000/2001	27,016,336	25,376,719	93.93%	580,080	25,956,799	96.08%	1,023,409	3.79%
1999/2000	26,777,748	25,235,400	94.24%	645,573	25,880,973	96.65%	848,328	3.17%
1998/1999	24,022,082	22,602,658	94.09%	391,457	22,994,115	95.72%	654,088	2.72%

Source: Cuyahoga County Auditor's Office

(1) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			(1)	(2)	(2)	(2)
	General Obligation Bonds	General Obligation Notes	Capital Leases	Total Primary Government	Per Capita	Per Enrollment	Total Debt as a Percentage of Personal Income
2008	\$ 26,589,034	\$ -	\$ 272,258	\$ 26,861,292	\$ 1,999	\$ 11,248	(3)
2007	27,535,222	-	-	27,535,222	2,041	11,604	1.67%
2006	28,216,092	-	31,536	28,247,628	2,072	12,000	1.78%
2005	28,866,304	-	60,640	28,926,944	2,100	12,268	1.97%
2004	29,785,978	4,500,000	99,222	34,385,200	2,483	14,381	2.65%
2003	26,190,212	5,150,000	195,224	31,535,436	2,261	13,385	2.93%
2002	26,843,221	5,750,000	137,325	32,730,546	2,336	13,747	2.88%
2001	27,763,221	6,250,000	174,003	34,187,224	2,427	15,235	2.60%
2000	28,628,221	7,000,000	-	35,628,221	2,546	15,828	2.81%
1999	29,500,000	39,247,000	4,010	68,751,010	4,922	30,502	5.83%

Sources: School District Financial Records

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

(2) See schedule " Demographic and Economic Statistics, Last Ten Years" for population, personal income and enrollment information.

(3) Information not readily available for this fiscal year.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total (1)		
2008	\$ 26,589,034	\$ 26,589,034	0.79%	\$ 1,979
2007	27,535,222	27,535,222	0.87%	2,041
2006	28,216,092	28,216,092	1.00%	2,070
2005	28,866,304	28,866,304	1.03%	2,095
2004	29,785,978	29,785,978	1.07%	2,151
2003	26,190,212	26,190,212	1.01%	1,878
2002	26,843,221	26,843,221	1.05%	1,916
2001	27,763,221	27,763,221	1.12%	1,971
2000	28,628,221	28,628,221	1.30%	2,046
1999	29,500,000	29,500,000	1.37%	2,112

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

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 26,589,034	100.00%	\$ 26,589,034
Overlapping debt:			
Cuyahoga County	194,593,691	3.26%	6,339,833
Regional Transit Authority	147,385,000	3.26%	4,804,751
Village of Orange	3,600,000	17.19%	618,974
City of Bedford Heights	4,990,000	4.68%	233,358
Village of Moreland Hills	1,075,000	19.12%	205,576
City of Pepper Pike	10,840,577	38.88%	4,215,187
City of Warrensville Heights	13,671,000	0.86%	117,718
City of Solon	22,555,000	2.35%	529,481
Village of Woodmere	1,495,000	5.36%	80,090
Village of Hunting Valley	<u>4,250,000</u>	11.56%	<u>491,182</u>
Total direct and overlapping debt	<u>\$ 431,044,302</u>		<u>\$ 44,225,184</u>

Source: Cuyahoga County Auditor's Office

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2007 collection year.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (2)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2008 (1)	\$ 92,792,871	\$ 25,518,189	\$ 2,377,383	\$ 23,140,806	\$ 69,652,065	24.94%
2007 (1)	92,180,862	26,743,189	2,065,087	24,678,102	67,502,760	26.77%
2006 (1)	83,563,393	27,593,219	1,455,700	26,137,519	57,425,874	31.28%
2005	86,990,299	28,363,219	1,249,761	27,113,458	59,876,841	31.17%
2004	85,547,903	29,393,219	5,878,620	23,514,599	62,033,304	27.49%
2003	80,751,718	26,190,212	1,511,217	24,678,995	56,072,723	30.56%
2002	79,148,786	26,843,221	1,644,340	25,198,881	53,949,905	31.84%
2001	77,666,301	27,763,221	1,251,227	26,511,994	51,154,307	34.14%
2000	68,600,722	28,628,221	1,703,053	26,925,168	41,675,554	39.25%
1999	67,290,558	29,500,000	1,723,862	27,776,138	39,514,420	41.28%

Source: Cuyahoga County Auditor, Ohio Department of Taxation and School District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

(1) The District's total assessed valuation for the respective collection year is not utilized as the base for determining current direct debt limitations. Consistent with House Bill 530, adjustments are made to exclude substantially all tangible personal property values from this calculation. Adjusted values were obtained from the Ohio Department of Taxation.

(2) Total Debt applicable to limit excludes accreted interest on capital appreciation bonds.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Average Income by Return (5)</u>	<u>Personal Income (5)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (4)</u>		
						<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2008	13,437	(2)	(2)	41.5	2,388	8.1%	6.7%	5.7%
2007	13,490	\$ 237,468	\$ 1,646,839,811	41.5	2,373	6.5%	5.8%	4.7%
2006	13,633	228,402	1,587,394,302	41.5	2,354	5.9%	5.5%	4.8%
2005	13,778	215,294	1,464,863,024	41.5	2,358	6.3%	6.1%	5.2%
2004	13,847	187,468	1,295,400,781	41.5	2,391	6.6%	6.4%	5.8%
2003	13,946	174,186	1,075,775,311	41.5	2,356	7.1%	6.8%	6.5%
2002	14,010	176,511	1,136,379,070	41.5	2,381	6.1%	6.0%	6.0%
2001	14,084	194,031	1,316,888,751	41.5	2,244	4.7%	4.4%	4.7%
2000	13,992	186,286	1,267,673,514	(2)	2,251	4.5%	4.2%	4.1%
1999	13,968	173,269	1,179,788,631	(2)	2,254	4.9%	4.5%	4.5%

(1) Information obtained from the U.S. Census Bureau website (www.census.gov).

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

(3) Obtained from District Records.

(4) Obtained from the Ohio Department of Job and Family Services.

(5) Obtained from the Ohio Department of Taxation.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR

December 31, 2007

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

Source: Regional Income Tax Agency

(1) Includes substitute and seasonal employees.

Note: The Regional Income Tax Agency was unable to provide statistics on total employment within the District such that the above totals by employer could be expressed as a percentage of total employment. The District's boundaries cover 25 square miles and includes all or a portion of 8 different political subdivisions.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

Type	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Professional Staff:										
Teaching Staff:										
Elementary	84.6	84.1	80.1	81.2	83.6	77.1	73.3	55.0	59.0	59.0
Middle	49.5	48.5	46.5	46.1	44.5	43.5	43.0	40.6	40.6	39.0
High	66.9	66.9	66.7	62.3	62.3	61.5	61.6	74.0	75.0	78.9
Others	17.7	17.7	16.7	16.7	16.7	14.7	13.7	13.7	14.0	14.0
Administration:										
District	20.0	20.0	21.0	19.0	19.0	19.0	19.0	19.0	20.0	19.0
Auxiliary Positions:										
Counselors	6.5	6.5	6.5	6.5	6.5	6.0	6.0	6.0	6.0	7.0
Nurses	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Speech	5.3	5.3	5.3	5.6	5.3	5.1	5.1	4.9	4.1	4.7
Mental Health Specialists	3.6	3.6	3.4	3.4	2.8	2.8	2.8	2.7	2.5	2.9
Others	9.6	9.6	9.6	8.1	7.9	7.9	7.3	7.1	7.0	7.0
Support Staff:										
Supervisors	11.0	11.0	11.0	11.0	11.0	11.0	9.0	9.0	8.0	8.0
Secretarial	33.5	33.5	32.0	32.0	32.0	32.0	31.0	31.0	31.0	31.0
Aides	57.5	53.5	54.0	49.5	50.1	48.1	44.1	40.3	39.6	31.1
Hall monitor/Security	-	1.0	-	-	-	-	-	-	-	-
Technical	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	1.0
Cooks	8.1	8.6	8.5	9.0	8.8	8.6	9.1	8.1	8.7	8.0
Custodial	25.3	25.3	25.3	25.3	24.0	23.0	24.5	25.0	23.5	23.5
Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Bus Driver	32.9	32.1	33.6	33.1	32.9	32.7	30.7	32.0	30.7	30.3
Bus Aides	2.5	2.5	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.9
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	452.5	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0	379.8
Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular	160.2	159.2	152.9	152.2	154.7	144.2	143.5	135.2	142.9	148.3
Special	47.6	47.1	45.1	43.1	42.5	43.5	39.5	39.5	39.5	36.0
Vocational	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Support Services:										
Pupil	36.4	36.5	35.8	34.1	33.0	32.3	31.2	30.7	29.6	30.6
Instructional staff	65.0	62.0	62.5	58.0	58.6	56.6	52.6	48.8	48.1	39.6
Administration	22.5	22.5	23.5	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Fiscal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Business	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operations and maintenance	45.3	45.3	45.3	45.3	43.0	42.0	41.5	42.0	39.5	39.5
Pupil transportation	40.9	40.6	40.6	40.1	39.8	39.6	37.6	38.8	37.6	37.2
Central	10.0	10.0	9.0	9.0	9.0	8.0	7.0	7.0	6.5	5.0
Food Service Operations	9.1	9.0	9.5	10.0	9.8	9.6	10.1	9.1	9.7	9.0
Extracurricular activities	3.9	3.9	3.9	3.9	3.8	3.0	3.0	3.0	3.0	3.0
Total Governmental Activities	452.5	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0	379.8

Source: School District records

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular and Special										
Enrollment (students)	2,388	2,373	2,354	2,358	2,391	2,356	2,381	2,244	2,251	2,254
Graduates	187	180	195	177	176	188	193	163	208	151
Support services:										
Board of education										
Regular meetings per year	24	24	22	21	23	24	22	24	23	23
Special meetings per year	22	21	24	14	15	12	7	11	15	18
Administration										
Student attendance rate	96.5%	95.9%	96.1%	95.9%	95.9%	95.6%	95.4%	95.7%	95.6%	95.3%
Fiscal										
Nonpayroll checks issued	6,619	6,424	6,800	6,368	6,743	6,624	6,820	6,816	6,405	6,113
Operations and maintenance										
Work orders completed	500	500	500	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Square footage maintained	534,881	534,881	534,881	534,881	534,881	534,881	534,881	430,948	404,988	404,988
Pupil transportation										
Avg. students transported daily (2)	2,462	2,592	2,637	2,724	2,687	2,655	2,564	2,654	(1)	(1)
Food service operations										
Meals served to students	207,577	192,466	187,274	156,191	174,192	161,938	152,118	(1)	(1)	(1)
Number of students with free or reduced lunches	218	174	144	124	(1)	(1)	(1)	(1)	(1)	(1)

Source: District records

(1) Information not readily available for this fiscal year.

(2) Figure includes public and nonpublic riders.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST SEVEN FISCAL YEARS

Governmental Activities							
	2008	2007	2006 (1)	2005	2004	2003	2002
Land	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150	\$ 6,370,150
Construction in Progress	55,103	7,657	832,438	-	-	-	-
Land improvements	4,925,063	5,213,189	5,467,298	5,878,294	6,205,322	6,278,642	6,360,172
Buildings	27,698,365	28,168,267	26,739,762	27,547,417	28,380,439	28,807,005	29,246,102
Equipment	1,181,011	869,790	878,323	1,245,813	1,236,608	1,319,572	991,639
Vehicles	1,585,559	1,541,672	1,353,127	1,261,251	1,187,591	1,060,146	965,069
Total Governmental Activities Capital Assets, net	<u>\$41,815,251</u>	<u>\$42,170,725</u>	<u>\$41,641,098</u>	<u>\$ 42,302,925</u>	<u>\$ 43,380,110</u>	<u>\$ 43,835,515</u>	<u>\$ 43,933,132</u>
Business-Type Activities							
	2008	2007	2006	2005	2004	2003	2002
Land improvements	\$ 44,728	\$ 49,292	\$ 54,760	\$ 60,228	\$ 60,058	\$ 39,256	\$ 17,146
Buildings	2,131,584	2,170,785	2,261,559	2,366,379	2,457,795	2,488,485	1,797,673
Equipment	17,696	18,066	25,065	33,743	42,892	45,416	29,962
Vehicles	23,601	29,717	35,831	41,945	37,610	42,625	47,640
Total Business-Type Activities Capital Assets, net	<u>\$ 2,217,609</u>	<u>\$ 2,267,860</u>	<u>\$ 2,377,215</u>	<u>\$ 2,502,295</u>	<u>\$ 2,598,355</u>	<u>\$ 2,615,782</u>	<u>\$ 1,892,421</u>

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

Note: Amounts above are presented net of accumulated depreciation.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Orange High School (1973)					
Square feet	215,886	215,886	215,886	215,886	215,886
Capacity (All)	960	960	960	960	960
Enrollment	715	737	764	787	792
Brady Middle School (1965)					
Square feet	86,138	86,138	86,138	86,138	86,138
Capacity (All)	720	720	720	720	720
Enrollment	570	532	509	501	495
Moreland Hills Elementary (2001)					
Square feet	124,875	124,875	124,875	124,875	124,875
Capacity (All)	1,440	1,440	1,440	1,440	1,440
Enrollment	1,006	1,023	992	980	1,010
Old Moreland Hills Elementary (1958)					
Square feet	(1)	(1)	(1)	(1)	(1)
Capacity (All)	(1)	(1)	(1)	(1)	(1)
Enrollment	(1)	(1)	(1)	(1)	(1)
Pepper Pike Elementary (1954)					
Square feet	(2)	(2)	(2)	(2)	(2)
Capacity (All)	(2)	(2)	(2)	(2)	(2)
Enrollment	(2)	(2)	(2)	(2)	(2)
Gund School (1978)					
Square feet	6,000	6,000	6,000	6,000	6,000
Capacity (All)	84	84	84	84	84
Enrollment	68	53	66	64	79
New Directions (1989)					
Square feet	1,800	1,800	1,800	1,800	1,800
Capacity (All)	30	30	30	30	30
Enrollment	29	28	23	26	15

Source: District records

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

(1) This building was converted from an elementary to a maintenance/technology facility upon completion of the new Moreland Hills Elementary in 2001.

(2) This building was converted from an elementary to the headquarters of the Orange Community Education and Recreation Department upon completion of the new Moreland Hills Elementary in 2001.

2003	2002	2001	2000	1999
215,886	215,886	215,886	189,926	189,926
960	960	960	960	960
770	777	895	933	919
86,138	86,138	86,138	86,138	86,138
720	720	720	720	720
510	544	509	528	522
124,875	124,875	N/A	N/A	N/A
1,440	1,440	N/A	N/A	N/A
980	965	N/A	N/A	N/A
(1)	(1)	45,247	45,247	45,247
(1)	(1)	720	720	720
(1)	(1)	456	423	405
(2)	(2)	50,413	50,413	50,413
(2)	(2)	480	480	480
(2)	(2)	279	289	323
6,000	6,000	6,000	6,000	6,000
84	84	84	84	84
82	81	77	67	71
910	910	910	910	910
18	18	18	18	18
14	14	28	11	14

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Total Governmental Funds		Governmental Activities (2)		Enrollment (3)	Percent Change of Enrollment
	Expenses (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2008	\$ 48,392,467	\$ 20,265	\$ 48,802,279	\$ 20,436	2,388	0.63%
2007	48,163,341	20,296	47,530,379	20,030	2,373	0.81%
2006	45,805,977	19,459	46,456,316	19,735	2,354	-0.17%
2005	42,458,478	18,006	43,393,598	18,403	2,358	-1.38%
2004	40,707,958	17,025	41,545,597	17,376	2,391	1.49%
2003	39,113,119	16,601	39,150,459	16,617	2,356	-1.05%
2002	41,909,985	17,602	38,011,021	15,964	2,381	6.11%
2001	55,612,082	24,783	N/A	N/A	2,244	-0.31%
2000	40,993,365	18,211	N/A	N/A	2,251	-0.13%
1999	31,015,235	13,760	N/A	N/A	2,254	-0.40%

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2002.

(3) Enrollment derived from District attendance records.

(4) Teaching staff headcount represents full-time equivalents.

Teaching Staff (4)	Pupil/Teacher Ratio	Student Attendance Percentage
218.7	10.92	96.5%
217.2	10.93	95.9%
210.0	11.21	96.1%
206.3	11.43	95.9%
207.1	11.55	95.9%
196.8	11.97	95.6%
191.6	12.43	95.4%
183.3	12.24	95.7%
188.6	11.94	95.6%
190.9	11.81	95.3%

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

TEACHER STATISTICS
JUNE 30, 2008

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Associate's Degree	1	0.42%	(1)
Bachelor's Degree	40	16.60%	\$40,945 - \$74,997
Master's Degree	195	80.91%	\$45,203 - \$92,488
Ph.D.	<u>5</u>	<u>2.07%</u>	\$48,203 - \$93,488
	<u><u>241</u></u>	<u><u>100.00%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	30	12.45%
6 - 10	65	26.97%
11 and over	<u>146</u>	<u>60.58%</u>
	<u><u>241</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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



Mary Taylor, CPA
Auditor of State

ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 8, 2009**