

Orange City School District

Cuyahoga County, Ohio

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2009



Orange City Schools
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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.



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Mary Taylor, CPA
Auditor of State

Board of Education
Orange City School District
32000 Chagrin Blvd.
Pepper Pike, Ohio 44124

We have reviewed the *Independent Auditor's Report* of the Orange City School District, Cuyahoga County, prepared by Julian & Grube, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Orange City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 23, 2010

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

ORANGE CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2009

PREPARED BY
TREASURER'S DEPARTMENT
DAVID DENBOW, TREASURER

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INTRODUCTORY SECTION

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Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009
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 Eight Fiscal Years	116
Changes in Net Assets - Last Eight 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, 2008 and December 31, 1999	133
Principal Taxpayers, Tangible Personal Property Tax - December 31, 2008 and December 31, 1999	134
Principal Taxpayers, Public Utilities Tax – December 31, 2008 and December 31, 1999	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, 2009.....	139
Legal Debt Margin Information – Last Ten Fiscal Years	140
Demographic and Economic Statistics – Last Ten Years.....	141
Principal Employers - December 31, 2007 and Three Years Ago	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 Eight Fiscal Years	145
School Building Information - Last Ten Fiscal Years	146
Operating Statistics - Last Ten Fiscal Years	148
Teacher Statistics – June 30, 2009	150



December 22, 2009

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, 2009. 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, while the Pepper Pike Elementary School housed grades 3-4. Starting with the 2001-2002 school year, the original Moreland Hills Elementary School building was no longer used for K-12 education, but was replaced by the newly built Moreland Hills Elementary School serving students in grades pre-K-5. In 2003, the new school earned the distinction of becoming an Ohio Hall of Fame School based on its quality efforts. 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 2,311 students are bused daily to the campus consisting of four school buildings: Moreland Hills Elementary School, Brady Middle School, Orange High School and Pepper Pike Learning Center, which houses an inclusive preschool program. The District's campus also includes an administration building, centralized maintenance and technology center and a transportation depot. The District also manages the Orange Community Education and Recreation Department, which encompasses public preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The Recreation Department utilizes all District facilities in concert with the school system. Gund School, which adjoins the District's campus within the Beechbrook residential facility, provides instruction for 79 students with special needs. The District also serves 26 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. Over 60% of residents in the District have a bachelor's degree or higher and are 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 98 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 2008-2009

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 five to six 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 2010.

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 through the 2008-2009 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 earned an "Excellent with Distinction" 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 adequate yearly progress expectations in 2009.

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, the District continues to promote the development of student assets within the school and the community using the 40 Assets framework.

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.

In 2009 the District completed the renovation to the Pepper Pike Learning Center to accommodate the Orange Inclusive Preschool. This provided much needed educational spaces at Moreland Hills Elementary School. The Inclusive Preschool includes 3 classrooms, a large motor room, ADA adult and child size restrooms, space for student services, adjustable interactive whiteboards in each classroom, and a new playground area.

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 100 percent in 2009 with more than 98 percent of graduates continuing their education at an institution of higher learning.
- 2) More than 85 percent of all Advanced Placement tests earned scores of 3 or better, placing the District's students among the top in the nation.
- 3) Eighty-three students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations.
- 4) Six National Merit semi-finalists competing for National Merit Scholarships, and 7 National Merit commended students.
- 5) Average student scores on the ACT are consistently above national and state averages, ranking Orange High School among the top 3% of all high schools in Ohio.

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 90 percent of the District's total general fund revenue in fiscal year 2009. 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 2008-2009 enrollment of 2,311 compared with the 1988-1989 enrollment of 1,973 reflects an increase of 338 students, or 17 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 2010. 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 2009 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, 2009 was \$1,887,574 with \$1,482,244 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, 2008. 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. Julian & Grube, Inc. was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2009. The opinion appears at the beginning of the financial section of this report. In addition to the financial audit a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

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

Acknowledgments

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

Special appreciation is expressed to the accounting firm of Julian & Grube, Inc. for their assistance in preparing this financial 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, 2009*

Board of Education

Mr. Stanley Morganstern	President
Mrs. Cynthia Eickhoff	Vice-President
Mr. Tom Bonda	Member
Mrs. Dagmar Fellowes	Member
Mr. Samuel Steinhouse	Member

Treasurer/Director of Budget Services

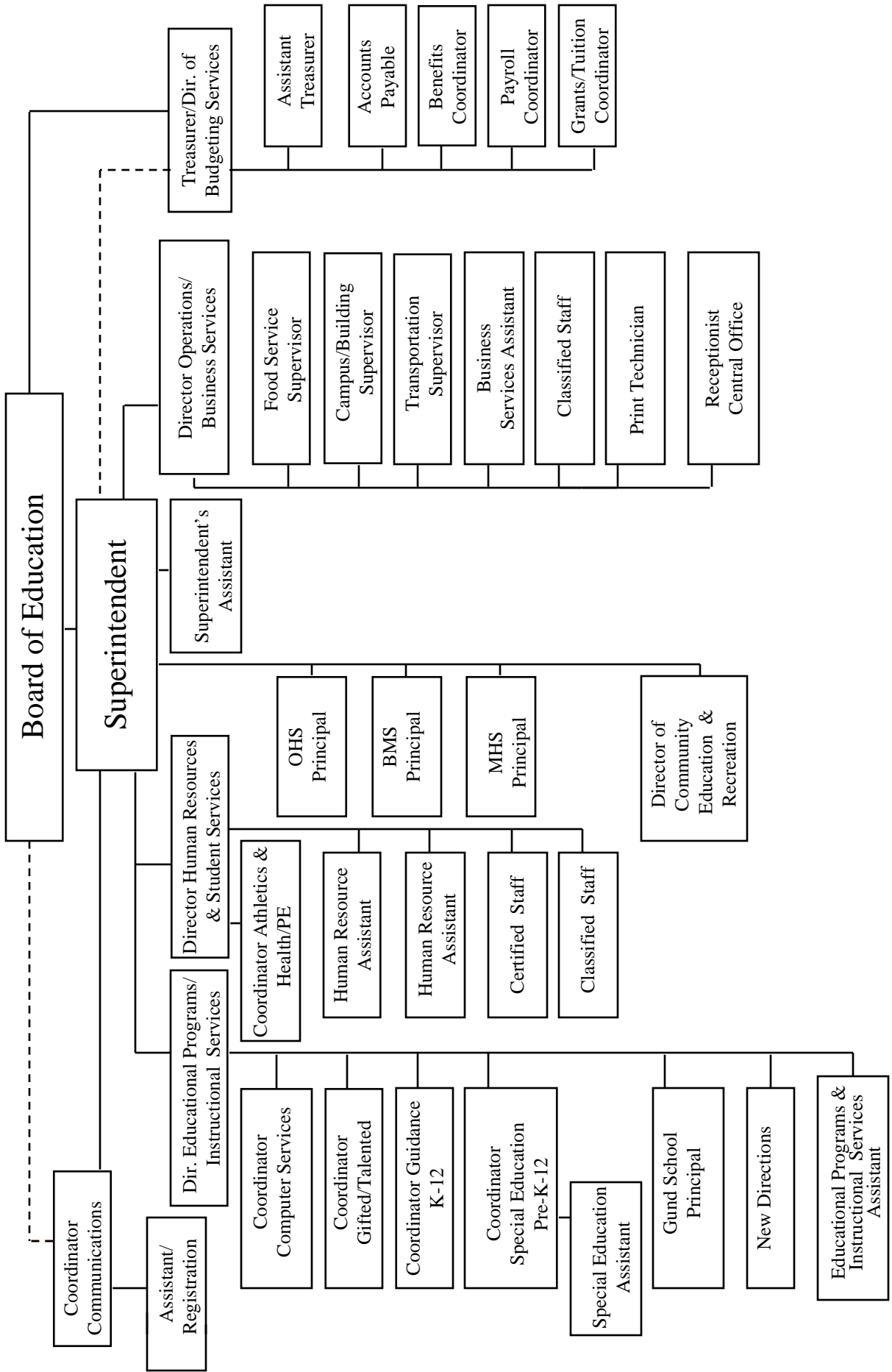
Mr. David Denbow

Administration

Dr. Nancy Wingenbach	Superintendent
Mr. Gary Puntel	Director of Human Resources/Student Services
Mr. Matt Deevers	Director of Educational Programs and Instructional Services
Ms. Kershini Naidu	Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Mrs. Laura Guentner	Director of Recreation
Mr. Kurt Bernardo	Coordinator of Computer Services
Mrs. Ashley Brudno	Assistant Treasurer
Mr. Philip Dickinson	Director of Operations and Business Services
Mrs. Cindy Finohr	Supervisor of Food Services
Mr. Larry Lerch	Supervisor of Transportation Services
Mr. Jim Taylor	Campus Supervisor

Orange Schools Administrative Position Chart

2008-2009



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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Orange City School District
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

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, as of and for the fiscal year ended June 30, 2009, which collectively comprise the Orange City School District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Orange City School 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Orange City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of Orange City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Orange City School District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
December 22, 2009

FINANCIAL SECTION

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

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, 2009. 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 2009 are as follows:

- In total, net assets increased \$1,967,690. Net assets of governmental activities increased \$1,643,899, which represents a 3.09% increase from 2008. Net assets of business-type activities increased \$323,791 or 4.69% from 2008.
- General revenues accounted for \$47,791,442 in revenue or 88.12% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,441,974 or 11.88% of total governmental revenues of \$54,233,416.
- The District had \$52,589,517 in expenses related to governmental activities; only \$6,441,974 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 \$47,791,442 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$49,457,683 in revenues and other financing sources and \$49,296,470 in expenditures and other financing uses. The general fund's fund balance increased \$161,213 from \$31,184,042 to \$31,345,255.
- One of the District's other major governmental funds is the bond retirement fund. The bond retirement fund had \$2,534,838 in revenues and \$2,161,180 in expenditures. The bond retirement fund's fund balance increased \$373,658 from \$2,377,383 to \$2,751,041.
- The District's other major governmental fund is the permanent improvement fund. The permanent improvement fund had \$3,595,028 in revenues and other financing sources and \$2,290,812 in expenditures. The permanent improvement fund's fund balance increased \$1,304,216 from \$3,431,274 to \$4,735,490.
- Net assets for the District's enterprise fund, the recreation fund, increased \$323,791 or 4.69%. The recreation fund's net assets increased from \$6,908,104 to \$7,231,895 on expenses (both operating and non-operating) of \$2,300,268 versus revenues (both operating and non-operating) of \$2,624,059.

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, 2009
(UNAUDITED)*

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question: How did we do financially during 2009? 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, 2009
(UNAUDITED)*

Governmental Funds

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

Proprietary Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

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

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

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, 2009 and June 30, 2008.

Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<u>Assets</u>						
Current assets	\$ 80,293,911	\$ 81,347,866	\$ 5,414,465	\$ 4,990,051	\$85,708,376	\$86,337,917
Capital assets, net	<u>42,416,507</u>	<u>41,815,251</u>	<u>2,107,003</u>	<u>2,217,609</u>	<u>44,523,510</u>	<u>44,032,860</u>
Total assets	<u>122,710,418</u>	<u>123,163,117</u>	<u>7,521,468</u>	<u>7,207,660</u>	<u>130,231,886</u>	<u>130,370,777</u>
<u>Liabilities</u>						
Current liabilities	37,126,157	38,616,160	273,911	286,633	37,400,068	38,902,793
Long-term liabilities	<u>30,725,873</u>	<u>31,332,468</u>	<u>15,662</u>	<u>12,923</u>	<u>30,741,535</u>	<u>31,345,391</u>
Total liabilities	<u>67,852,030</u>	<u>69,948,628</u>	<u>289,573</u>	<u>299,556</u>	<u>68,141,603</u>	<u>70,248,184</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	17,564,014	15,940,380	2,107,003	2,217,609	19,671,017	18,157,989
Restricted	8,180,016	6,410,493	-	-	8,180,016	6,410,493
Unrestricted	<u>29,114,358</u>	<u>30,863,616</u>	<u>5,124,892</u>	<u>4,690,495</u>	<u>34,239,250</u>	<u>35,554,111</u>
Total net assets	<u>\$ 54,858,388</u>	<u>\$ 53,214,489</u>	<u>\$ 7,231,895</u>	<u>\$ 6,908,104</u>	<u>\$62,090,283</u>	<u>\$60,122,593</u>

Total governmental assets decreased by \$452,699 while total governmental liabilities decreased by \$2,096,598 resulting in an increase to net assets of \$1,643,899. Total assets of business-type activities increased \$313,808 while total liabilities of business-type activities decreased by \$9,983 resulting in an increase to net assets of \$323,791.

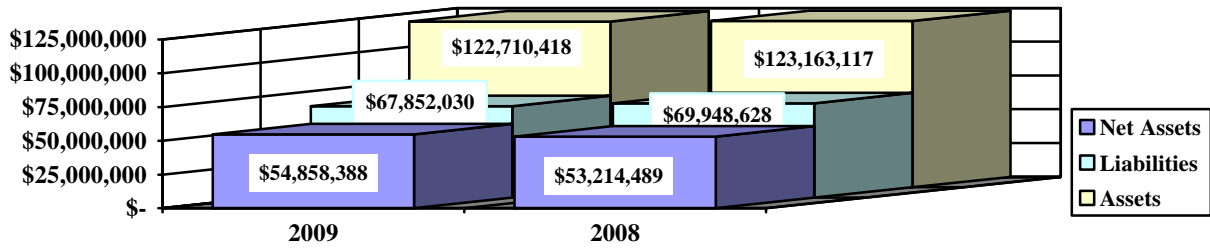
Taxes receivable contributed to 31.54% or \$38,705,462 of total governmental activities assets. Of this amount \$30,793,595 is offset as unearned revenue, revenue to be used in future periods. Liabilities for governmental activities totaled \$67,852,030; of this amount \$30,725,873 or 45.28% is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the District is good.

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

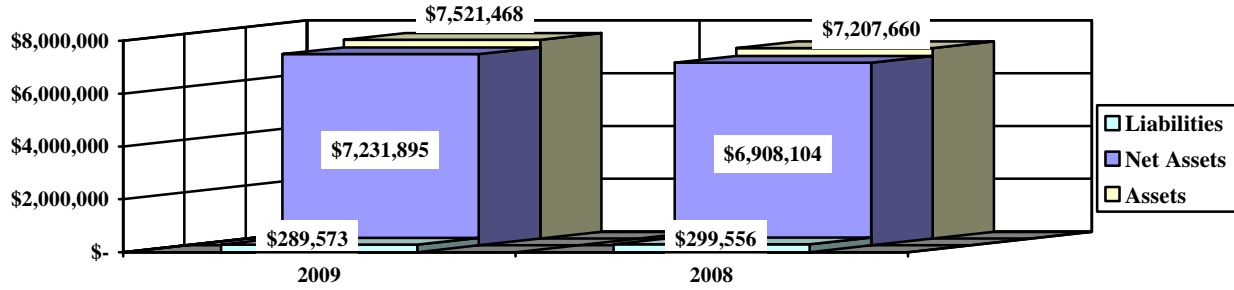
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

The graphs below present the District's governmental and business-type net assets at June 30, 2009 and June 30, 2008.

Governmental - Net Assets



Business-Type - Net Assets



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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

The table below shows the changes in net assets for fiscal year 2009 and 2008. Intergovernmental pass-through expenses have been reclassified to other non-instructional service expenses to conform to fiscal year 2009's presentation.

	Change in Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 4,652,719	\$ 4,439,242	\$ 1,474,791	\$ 1,536,303	\$ 6,127,510	\$ 5,975,545
Operating grants and contributions	1,741,846	1,757,067	143,608	139,754	1,885,454	1,896,821
Capital grants and contributions	<u>47,409</u>	<u>46,110</u>	<u>-</u>	<u>-</u>	<u>47,409</u>	<u>46,110</u>
Total program revenues	<u>6,441,974</u>	<u>6,242,419</u>	<u>1,618,399</u>	<u>1,676,057</u>	<u>8,060,373</u>	<u>7,918,476</u>
General revenues:						
Property taxes	37,612,512	40,677,988	794,607	783,212	38,407,119	41,461,200
Grants and entitlements, not restricted	8,608,261	7,789,074	-	-	8,608,261	7,789,074
Investment earnings	1,511,999	1,956,626	139,220	191,095	1,651,219	2,147,721
Miscellaneous	<u>58,670</u>	<u>69,056</u>	<u>71,833</u>	<u>39,044</u>	<u>130,503</u>	<u>108,100</u>
Total general revenues	<u>47,791,442</u>	<u>50,492,744</u>	<u>1,005,660</u>	<u>1,013,351</u>	<u>48,797,102</u>	<u>51,506,095</u>
Total revenues	<u>\$ 54,233,416</u>	<u>\$ 56,735,163</u>	<u>\$ 2,624,059</u>	<u>\$ 2,689,408</u>	<u>\$ 56,857,475</u>	<u>\$ 59,424,571</u>

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

Change in Net Assets – (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	\$ 19,320,888	\$ 18,238,270	\$ -	\$ -	\$ 19,320,888	\$ 18,238,270
Special	6,374,462	5,832,538	-	-	6,374,462	5,832,538
Vocational	338,162	293,462	-	-	338,162	293,462
Support services:						
Pupil	3,336,127	3,471,580	-	-	3,336,127	3,471,580
Instructional staff	4,081,959	3,670,822	-	-	4,081,959	3,670,822
Board of Education	160,757	110,200	-	-	160,757	110,200
Administration	2,968,787	2,926,908	-	-	2,968,787	2,926,908
Fiscal	1,169,115	1,176,289	-	-	1,169,115	1,176,289
Business	598,414	549,721	-	-	598,414	549,721
Operations and maintenance of plant	5,284,630	5,118,866	-	-	5,284,630	5,118,866
Pupil transportation	3,485,290	3,367,878	-	-	3,485,290	3,367,878
Central	1,189,474	1,202,049	-	-	1,189,474	1,202,049
Operation of non-instructional services:						
Food service operations	672,018	589,901	-	-	672,018	589,901
Other non-instructional services	714,550	635,808	-	-	714,550	635,808
Extracurricular activities	1,608,333	1,617,987	-	-	1,608,333	1,617,987
Interest and fiscal charges	1,286,551	1,296,998	-	-	1,286,551	1,296,998
Recreation	-	-	2,300,268	2,257,947	2,300,268	2,257,947
Total expenses	<u>52,589,517</u>	<u>50,099,277</u>	<u>2,300,268</u>	<u>2,257,947</u>	<u>54,889,785</u>	<u>52,357,224</u>
Excess of revenues over (under) expenses before transfers	1,643,899	6,635,886	323,791	431,461	1,967,690	7,067,347
Transfers	-	(58,531)	-	58,531	-	-
Changes in net assets	1,643,899	6,577,355	323,791	489,992	1,967,690	7,067,347
Net assets at beginning 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>
Net assets at end of year	<u>\$ 54,858,388</u>	<u>\$ 53,214,489</u>	<u>\$ 7,231,895</u>	<u>\$ 6,908,104</u>	<u>\$ 62,090,283</u>	<u>\$ 60,122,593</u>

Governmental Activities

Net assets of the District's governmental activities increased \$1,643,899. Total governmental expenses of \$52,589,517 were offset by program revenues of \$6,441,974 and general revenues of \$47,791,442. Program revenues supported 12.25% of the total governmental expenses.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

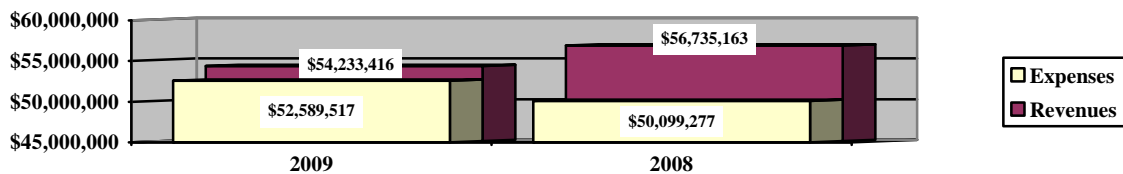
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 85.23% of total governmental revenues. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year 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 and investment earnings for the District decreased in fiscal year 2009 versus 2008 as described in the analysis of the general fund's revenue which is provided below.

Approximately 49.50% 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 42.36%. The remaining amount of program expenses, roughly 8.14%, 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 2009 versus 2008 is provided in the analysis of the general fund expenditures which is provided below.

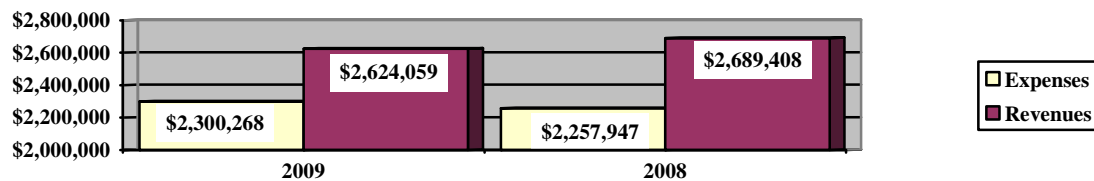
Actual expenses were relatively consistent with annual budget expectations. The District had an increase of net assets in 2009 of \$1,967,690. The increase was primarily attributable to the District's continued maintenance of a revenue stream fueled by local property taxes, the related entitlements from 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 2009 and 2008.

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, 2009
(UNAUDITED)*

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 2009 and 2008. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. Intergovernmental pass-through expenses have been reclassified to other non-instructional service expenses to conform to fiscal year 2009's presentation.

	Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Program expenses:				
Instruction:				
Regular	\$ 19,320,888	\$ 18,238,270	\$ 19,028,256	\$ 17,701,907
Special	6,374,462	5,832,538	2,495,666	2,444,548
Vocational	338,162	293,462	157,860	69,352
Support services:				
Pupil	3,336,127	3,471,580	3,148,420	3,144,168
Instructional staff	4,081,959	3,670,822	3,852,501	3,553,982
Board of Education	160,757	110,200	160,757	110,200
Administration	2,968,787	2,926,908	2,968,787	2,924,690
Fiscal	1,169,115	1,176,289	1,169,115	1,176,289
Business	598,414	549,721	598,414	549,721
Operations and maintenance of plant	5,284,630	5,118,866	5,270,445	5,101,586
Pupil transportation	3,485,290	3,367,878	3,290,856	3,177,325
Central	1,189,474	1,202,049	1,156,098	1,155,496
Operation of non-instructional services:				
Food service operations	672,018	589,901	48,489	(18,693)
Other non-instructional services	714,550	635,808	88,779	24,223
Extracurricular activities	1,608,333	1,617,987	1,426,549	1,445,066
Interest and fiscal charges	<u>1,286,551</u>	<u>1,296,998</u>	<u>1,286,551</u>	<u>1,296,998</u>
 Total expenses	 <u>\$ 52,589,517</u>	 <u>\$ 50,099,277</u>	 <u>\$ 46,147,543</u>	 <u>\$ 43,856,858</u>

The dependence upon tax revenues during fiscal year 2009 for governmental activities is apparent, as 83.28% of 2009 instruction activities are supported through taxes and other general revenues. All governmental activities' general revenue support is 87.75% in 2009. The District's taxpayers, as a whole, are by far the primary support for the District's students.

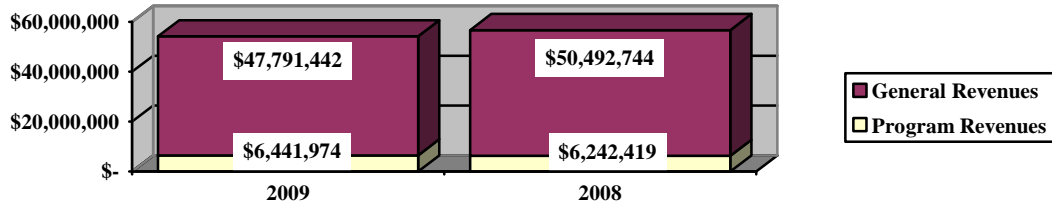
The communities of Pepper Pike, Moreland Hills, Orange, Hunting Valley, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.

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

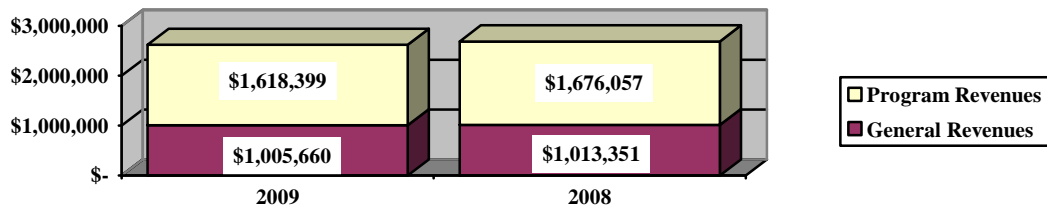
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

The graphs below present the District's governmental and business-type activities revenues for fiscal years 2009 and 2008.

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 \$2,624,059 and expenses of \$2,300,268 for fiscal year 2009. During fiscal year 2009, the District's business activities received \$794,607 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 2009, the Recreation fund had an operating loss of \$748,144 (prior to non-operating revenues, such as interest revenue, grants and taxes, and non-operating expenses) and a change in net assets of \$323,791. 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, 2009 were \$7,231,895.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$39,516,492, which is above last year's total of \$37,745,574. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	<u>Fund Balance</u> <u>June 30, 2009</u>	<u>Fund Balance</u> <u>June 30, 2008</u>	<u>Increase /</u> <u>(Decrease)</u>
General	\$ 31,345,255	\$ 31,184,042	\$ 161,213
Bond retirement	2,751,041	2,377,383	373,658
Permanent improvement	4,735,490	3,431,274	1,304,216
Other Governmental	<u>684,706</u>	<u>752,875</u>	<u>(68,169)</u>
Total	<u>\$ 39,516,492</u>	<u>\$ 37,745,574</u>	<u>\$ 1,770,918</u>

General Fund

The general fund is by far the District's most significant fund. The fund balance of the general fund increased \$161,213. The table that follows assists in illustrating the revenues of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 35,963,383	\$ 36,845,114	\$ (881,731)	(2.39) %
Tuition and fees	3,465,610	2,820,356	645,254	22.88 %
Investment earnings	1,482,244	1,519,491	(37,247)	(2.45) %
Intergovernmental	8,420,285	7,618,159	802,126	10.53 %
Other revenues	<u>125,401</u>	<u>38,341</u>	<u>87,060</u>	227.07 %
Total	<u>\$ 49,456,923</u>	<u>\$ 48,841,461</u>	<u>\$ 615,462</u>	1.26 %

Revenues of the general fund increased \$615,462 or 1.26%. The most significant increases were in the areas of intergovernmental revenue and tuition and fees. Intergovernmental revenue increased \$802,126 or 10.53%. This can mainly be attributed to an increase in personal property tax reimbursements which increased roughly \$628,000. Tuition and fees increased \$645,254 or 22.88%. This increase is primarily due to increased enrollment in the Gund School and New Directions programs. These two programs combined for an increase of approximately \$621,000 as compared to 2008. Taxes decreased \$881,731 or 2.39% due to the phase out of personal property taxes. Investment earnings decreased due to lower interest rates earned on investments.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

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

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 24,372,729	\$ 22,930,494	\$ 1,442,235	6.29 %
Support services	20,968,606	20,515,919	452,687	2.21 %
Operation of non-instructional services	-	15,604	(15,604)	(100.00) %
Extracurricular activities	1,224,432	1,207,523	16,909	1.40 %
Capital outlay	-	294,690	(294,690)	(100.00) %
Debt service	<u>71,703</u>	<u>32,902</u>	<u>38,801</u>	117.93 %
Total	<u>\$ 46,637,470</u>	<u>\$ 44,997,132</u>	<u>\$ 1,640,338</u>	3.65 %

General fund expenditures increased \$1,640,338 or 3.65%. The most significant increases were in the areas of instruction and support services. These two expenditures increased \$1,442,235 and \$452,687, respectively. These increases can be attributed to increases in employee wages as well as overall cost increases. Capital outlay decreased \$294,690 due to the District entering into a capital lease agreement in 2008 and not in 2009.

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 2009, 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 \$48,342,876. This was \$428,636 higher than the original budget estimate of \$47,914,240. Actual budget basis revenues and other financing sources of \$48,720,094 were lower than final budgeted revenues by \$377,218 primarily due to a decrease in tuition and fees. The original and final budgeted expenditures and other financing uses totaled \$51,707,960. Actual budget basis expenditures and other financing uses of \$49,704,234 were \$2,003,726 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 \$30,305,028, which was higher than that originally budgeted.

Bond Retirement Fund

The bond retirement fund had \$2,534,838 in revenues and \$2,161,180 in expenditures. The bond retirement fund's fund balance increased \$373,658 from \$2,377,383 to \$2,751,041. The fund balance increase is due to revenues surpassing required principal and interest payments for fiscal year 2009.

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

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

Permanent Improvement Fund

The permanent improvement fund had \$3,595,028 in revenues and other financing sources and \$2,290,812 in expenditures. The permanent improvement fund's fund balance increased \$1,304,216 from \$3,431,274 to \$4,735,490 primarily due to a transfer of \$2,500,000 received from the general fund.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District had \$44,523,510 invested in land, construction in progress (CIP), land improvements, buildings, equipment and vehicles. Of this total, \$42,416,507 was reported in governmental activities and \$2,107,003 was reported in business-type activities. The following table shows fiscal year 2009 balances compared to 2008:

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

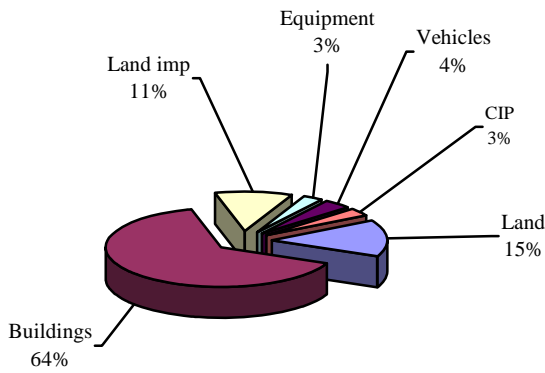
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Construction in progress	1,424,838	55,103	-	-	1,424,838	55,103
Land improvements	4,603,316	4,925,063	41,066	44,728	4,644,382	4,969,791
Buildings	27,231,377	27,698,365	2,040,833	2,131,584	29,272,210	29,829,949
Equipment	1,101,286	1,181,011	12,567	17,696	1,113,853	1,198,707
Vehicles	<u>1,685,540</u>	<u>1,585,559</u>	<u>12,537</u>	<u>23,601</u>	<u>1,698,077</u>	<u>1,609,160</u>
Total	<u>\$42,416,507</u>	<u>\$41,815,251</u>	<u>\$ 2,107,003</u>	<u>\$ 2,217,609</u>	<u>\$ 44,523,510</u>	<u>\$ 44,032,860</u>

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

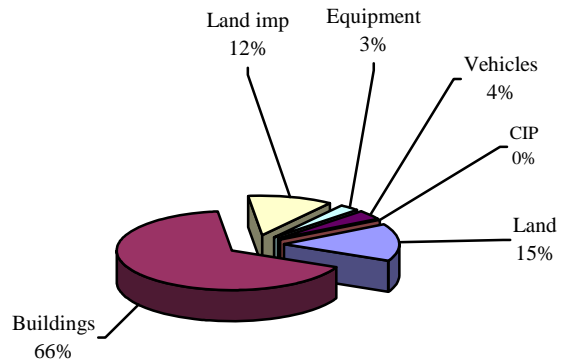
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)*

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2009 and 2008.

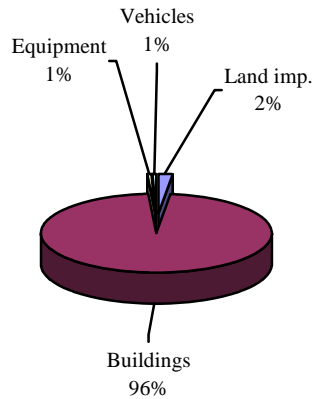
**Capital Assets - Governmental Activities
2009**



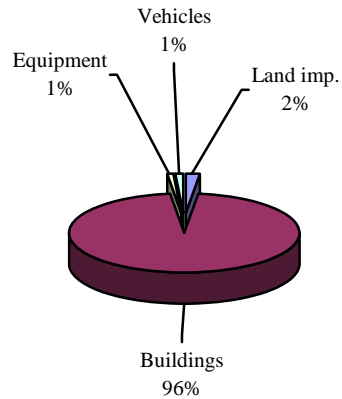
**Capital Assets - Governmental Activities
2008**



**Capital Assets - Business-Type Activities
2009**



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



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, 2009
(UNAUDITED)*

Debt Administration

At June 30, 2009 the District had \$25,921,397 in capital lease obligations and general obligation bonds outstanding. The following table summarizes the capital lease and general obligation bonds outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2009</u>	<u>Governmental Activities 2008</u>
General obligation bonds - Series 1999	\$ 3,616,571	\$ 4,316,179
General obligation bonds - Series 2004	3,924,136	4,067,869
General obligation bonds - Series 2007	18,160,226	18,204,986
Capital lease obligation	<u>220,464</u>	<u>272,258</u>
Total	<u>\$ 25,921,397</u>	<u>\$ 26,861,292</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, 2009
(UNAUDITED)*

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 2008 CAFR. Orange City School District is committed to continuous improvement in financial reporting to our communities.

Contacting the District's Financial Management

This financial report is designed to provide our 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, 2009*

	Governmental Activities	Business-Type Activity	Total
Assets:			
Equity in pooled cash and investments.	\$ 39,104,844	\$ 4,559,976	\$ 43,664,820
Receivables:			
Taxes	38,705,462	823,007	39,528,469
Accounts.	2,124	14	2,138
Accrued interest	230,719	27,029	257,748
Intergovernmental	1,553,158	-	1,553,158
Inventory held for resale	23,934	-	23,934
Materials and supplies inventory	444,407	4,439	448,846
Unamortized bond issue costs	229,263	-	229,263
Capital assets:			
Nondepreciable capital assets.	7,794,988	-	7,794,988
Depreciable capital assets, net	34,621,519	2,107,003	36,728,522
Total capital assets, net	<u>42,416,507</u>	<u>2,107,003</u>	<u>44,523,510</u>
<i>Total assets</i>	<u>122,710,418</u>	<u>7,521,468</u>	<u>130,231,886</u>
Liabilities:			
Accounts payable.	103,742	1,212	104,954
Contracts payable.	384,274	-	384,274
Accrued wages payable.	4,420,589	94,420	4,515,009
Intergovernmental payable	96,418	1,598	98,016
Pension obligation payable	1,219,005	176,681	1,395,686
Undistributed monies.	5,487	-	5,487
Accrued interest payable	103,047	-	103,047
Unearned revenue	30,793,595	-	30,793,595
Long-term liabilities:			
Due within one year.	1,649,867	6,587	1,656,454
Due in more than one year	29,076,006	9,075	29,085,081
<i>Total liabilities</i>	<u>67,852,030</u>	<u>289,573</u>	<u>68,141,603</u>
Net Assets:			
Invested in capital assets, net of related debt.	17,564,014	2,107,003	19,671,017
Restricted for:			
Capital projects	4,983,726	-	4,983,726
Debt service.	2,763,181	-	2,763,181
Locally funded programs	15,331	-	15,331
State funded programs	6,081	-	6,081
Federally funded programs	8,019	-	8,019
Student activities	64,295	-	64,295
Public school support	44,980	-	44,980
Other purposes	294,403	-	294,403
Unrestricted	<u>29,114,358</u>	<u>5,124,892</u>	<u>34,239,250</u>
<i>Total net assets</i>	<u>\$ 54,858,388</u>	<u>\$ 7,231,895</u>	<u>\$ 62,090,283</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, 2009*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 19,320,888	\$ 178,963	\$ 113,669	\$ -
Special	6,374,462	3,574,000	304,796	-
Vocational	338,162	180,131	171	-
Support services:				
Pupil	3,336,127	29,565	158,142	-
Instructional staff	4,081,959	1,685	227,773	-
Board of Education	160,757	-	-	-
Administration	2,968,787	-	-	-
Fiscal	1,169,115	-	-	-
Business	598,414	-	-	-
Operations and maintenance of plant	5,284,630	6,685	-	7,500
Pupil transportation	3,485,290	-	154,525	39,909
Central	1,189,474	-	33,376	-
Operation of non-instructional services:				
Food service operations	672,018	509,306	114,223	-
Other non-instructional services	714,550	-	625,771	-
Extracurricular activities	1,608,333	172,384	9,400	-
Interest and fiscal charges	1,286,551	-	-	-
<i>Total governmental activities</i>	<u>52,589,517</u>	<u>4,652,719</u>	<u>1,741,846</u>	<u>47,409</u>
Business-Type activity:				
Recreation	2,300,268	1,474,791	143,608	-
<i>Totals</i>	<u>\$ 54,889,785</u>	<u>\$ 6,127,510</u>	<u>\$ 1,885,454</u>	<u>\$ 47,409</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
<i>Total general revenues</i>
Change in net assets
<i>Net assets at beginning of year</i>
<i>Net assets at end of year</i>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
\$ (19,028,256)	\$ -	\$ (19,028,256)
(2,495,666)	-	(2,495,666)
(157,860)	-	(157,860)
(3,148,420)	-	(3,148,420)
(3,852,501)	-	(3,852,501)
(160,757)	-	(160,757)
(2,968,787)	-	(2,968,787)
(1,169,115)	-	(1,169,115)
(598,414)	-	(598,414)
(5,270,445)	-	(5,270,445)
(3,290,856)	-	(3,290,856)
(1,156,098)	-	(1,156,098)
(48,489)	-	(48,489)
(88,779)	-	(88,779)
(1,426,549)	-	(1,426,549)
(1,286,551)	-	(1,286,551)
(46,147,543)	-	(46,147,543)
-	(681,869)	(681,869)
(46,147,543)	(681,869)	(46,829,412)
34,720,303	-	34,720,303
2,098,013	-	2,098,013
794,196	-	794,196
-	794,607	794,607
8,608,261	-	8,608,261
1,511,999	139,220	1,651,219
58,670	71,833	130,503
47,791,442	1,005,660	48,797,102
1,643,899	323,791	1,967,690
53,214,489	6,908,104	60,122,593
\$ 54,858,388	\$ 7,231,895	\$ 62,090,283

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

*BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments.	\$ 30,991,411	\$ 2,390,765	\$ 4,980,479	\$ 742,189	\$ 39,104,844
Receivables:					
Taxes	35,734,206	2,140,821	830,435	-	38,705,462
Accounts	2,124	-	-	-	2,124
Accrued interest	184,097	14,213	29,609	2,800	230,719
Intergovernmental	1,408,132	-	-	145,026	1,553,158
Interfund loan	37,500	-	-	-	37,500
Inventory held for resale	-	-	-	23,934	23,934
Materials and supplies inventory	444,407	-	-	-	444,407
<i>Total assets</i>	<u>\$ 68,801,877</u>	<u>\$ 4,545,799</u>	<u>\$ 5,840,523</u>	<u>\$ 913,949</u>	<u>\$ 80,102,148</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 103,578	\$ -	\$ -	\$ 164	\$ 103,742
Contracts payable	-	-	384,274	-	384,274
Accrued wages payable	4,288,071	-	-	132,518	4,420,589
Interfund loan payable	-	-	-	37,500	37,500
Compensated absences payable	172,933	-	-	-	172,933
Pension obligation payable.	1,170,074	-	-	48,931	1,219,005
Intergovernmental payable.	93,892	-	-	2,526	96,418
Undistributed monies	-	-	-	5,487	5,487
Deferred revenue.	3,170,818	115,187	63,991	2,117	3,352,113
Unearned revenue	28,457,256	1,679,571	656,768	-	30,793,595
<i>Total liabilities</i>	<u>37,456,622</u>	<u>1,794,758</u>	<u>1,105,033</u>	<u>229,243</u>	<u>40,585,656</u>
Fund Balances:					
Reserved for encumbrances	512,309	-	1,541,866	12,583	2,066,758
Reserved for property taxes	5,543,928	354,061	130,869	-	6,028,858
Reserved for debt service.	-	2,396,980	-	-	2,396,980
Unreserved:					
Undesignated, reported in:					
General fund	25,289,018	-	-	-	25,289,018
Special revenue funds	-	-	-	488,701	488,701
Capital projects funds	-	-	3,062,755	183,422	3,246,177
<i>Total fund balances</i>	<u>31,345,255</u>	<u>2,751,041</u>	<u>4,735,490</u>	<u>684,706</u>	<u>39,516,492</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 68,801,877</u>	<u>\$ 4,545,799</u>	<u>\$ 5,840,523</u>	<u>\$ 913,949</u>	<u>\$ 80,102,148</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, 2009*

Total governmental fund balances		\$	39,516,492
 <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.			42,416,507
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes receivable	\$	1,781,376	
Accounts receivable		1,396,286	
Accrued interest receivable		174,451	
Total			3,352,113
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.			(103,047)
Unamortized premiums on bond issuances are not recognized in the funds.			(873,646)
Unamortized bond issuance costs are not recognized in the funds			229,263
Unamortized deferred amounts on refundings are not recognized in the funds.			564,806
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		(25,700,933)	
Compensated absences payable		(4,322,703)	
Capital lease obligations		(220,464)	
Total			(30,244,100)
 <i>Net assets of governmental activities</i>		 \$	 <u>54,858,388</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, 2009*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and other local taxes	\$ 35,963,383	\$ 2,177,447	\$ 820,538	\$ -	\$ 38,961,368
Intergovernmental	8,420,285	259,914	122,496	1,563,843	10,366,538
Investment earnings	1,482,244	97,477	144,494	20,980	1,745,195
Tuition and fees	3,465,610	-	-	-	3,465,610
Extracurricular activities	-	-	-	202,404	202,404
Classroom materials and fees	2,945	-	-	76,537	79,482
Charges for services.	-	-	-	509,306	509,306
Rentals	6,685	-	-	-	6,685
Contributions and donations	1,400	-	7,500	5,370	14,270
Services provided to other entities	57,101	-	-	-	57,101
Miscellaneous.	57,270	-	-	6,688	63,958
<i>Total revenues.</i>	<u>49,456,923</u>	<u>2,534,838</u>	<u>1,095,028</u>	<u>2,385,128</u>	<u>55,471,917</u>
Expenditures:					
Current:					
Instruction:					
Regular	18,177,969	-	-	187,114	18,365,083
Special.	5,882,224	-	-	323,520	6,205,744
Vocational.	312,536	-	-	3,189	315,725
Support services:					
Pupil.	3,049,543	-	-	201,285	3,250,828
Instructional staff	3,774,220	-	-	244,799	4,019,019
Board of Education	160,757	-	-	-	160,757
Administration.	2,837,225	-	-	-	2,837,225
Fiscal	1,157,298	-	-	-	1,157,298
Business	555,661	-	-	-	555,661
Operations and maintenance of plant	4,771,091	-	-	-	4,771,091
Pupil transportation	3,539,067	-	-	-	3,539,067
Central.	1,123,744	-	-	30,136	1,153,880
Operation of non-instructional services:					
Food service operations.	-	-	-	660,210	660,210
Other non-instructional services.	-	-	-	660,266	660,266
Extracurricular activities	1,224,432	-	-	301,778	1,526,210
Facilities acquisition and construction	-	-	2,290,812	-	2,290,812
Debt service:					
Principal retirement	51,794	1,195,000	-	-	1,246,794
Interest and fiscal charges	19,909	966,180	-	-	986,089
<i>Total expenditures</i>	<u>46,637,470</u>	<u>2,161,180</u>	<u>2,290,812</u>	<u>2,612,297</u>	<u>53,701,759</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,819,453</u>	<u>373,658</u>	<u>(1,195,784)</u>	<u>(227,169)</u>	<u>1,770,158</u>
Other financing sources (uses):					
Transfers in.	-	-	2,500,000	159,000	2,659,000
Transfers out	(2,659,000)	-	-	-	(2,659,000)
Sale of capital assets.	760	-	-	-	760
<i>Total other financing sources (uses)</i>	<u>(2,658,240)</u>	<u>-</u>	<u>2,500,000</u>	<u>159,000</u>	<u>760</u>
<i>Net change in fund balances</i>	161,213	373,658	1,304,216	(68,169)	1,770,918
<i>Fund balances at beginning of year</i>	31,184,042	2,377,383	3,431,274	752,875	37,745,574
<i>Fund balances at end of year.</i>	<u>\$ 31,345,255</u>	<u>\$ 2,751,041</u>	<u>\$ 4,735,490</u>	<u>\$ 684,706</u>	<u>\$ 39,516,492</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, 2009*

Net change in fund balances - total governmental funds \$ 1,770,918

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

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

Capital asset additions	\$ 2,420,224	
Current year depreciation	(1,812,697)	
Total		607,527

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (6,271)

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	1,590	
Accretion of interest on "capital appreciation" bonds	(306,899)	
Amortization of bond premium	59,324	
Amortization of deferred charges on refundings	(39,177)	
Amortization of bond issue costs	(15,300)	
Total		(300,462)

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

Taxes	(1,348,856)	
Tuition	332,131	
Earnings on investments	(221,776)	
Total		(1,238,501)

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	1,195,000	
Capital lease	51,794	
Total		1,246,794

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. (436,106)

Change in net assets of governmental activities \$ 1,643,899

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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 35,104,862	\$ 34,616,689	\$ 35,136,933	\$ 520,244
Intergovernmental	7,840,243	8,307,429	8,432,279	124,850
Investment earnings	1,053,000	1,413,947	1,440,312	26,365
Tuition and fees	3,790,200	3,855,456	3,517,567	(337,889)
Classroom materials and fees	3,000	2,901	2,945	44
Rentals	6,000	6,586	6,685	99
Contributions and donations	1,400	1,400	1,400	-
Services provided to other entities	30,000	57,101	57,101	-
Miscellaneous	17,209	12,541	57,270	44,729
<i>Total revenues.</i>	47,845,914	48,274,050	48,652,492	378,442
Expenditures:				
Current:				
Instruction:				
Regular	18,512,134	18,355,369	17,939,975	415,394
Special	6,350,345	6,335,345	6,068,551	266,794
Vocational	417,480	457,140	456,145	995
Support services:				
Pupil	3,111,377	3,132,877	3,086,214	46,663
Instructional staff	3,775,802	3,783,173	3,710,889	72,284
Board of education	198,020	194,774	160,727	34,047
Administration	3,081,832	3,093,682	2,930,483	163,199
Fiscal	1,243,960	1,245,490	1,188,401	57,089
Business	591,340	610,290	552,196	58,094
Operations and maintenance of plant	5,186,866	5,175,466	4,756,901	418,565
Pupil transportation	3,692,904	3,713,604	3,583,635	129,969
Central	1,423,290	1,486,020	1,354,735	131,285
Operation of non-instructional services:				
Other non-instructional services	4,000	6,500	4,896	1,604
Extracurricular activities	1,225,610	1,267,280	1,213,986	53,294
<i>Total expenditures</i>	48,814,960	48,857,010	47,007,734	1,849,276
<i>Excess (deficiency) of revenues over (under) expenditures.</i>	(969,046)	(582,960)	1,644,758	2,227,718
Other financing sources (uses):				
Refund of prior year expenditure	6,000	6,000	4,516	(1,484)
Transfers out	(2,660,000)	(2,660,000)	(2,659,000)	1,000
Advances in	62,326	62,326	62,326	-
Advances out	-	(37,500)	(37,500)	-
Sale of capital assets	500	500	760	260
Contingencies	(233,000)	(153,450)	-	153,450
<i>Total other financing sources (uses).</i>	(2,824,174)	(2,782,124)	(2,628,898)	153,226
<i>Net change in fund balance</i>	(3,793,220)	(3,365,084)	(984,140)	2,380,944
<i>Fund balance at beginning of year</i>	30,841,349	30,841,349	30,841,349	-
Prior year encumbrances appropriated	447,819	447,819	447,819	-
<i>Fund balance at end of year.</i>	\$ 27,495,948	\$ 27,924,084	\$ 30,305,028	\$ 2,380,944

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009*

	Recreation
Assets:	
<i>Current assets:</i>	
Equity in pooled cash and investments	\$ 4,559,976
Receivables:	
Taxes	823,007
Accounts	14
Accrued interest	27,029
Materials and supplies inventory	4,439
<i>Total current assets.</i>	5,414,465
 <i>Noncurrent assets:</i>	
Depreciable capital assets, net	2,107,003
 <i>Total assets.</i>	 7,521,468
 Liabilities:	
<i>Current Liabilities:</i>	
Accounts payable	1,212
Accrued wages payable	94,420
Compensated absences payable	6,587
Pension obligation payable	176,681
Intergovernmental payable.	1,598
<i>Total current liabilities</i>	280,498
 <i>Long-term liabilities:</i>	
Compensated absences payable	9,075
<i>Total liabilities</i>	289,573
 Net assets:	
Invested in capital assets.	2,107,003
Unrestricted	5,124,892
 <i>Total net assets</i>	 \$ 7,231,895

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, 2009*

	<u>Recreation</u>
Operating revenues:	
Program fees	\$ 1,455,486
Sales/charges for services	19,305
Other	71,833
<i>Total operating revenues</i>	<u>1,546,624</u>
Operating expenses:	
Salaries.	1,175,880
Fringe benefits	372,353
Purchased services.	507,692
Materials and supplies	113,937
Depreciation	105,106
Other.	19,800
<i>Total operating expenses.</i>	<u>2,294,768</u>
<i>Operating loss</i>	<u>(748,144)</u>
Nonoperating revenues (expenses):	
Investment earnings	139,220
Property taxes	794,607
Contributions and donations.	16,088
Loss on disposal of capital assets	(5,500)
Grants and subsidies	127,520
<i>Total nonoperating revenues (expenses)</i>	<u>1,071,935</u>
<i>Change in net assets</i>	323,791
<i>Net assets at beginning of year.</i>	6,908,104
<i>Net assets at end of year.</i>	<u>\$ 7,231,895</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, 2009*

	Recreation
Cash flows from operating activities:	
Cash received from customers	\$ 1,481,169
Cash received from other operating revenues	71,833
Cash payments to suppliers for goods and services	(518,322)
Cash payments to employees for services	(1,167,311)
Cash payments for employee benefits	(378,949)
Cash payments for materials and supplies	(111,874)
Cash payments for other operating expenses	(20,403)
<i>Net cash used in operating activities</i>	<i>(643,857)</i>
Cash flows from noncapital financing activities:	
Property taxes	808,306
Contributions and donations	16,088
Grants and subsidies	127,520
<i>Net cash provided by noncapital financing activities.</i>	<i>951,914</i>
Cash flows from investing activities:	
Earnings on investments.	167,569
<i>Net cash provided by investing activities</i>	<i>167,569</i>
<i>Net increase in cash and investments.</i>	475,626
<i>Cash and investments at beginning of year</i>	4,084,350
<i>Cash and investments at end of year.</i>	<i>\$ 4,559,976</i>
Reconciliation of operating loss to net cash used in operating activities:	
<i>Operating loss</i>	\$ (748,144)
<i>Adjustments:</i>	
Depreciation	105,106
Changes in assets and liabilities:	
Decrease in accounts receivable	6,378
Decrease in materials and supplies inventory.	2,786
(Decrease) in accounts payable	(956)
Increase in accrued wages and benefits.	4,866
Increase in compensated absences payable	2,739
(Decrease) in intergovernmental payable	(10,738)
(Decrease) in pension obligation payable.	(5,894)
<i>Net cash used in operating activities.</i>	<i>\$ (643,857)</i>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009*

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash		
and investments	\$ 82,038	\$ 93,900
Accrued interest receivable	488	-
<i>Total assets</i>	<i>82,526</i>	<i>\$ 93,900</i>
Liabilities:		
Undistributed monies	-	\$ 8,324
Due to students	-	85,576
<i>Total liabilities</i>	<i>-</i>	<i>\$ 93,900</i>
Net Assets:		
Held in trust for scholarships.	\$ 82,526	

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, 2009*

	Private-Purpose Trust	
	Scholarship	
Additions:		
Investment earnings	\$	3,159
<i>Total additions.</i>		3,159
Deductions:		
Scholarships awarded		2,500
<i>Total deductions.</i>		2,500
<i>Change in net assets.</i>		659
<i>Net assets at beginning of year.</i>		81,867
<i>Net assets at end of year.</i>	\$	82,526

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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 186 classified employees, 245 certified teaching personnel and 30 administrators/supervisors who provide services to 2,311 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County and currently ranks as the 222nd largest by enrollment among the 922 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". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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

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.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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

C. Fund Accounting

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

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

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds used for the construction of a new 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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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

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, 2009, but which were levied to finance fiscal year 2010 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 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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the 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.

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 2009, investments were limited to federal agency securities, 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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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, 2009.

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 2009 amounted to \$1,482,244 which includes \$210,609 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.

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 2009, 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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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, 2009.

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.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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.

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. Net assets restricted for other purposes includes amounts restricted for the following nonmajor governmental funds: food service, memorial and uniform school supplies.

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.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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

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. 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 2009.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2009, the District has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the District.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the District.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the District.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 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;
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;

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2009, the carrying amount of all District deposits was \$32,171,883. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$19,126,060 of the District's bank balance of \$33,466,315 was exposed to custodial risk as discussed below, while \$14,340,255 was covered by the FDIC.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</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	\$ 6,233,760	\$ -	\$ 4,118,760	\$ -	\$ -	\$ 2,115,000
Repurchase agreement	792,927	792,927	-	-	-	-
STAR Ohio	4,642,188	4,642,188	-	-	-	-
Total	<u>\$ 11,668,875</u>	<u>\$ 5,435,115</u>	<u>\$ 4,118,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,115,000</u>

The weighted average maturity of investments is 0.77 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. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized rating standard service 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, 2009*

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, 2009:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLB	\$ 6,233,760	53.42
Repurchase agreement	792,927	6.80
STAR Ohio	<u>4,642,188</u>	<u>39.78</u>
Total	<u>\$ 11,668,875</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, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 32,171,883
Investments	<u>11,668,875</u>
Total	<u>\$ 43,840,758</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 39,104,844
Business-type activities	4,559,976
Private-purpose trust funds	82,038
Agency funds	<u>93,900</u>
Total	<u>\$ 43,840,758</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2009, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 37,500</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, 2009*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental fund	\$ 159,000
Permanent improvement fund	<u>2,500,000</u>
Total	<u>\$ 2,659,000</u>

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

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$5,543,928 in the general fund, \$354,061 in the bond retirement debt service fund, \$130,869 in the permanent improvement fund and \$132,913 in the recreation fund. These amounts are recorded as revenue. The amount available for advance at June 30, 2008 was \$4,720,045 in the general fund, \$301,519 in the bond retirement debt service fund, \$111,417 in the permanent improvement fund and \$113,156 in the recreation fund. The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second		2009 First	
	Half Collections		Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,023,957,100	96.82	\$ 1,028,000,490	97.97
Public utility personal	7,086,100	0.67	7,496,850	0.71
Tangible personal property	<u>26,514,560</u>	<u>2.51</u>	<u>13,781,055</u>	<u>1.32</u>
Total	<u>\$ 1,057,557,760</u>	<u>100.00</u>	<u>\$ 1,049,278,395</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
General	\$81.75		\$81.75	
Bond	2.30		2.30	
Permanent improvement	1.00		1.00	
Recreation	0.95		0.95	

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009 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	\$ 38,705,462
Accounts	2,124
Accrued interest	230,719
Intergovernmental	1,553,158

Business-type activities:

Taxes	823,007
Accounts	14
Accrued interest	<u>27,029</u>
Total receivables	<u><u>\$ 41,341,513</u></u>

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

NOTE 8 - 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, 2009 was \$88,407, leaving a current book value of \$206,283.

Principal and interest payments in the 2009 fiscal year totaled \$51,794 and \$19,909, respectively. These amounts are reported as debt service payments of the general fund.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 8 - CAPITALIZED LEASE - (Continued)

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, 2009.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 71,703
2011	71,704
2012	71,703
2013	<u>38,799</u>
Total minimum lease payments	253,909
Less: amount representing interest	<u>(33,445)</u>
Total	<u>\$ 220,464</u>

NOTE 9 - CAPITAL ASSETS

A. Governmental activities capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Construction in progress	<u>55,103</u>	<u>1,511,533</u>	<u>(141,798)</u>	<u>1,424,838</u>
Total capital assets, not being depreciated	<u>6,425,253</u>	<u>1,511,533</u>	<u>(141,798)</u>	<u>7,794,988</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,548,336	60,426	-	8,608,762
Buildings	41,176,250	474,508	-	41,650,758
Equipment	3,104,465	129,061	(7,839)	3,225,687
Vehicles	<u>3,538,388</u>	<u>386,494</u>	<u>(206,593)</u>	<u>3,718,289</u>
Total capital assets, being depreciated	<u>56,367,439</u>	<u>1,050,489</u>	<u>(214,432)</u>	<u>57,203,496</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(3,623,273)	(382,173)	-	(4,005,446)
Buildings	(13,477,885)	(941,496)	-	(14,419,381)
Equipment	(1,923,454)	(202,515)	1,568	(2,124,401)
Vehicles	<u>(1,952,829)</u>	<u>(286,513)</u>	<u>206,593</u>	<u>(2,032,749)</u>
Total accumulated depreciation	<u>(20,977,441)</u>	<u>(1,812,697)</u>	<u>208,161</u>	<u>(22,581,977)</u>
Total capital assets, being depreciated	<u>35,389,998</u>	<u>(762,208)</u>	<u>(6,271)</u>	<u>34,621,519</u>
Governmental activities capital assets, net	<u>\$ 41,815,251</u>	<u>\$ 749,325</u>	<u>\$ (148,069)</u>	<u>\$ 42,416,507</u>

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 758,391
Special	118,410
Vocational	20,162
<u>Support services:</u>	
Pupil	51,201
Instructional staff	6,018
Administration	61,547
Fiscal	3,990
Business	46,385
Operations and maintenance	273,609
Pupil transportation	286,111
Central	32,895
Noninstructional operations	51,773
Extracurricular activities	89,830
Food service operations	12,375
Total depreciation expense	<u>\$ 1,812,697</u>

B. Business-type capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 168,278	\$ -	\$ -	\$ 168,278
Buildings	3,314,687	-	-	3,314,687
Equipment	87,794	-	-	87,794
Vehicles	61,147	-	(11,000)	50,147
Total capital assets, being depreciated	<u>3,631,906</u>	<u>-</u>	<u>(11,000)</u>	<u>3,620,906</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(123,550)	(3,662)	-	(127,212)
Buildings	(1,183,103)	(90,751)	-	(1,273,854)
Equipment	(70,098)	(5,129)	-	(75,227)
Vehicles	(37,546)	(5,564)	5,500	(37,610)
Total accumulated depreciation	<u>(1,414,297)</u>	<u>(105,106)</u>	<u>5,500</u>	<u>(1,513,903)</u>
Business-type activities capital assets, net	<u>\$ 2,217,609</u>	<u>\$ (105,106)</u>	<u>\$ (5,500)</u>	<u>\$ 2,107,003</u>

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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 2009, 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	\$71,313,589
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 year 2009, the District paid administration fees in the amount of \$9,900 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 2009, the District's Board of Education paid 92% 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, 2009*

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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended 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, 2009, 2008 and 2007 were \$856,261, \$825,783 and \$867,675, respectively; 43.74 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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 website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 2009, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon 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, 2009, 2008 and 2007 were \$2,820,468, \$2,691,562 and \$2,607,823, respectively; 83.33 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$41,067 made by the District and \$67,677 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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 105(e). For 2009, 4.16 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 2009, the actuarially determined 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 (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$576,828, \$552,994 and \$453,435, respectively; 43.74 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$70,649, \$59,500 and \$59,002, respectively; 43.74 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

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.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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 2009, 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, 2009, 2008, and 2007 were \$216,959, \$207,043 and \$200,602, respectively; 83.33 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 14 - CONTRACTUAL COMMITMENTS

As of June 30, 2009, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Van Auken Akins Architects, LLC	Architectual services	\$ 395,866
Fiorilli	Construction	697,596
Sterling Professional Group	Construction	1,114,400
Perrin Asphalt	Construction	<u>92,850</u>
Total		<u>\$ 2,300,712</u>

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 15 - LONG-TERM OBLIGATIONS

A. During fiscal year 2009, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2009</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1999, Improvement					
Current Interest Bonds					
3.3 - 5.1%, 12/01/23 maturity	\$ 2,690,000	\$ -	\$ (835,000)	\$ 1,855,000	\$ 905,000
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	837,958	135,392	-	973,350	-
Series 2004, Improvement					
Current Interest Bonds					
2.0 - 4.625%, 12/01/26 maturity	3,965,000	-	(170,000)	3,795,000	175,000
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	62,871	26,267	-	89,138	-
Series 2007, Refunding					
Current Interest Bonds					
4.00 - 4.50%, 12/01/23 maturity	16,640,000	-	(190,000)	16,450,000	195,000
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	170,016	145,240	-	315,256	-
Total, general obligation bonds	<u>26,589,034</u>	<u>306,899</u>	<u>(1,195,000)</u>	<u>25,700,933</u>	<u>1,275,000</u>

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>June 30, 2009</u>	Amount Due in <u>One Year</u>
<u>Other obligations:</u>					
Capital lease obligation	\$ 272,258	\$ -	\$ (51,794)	\$ 220,464	\$ 56,093
Compensated absences	<u>4,142,189</u>	<u>805,655</u>	<u>(452,208)</u>	<u>4,495,636</u>	<u>318,774</u>
Total, other obligations	<u>4,414,447</u>	<u>805,655</u>	<u>(504,002)</u>	<u>4,716,100</u>	<u>374,867</u>
Total, all governmental activities long-term liabilities	<u>\$ 31,003,481</u>	<u>\$ 1,112,554</u>	<u>\$ (1,699,002)</u>	30,417,033	<u>\$ 1,649,867</u>
Less: Unamortized deferred charges on refundings				(564,806)	
Add: Unamortized premium on bonds				<u>873,646</u>	
Total on statement of net assets				<u>\$ 30,725,873</u>	
Business-type activity:					
Compensated absences	<u>\$ 12,923</u>	<u>\$ 7,817</u>	<u>\$ (5,078)</u>	<u>\$ 15,662</u>	<u>\$ 6,587</u>
Total business-type activities, long-term obligations	<u>\$ 12,923</u>	<u>\$ 7,817</u>	<u>\$ (5,078)</u>	<u>\$ 15,662</u>	<u>\$ 6,587</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 \$973,350 in accreted interest has been included in the statement of net assets at June 30, 2009. The capital appreciation bonds are not subject to redemption prior to maturity.

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, 2009*

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 (stated interest rate 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, 2009 was \$39,998. A total of \$89,138 in accreted interest has been included in the statement of net assets at June 30, 2009. 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, 2009, 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 (stated interest rate 9.281%) and December 1, 2016 (stated 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 \$315,256 has been included in the statement of net assets at June 30, 2009.

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, 2009*

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, 2009 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
	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	<u>\$ 1,855,000</u>	<u>\$ 84,035</u>	<u>\$ 1,939,035</u>	<u>\$ 788,221</u>	<u>\$ 1,636,779</u>	<u>\$ 2,425,000</u>

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
	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	-	133,582	133,582	22,272	177,728	200,000
2015 - 2019	855,000	602,093	1,457,093	17,726	182,274	200,000
2020 - 2024	1,285,000	361,514	1,646,514	-	-	-
2025 - 2027	915,000	64,866	979,866	-	-	-
Total	<u>\$ 3,795,000</u>	<u>\$ 1,750,224</u>	<u>\$ 5,545,224</u>	<u>\$ 39,998</u>	<u>\$ 360,002</u>	<u>\$ 400,000</u>

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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
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	195,000	622,162	817,162	-	-	-
2015 - 2019	4,825,000	2,684,283	7,509,283	1,394,970	1,785,030	3,180,000
2020 - 2024	<u>9,560,000</u>	<u>1,086,412</u>	<u>10,646,412</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,450,000</u>	<u>\$ 7,067,907</u>	<u>\$ 23,517,907</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, 2009, are a voted debt margin of \$71,621,424 (including available funds of \$2,751,041) and an unvoted debt margin of \$1,035,484.

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, 2009*

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among thirty-three public school districts and community schools. 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 \$101,123 to LNOCA during fiscal year 2009. 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 nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2009, the District paid \$1,965 to the Council for membership and other services, \$368,313 to the Council's prepaid natural gas program and \$353,372 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 District's three year contract expired in December 2008 and a new agreement was signed commencing September 8, 2009. For the period of January through August 2009, the District made payments to the local utility company directly. The participants of the Council's Energy for Education Program 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, 2009*

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.

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2008	\$ (929,115)	\$ -
Current year set-aside requirement	374,721	374,721
Current year offsets	-	(3,301,055)
Qualifying disbursements	<u>(586,326)</u>	<u>(1,375,949)</u>
Total	<u>\$ (1,140,720)</u>	<u>\$ (4,302,283)</u>
Balance carried forward to fiscal year 2010	<u>\$ (1,140,720)</u>	<u>\$ -</u>

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 are 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, 2009.

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

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

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); and,
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	\$ (984,140)
Net adjustment for revenue accruals	804,431
Net adjustment for expenditure accruals	(148,829)
Net adjustment for other financing sources/(uses)	(29,342)
Adjustment for encumbrances	519,093
GAAP basis	\$ 161,213

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, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 35,104,862	\$ 34,616,689	\$ 35,136,933	\$ 520,244
Intergovernmental.	7,840,243	8,307,429	8,432,279	124,850
Investment earnings.	1,053,000	1,413,947	1,440,312	26,365
Tuition and fees	3,790,200	3,855,456	3,517,567	(337,889)
Classroom materials and fees	3,000	2,901	2,945	44
Rentals	6,000	6,586	6,685	99
Contributions and donations	1,400	1,400	1,400	-
Services provided to other entities	30,000	57,101	57,101	-
Miscellaneous.	17,209	12,541	57,270	44,729
<i>Total revenues.</i>	<u>47,845,914</u>	<u>48,274,050</u>	<u>48,652,492</u>	<u>378,442</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	13,493,850	13,427,250	13,261,125	166,125
Fringe benefits	3,983,211	3,888,094	3,745,389	142,705
Purchased services	277,775	298,992	290,114	8,878
Materials and supplies.	509,913	520,638	449,761	70,877
Capital outlay	247,385	220,395	193,586	26,809
<i>Total instruction-regular.</i>	<u>18,512,134</u>	<u>18,355,369</u>	<u>17,939,975</u>	<u>415,394</u>
Instruction-special:				
Salaries and wages	3,579,400	3,579,400	3,425,672	153,728
Fringe benefits	1,046,446	1,046,446	1,024,025	22,421
Purchased services	1,577,711	1,559,911	1,506,635	53,276
Materials and supplies.	79,324	81,124	63,718	17,406
Capital outlay	67,464	68,464	48,501	19,963
<i>Total instruction-special.</i>	<u>6,350,345</u>	<u>6,335,345</u>	<u>6,068,551</u>	<u>266,794</u>
Instruction-vocational:				
Salaries and wages	95,250	95,750	95,613	137
Fringe benefits	34,230	34,390	34,468	(78)
Purchased services	283,900	322,900	322,041	859
Materials and supplies.	4,100	4,100	4,023	77
<i>Total instruction-vocational.</i>	<u>417,480</u>	<u>457,140</u>	<u>456,145</u>	<u>995</u>
Support services-pupil:				
Salaries and wages	2,278,200	2,278,200	2,265,890	12,310
Fringe benefits	742,955	742,955	724,501	18,454
Purchased services	63,260	66,760	59,564	7,196
Materials and supplies.	23,604	41,604	34,574	7,030
Capital outlay	3,358	3,358	1,685	1,673
<i>Total support services-pupil.</i>	<u>3,111,377</u>	<u>3,132,877</u>	<u>3,086,214</u>	<u>46,663</u>

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**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 2,463,200	\$ 2,486,200	\$ 2,471,868	\$ 14,332
Fringe benefits	1,062,420	1,082,420	1,076,215	6,205
Purchased services	136,240	132,286	87,192	45,094
Materials and supplies.	92,380	60,705	54,405	6,300
Capital outlay	21,562	21,562	21,209	353
Total support services-instructional staff	<u>3,775,802</u>	<u>3,783,173</u>	<u>3,710,889</u>	<u>72,284</u>
Support services-Board of Education:				
Salaries and wages	15,000	17,000	16,500	500
Fringe benefits	220	3,420	3,355	65
Purchased services	10,300	10,300	3,649	6,651
Other	172,500	164,054	137,223	26,831
Total support services-Board of Education	<u>198,020</u>	<u>194,774</u>	<u>160,727</u>	<u>34,047</u>
Support services-administration:				
Salaries and wages	1,723,550	1,732,550	1,730,684	1,866
Fringe benefits	777,242	775,242	736,267	38,975
Purchased services	496,180	504,730	395,630	109,100
Materials and supplies.	41,760	41,560	39,239	2,321
Capital outlay	6,600	3,100	391	2,709
Other	36,500	36,500	28,272	8,228
Total support services-administration.	<u>3,081,832</u>	<u>3,093,682</u>	<u>2,930,483</u>	<u>163,199</u>
Support services-fiscal:				
Salaries and wages	353,500	353,500	349,134	4,366
Fringe benefits	165,350	168,580	168,834	(254)
Purchased services	63,400	63,400	48,927	14,473
Materials and supplies.	10,100	8,100	6,067	2,033
Capital outlay	8,000	8,300	7,945	355
Other	643,610	643,610	607,494	36,116
Total support services-fiscal	<u>1,243,960</u>	<u>1,245,490</u>	<u>1,188,401</u>	<u>57,089</u>
Support services-business:				
Salaries and wages	261,500	263,500	263,434	66
Fringe benefits	91,630	105,630	105,623	7
Purchased services	140,160	150,160	116,920	33,240
Materials and supplies.	60,400	60,900	46,123	14,777
Capital outlay	32,000	24,450	18,211	6,239
Other	5,650	5,650	1,885	3,765
Total support services-business	<u>591,340</u>	<u>610,290</u>	<u>552,196</u>	<u>58,094</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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance of plant:				
Salaries and wages	\$ 1,848,750	\$ 1,848,750	\$ 1,753,293	\$ 95,457
Fringe benefits	698,180	723,180	725,781	(2,601)
Purchased services	2,244,559	2,235,159	1,931,783	303,376
Materials and supplies	301,902	284,402	276,065	8,337
Capital outlay	68,475	58,975	53,151	5,824
Other	25,000	25,000	16,828	8,172
Total support services-operations and maintenance of plant	<u>5,186,866</u>	<u>5,175,466</u>	<u>4,756,901</u>	<u>418,565</u>
Support services-pupil transportation:				
Salaries and wages	1,915,500	1,920,500	1,918,132	2,368
Fringe benefits	867,310	892,310	893,430	(1,120)
Purchased services	134,011	127,542	101,114	26,428
Materials and supplies	405,608	404,803	302,683	102,120
Capital outlay	370,475	368,449	368,276	173
Total support services-pupil transportation	<u>3,692,904</u>	<u>3,713,604</u>	<u>3,583,635</u>	<u>129,969</u>
Support services-central:				
Salaries and wages	509,750	525,750	485,389	40,361
Fringe benefits	589,250	596,490	559,591	36,899
Purchased services	221,325	246,515	205,637	40,878
Materials and supplies	70,965	79,119	68,107	11,012
Capital outlay	32,000	38,146	36,011	2,135
Total support services-central	<u>1,423,290</u>	<u>1,486,020</u>	<u>1,354,735</u>	<u>131,285</u>
Operation of non-instructional services:				
Other non-instructional services:				
Fringe benefits	2,000	4,500	4,231	269
Materials and supplies	2,000	2,000	665	1,335
Total operation of non-instructional services	<u>4,000</u>	<u>6,500</u>	<u>4,896</u>	<u>1,604</u>
Extracurricular activities:				
Salaries and wages	1,018,810	1,055,750	1,009,526	46,224
Fringe benefits	206,600	211,330	204,299	7,031
Purchased services	200	200	161	39
Total extracurricular activities	<u>1,225,610</u>	<u>1,267,280</u>	<u>1,213,986</u>	<u>53,294</u>
Total expenditures	<u>48,814,960</u>	<u>48,857,010</u>	<u>47,007,734</u>	<u>1,849,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(969,046)</u>	<u>(582,960)</u>	<u>1,644,758</u>	<u>2,227,718</u>

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**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, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Refund of prior year's expenditures	\$ 6,000	\$ 6,000	\$ 4,516	\$ (1,484)
Transfers out	(2,660,000)	(2,660,000)	(2,659,000)	1,000
Advances in	62,326	62,326	62,326	-
Advances out.	-	(37,500)	(37,500)	-
Sale of capital assets	500	500	760	260
Contingencies	(233,000)	(153,450)	-	153,450
<i>Total other financing sources (uses)</i>	<u>(2,824,174)</u>	<u>(2,782,124)</u>	<u>(2,628,898)</u>	<u>153,226</u>
<i>Net change in fund balance</i>	(3,793,220)	(3,365,084)	(984,140)	2,380,944
<i>Fund balance at beginning of year</i>	30,841,349	30,841,349	30,841,349	-
<i>Prior year encumbrances appropriated.</i>	447,819	447,819	447,819	-
<i>Fund balance at end of year.</i>	<u>\$ 27,495,948</u>	<u>\$ 27,924,084</u>	<u>\$ 30,305,028</u>	<u>\$ 2,380,944</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 2,074,703	\$ 2,124,832	\$ 50,129
Intergovernmental	253,782	259,914	6,132
Investment earnings	90,529	92,716	2,187
<i>Total revenues.</i>	<u>2,419,014</u>	<u>2,477,462</u>	<u>58,448</u>
Expenditures:			
Debt service:			
Principal retirement	1,195,000	1,195,000	-
Interest and fiscal charges	966,180	966,180	-
Total debt service	<u>2,161,180</u>	<u>2,161,180</u>	<u>-</u>
<i>Total expenditures</i>	<u>2,161,180</u>	<u>2,161,180</u>	<u>-</u>
<i>Net change in fund balance</i>	257,834	316,282	58,448
<i>Fund balance at beginning of year</i>	2,061,568	2,061,568	-
<i>Fund balance at end of year.</i>	<u>\$ 2,319,402</u>	<u>\$ 2,377,850</u>	<u>\$ 58,448</u>

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and other local taxes	\$ 749,001	\$ 801,055	\$ 52,054
Intergovernmental.	114,536	122,496	7,960
Investment earnings	121,013	129,423	8,410
Miscellaneous.	7,013	7,500	487
<i>Total revenues.</i>	<u>991,563</u>	<u>1,060,474</u>	<u>68,911</u>
Expenditures:			
Current:			
Facilities acquisition and construction:			
Capital outlay	<u>3,988,188</u>	<u>3,913,850</u>	<u>74,338</u>
Total facilities acquisition and construction.	<u>3,988,188</u>	<u>3,913,850</u>	<u>74,338</u>
<i>Total expenditures</i>	<u>3,988,188</u>	<u>3,913,850</u>	<u>74,338</u>
<i>Excess of expenditures over revenues.</i>	<u>(2,996,625)</u>	<u>(2,853,376)</u>	<u>143,249</u>
Other financing sources:			
Transfers in.	<u>2,000,000</u>	<u>2,500,000</u>	<u>500,000</u>
<i>Total other financing sources.</i>	<u>2,000,000</u>	<u>2,500,000</u>	<u>500,000</u>
<i>Net change in fund balance</i>	<u>(996,625)</u>	<u>(353,376)</u>	<u>643,249</u>
<i>Fund balance at beginning of year</i>	3,094,987	3,094,987	-
<i>Prior year encumbrances appropriated.</i>	285,823	285,823	-
<i>Fund balance at end of year.</i>	<u>\$ 2,384,185</u>	<u>\$ 3,027,434</u>	<u>\$ 643,249</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Program fees	\$ 1,697,833	\$ 1,461,864	\$ (235,969)
Sales/charges for services.	22,421	19,305	(3,116)
Other.	82,847	71,333	(11,514)
<i>Total operating revenues</i>	1,803,101	1,552,502	(250,599)
Operating expenses:			
Salaries.	1,320,471	1,167,312	153,159
Fringe benefits	474,859	378,948	95,911
Purchased services	891,040	521,080	369,960
Materials and supplies	164,580	92,377	72,203
Capital outlay.	87,481	19,497	67,984
Other.	24,400	20,403	3,997
<i>Total operating expenses</i>	2,962,831	2,199,617	763,214
<i>Operating loss</i>	(1,159,730)	(647,115)	512,615
Nonoperating revenues:			
Grants and subsidies	148,104	127,520	(20,584)
Investment earnings	178,284	153,506	(24,778)
Property taxes	938,780	808,306	(130,474)
Contributions and donations.	18,685	16,088	(2,597)
Sale of capital assets	581	500	(81)
Refund of prior year's expense.	16	14	(2)
<i>Total nonoperating revenues</i>	1,284,450	1,105,934	(178,516)
<i>Net change in fund equity</i>	124,720	458,819	334,099
<i>Fund equity at beginning of year</i>	4,072,975	4,072,975	-
<i>Prior year encumbrances appropriated.</i>	877	877	-
<i>Fund equity at end of year.</i>	\$ 4,198,572	\$ 4,532,671	\$ 334,099

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

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009*

	<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.	\$ 559,033	\$ 183,156	\$ 742,189
Accrued interest receivable.	1,711	1,089	2,800
Intergovernmental receivable.	145,026	-	145,026
Inventory held for resale	23,934	-	23,934
	<hr/>	<hr/>	<hr/>
<i>Total assets.</i>	<u>\$ 729,704</u>	<u>\$ 184,245</u>	<u>\$ 913,949</u>
Liabilities:			
Accounts payable.	\$ 164	\$ -	\$ 164
Accrued wages payable.	132,518	-	132,518
Interfund loan payable	37,500	-	37,500
Pension obligation payable.	48,931	-	48,931
Intergovernmental payable	2,526	-	2,526
Undistributed monies.	5,487	-	5,487
Deferred revenue	1,294	823	2,117
	<hr/>	<hr/>	<hr/>
<i>Total liabilities.</i>	<u>228,420</u>	<u>823</u>	<u>229,243</u>
Fund Balances:			
Reserved for encumbrances	12,583	-	12,583
Unreserved, undesignated, reported in:			
Special revenue funds	488,701	-	488,701
Capital projects funds	-	183,422	183,422
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>501,284</u>	<u>183,422</u>	<u>684,706</u>
	<hr/>	<hr/>	<hr/>
<i>Total liabilities and fund balances.</i>	<u>\$ 729,704</u>	<u>\$ 184,245</u>	<u>\$ 913,949</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, 2009*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Intergovernmental	\$ 1,563,843	\$ -	\$ 1,563,843
Investment earnings	13,761	7,219	20,980
Extracurricular activities	202,404	-	202,404
Classroom materials and fees	76,537	-	76,537
Contributions and donations	5,370	-	5,370
Charges for services	509,306	-	509,306
Miscellaneous	6,688	-	6,688
	<hr/>	<hr/>	<hr/>
<i>Total revenues</i>	<i>2,377,909</i>	<i>7,219</i>	<i>2,385,128</i>
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Instruction:			
Regular	187,114	-	187,114
Special	323,520	-	323,520
Vocational	3,189	-	3,189
Support services:			
Pupil	201,285	-	201,285
Instructional staff	244,799	-	244,799
Central	30,136	-	30,136
Operation of non-instructional services:			
Food service operations	660,210	-	660,210
Other non-instructional services	660,266	-	660,266
Extracurricular activities	301,778	-	301,778
	<hr/>	<hr/>	<hr/>
<i>Total expenditures</i>	<i>2,612,297</i>	<i>-</i>	<i>2,612,297</i>
	<hr/>	<hr/>	<hr/>
<i>Excess (deficiency) of revenues (under) expenditures</i>	<i>(234,388)</i>	<i>7,219</i>	<i>(227,169)</i>
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in	159,000	-	159,000
	<hr/>	<hr/>	<hr/>
<i>Total other financing sources</i>	<i>159,000</i>	<i>-</i>	<i>159,000</i>
	<hr/>	<hr/>	<hr/>
<i>Net change in fund balances</i>	<i>(75,388)</i>	<i>7,219</i>	<i>(68,169)</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at beginning of year</i>	<i>576,672</i>	<i>176,203</i>	<i>752,875</i>
	<hr/>	<hr/>	<hr/>
<i>Fund balances at end of year</i>	<i>\$ 501,284</i>	<i>\$ 183,422</i>	<i>\$ 684,706</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, 2009*

	<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	\$ 44,996	\$ 15,331	\$ 65,115	\$ 57,362
Accrued interest receivable.	-	-	-	341
Intergovernmental receivable.	-	-	-	-
Inventory held for resale	-	-	-	-
<i>Total assets.</i>	<u>\$ 44,996</u>	<u>\$ 15,331</u>	<u>\$ 65,115</u>	<u>\$ 57,703</u>
Liabilities:				
Accounts payable.	\$ 16	\$ -	\$ 148	\$ -
Accrued wages payable.	-	-	-	32,093
Interfund loan payable	-	-	-	-
Pension obligation payable.	-	-	672	3,816
Intergovernmental payable	-	-	-	508
Undistributed monies.	-	-	-	-
Deferred revenue	-	-	-	258
<i>Total liabilities.</i>	<u>16</u>	<u>-</u>	<u>820</u>	<u>36,675</u>
Fund Balances:				
Reserved for encumbrances	-	1,983	-	973
Unreserved, undesignated	44,980	13,348	64,295	20,055
<i>Total fund balances</i>	<u>44,980</u>	<u>15,331</u>	<u>64,295</u>	<u>21,028</u>
<i>Total liabilities and fund balances</i>	<u>\$ 44,996</u>	<u>\$ 15,331</u>	<u>\$ 65,115</u>	<u>\$ 57,703</u>

Education Management Information Systems	Entry Year Programs	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 4,405	\$ 19	\$ 1,577	\$ 80	\$ 23,430
-	-	-	-	-
-	-	-	-	99,790
-	-	-	-	-
<u>\$ 4,405</u>	<u>\$ 19</u>	<u>\$ 1,577</u>	<u>\$ 80</u>	<u>\$ 123,220</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	56,628
-	-	-	-	35,000
-	-	-	-	15,328
-	-	-	-	1,278
-	-	-	-	-
-	-	-	-	-
-	-	-	-	108,234
-	-	-	-	9,477
<u>4,405</u>	<u>19</u>	<u>1,577</u>	<u>80</u>	<u>5,509</u>
<u>4,405</u>	<u>19</u>	<u>1,577</u>	<u>80</u>	<u>14,986</u>
<u>\$ 4,405</u>	<u>\$ 19</u>	<u>\$ 1,577</u>	<u>\$ 80</u>	<u>\$ 123,220</u>

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

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2009*

	<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	\$ 1,015	\$ 6,766	\$ 271	\$ 626
Accrued interest receivable	-	-	-	-
Intergovernmental receivable	-	22,391	-	-
Inventory held for resale	-	-	-	-
<i>Total assets.</i>	<u>\$ 1,015</u>	<u>\$ 29,157</u>	<u>\$ 271</u>	<u>\$ 626</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages payable	-	23,544	-	-
Interfund loan payable	-	1,500	-	-
Pension obligation payable	-	2,702	-	-
Intergovernmental payable	-	520	-	-
Undistributed monies	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities.</i>	<u>-</u>	<u>28,266</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Unreserved, undesignated	1,015	891	271	626
<i>Total fund balances</i>	<u>1,015</u>	<u>891</u>	<u>271</u>	<u>626</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 1,015</u>	<u>\$ 29,157</u>	<u>\$ 271</u>	<u>\$ 626</u>

Preschool Disability	Title II-A	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 1,048	\$ 1,570	\$ 30	\$ 201,285	\$ 57,194	\$ 76,913	\$ 559,033
-	-	-	1,197	173	-	1,711
2,877	9,001	-	10,967	-	-	145,026
-	-	-	2,684	-	21,250	23,934
<u>\$ 3,925</u>	<u>\$ 10,571</u>	<u>\$ 30</u>	<u>\$ 216,133</u>	<u>\$ 57,367</u>	<u>\$ 98,163</u>	<u>\$ 729,704</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164
-	9,139	-	11,114	-	-	132,518
1,000	-	-	-	-	-	37,500
-	1,144	-	25,269	-	-	48,931
-	220	-	-	-	-	2,526
-	-	-	-	5,487	-	5,487
-	-	-	905	131	-	1,294
<u>1,000</u>	<u>10,503</u>	<u>-</u>	<u>37,288</u>	<u>5,618</u>	<u>-</u>	<u>228,420</u>
150	-	-	-	-	-	12,583
<u>2,775</u>	<u>68</u>	<u>30</u>	<u>178,845</u>	<u>51,749</u>	<u>98,163</u>	<u>488,701</u>
<u>2,925</u>	<u>68</u>	<u>30</u>	<u>178,845</u>	<u>51,749</u>	<u>98,163</u>	<u>501,284</u>
<u>\$ 3,925</u>	<u>\$ 10,571</u>	<u>\$ 30</u>	<u>\$ 216,133</u>	<u>\$ 57,367</u>	<u>\$ 98,163</u>	<u>\$ 729,704</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, 2009*

	Public School Support	Local Grants	District Managed Activity	Auxiliary Services	Education Management Information Systems
Revenues:					
Intergovernmental	\$ -	\$ 50,971	\$ -	\$ 617,794	\$ 6,884
Investment earnings	-	-	-	4,514	-
Extracurricular activities	113,090	-	89,314	-	-
Classroom materials and fees	6,140	-	-	-	-
Contributions and donations	4,205	-	1,165	-	-
Charges for services	-	-	-	-	-
Miscellaneous	2,374	-	3,651	-	-
<i>Total revenues</i>	<u>125,809</u>	<u>50,971</u>	<u>94,130</u>	<u>622,308</u>	<u>6,884</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	49,941	-	-	-
Special	5,446	-	-	-	-
Vocational	-	168	-	-	-
Support services:					
Pupil	32,794	-	-	-	-
Instructional staff	1,869	-	-	-	-
Central	-	-	-	-	4,517
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	655,785	-
Extracurricular activities	92,145	-	209,633	-	-
<i>Total expenditures</i>	<u>132,254</u>	<u>50,109</u>	<u>209,633</u>	<u>655,785</u>	<u>4,517</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,445)</u>	<u>862</u>	<u>(115,503)</u>	<u>(33,477)</u>	<u>2,367</u>
Other financing sources:					
Transfers in	-	-	119,000	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(6,445)</u>	<u>862</u>	<u>3,497</u>	<u>(33,477)</u>	<u>2,367</u>
<i>Fund balances at beginning of year</i>	<u>51,425</u>	<u>14,469</u>	<u>60,798</u>	<u>54,505</u>	<u>2,038</u>
<i>Fund balances at end of year</i>	<u>\$ 44,980</u>	<u>\$ 15,331</u>	<u>\$ 64,295</u>	<u>\$ 21,028</u>	<u>\$ 4,405</u>

Entry Year Programs	Ohio K-12 Network Connectivity	eTech Professional Development	Miscellaneous State Grants	Title VI-B
\$ 1,400	\$ 12,000	\$ 14,492	\$ 6,155	\$ 450,971
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,400	12,000	14,492	6,155	450,971
1,400	-	-	-	-
-	-	-	-	146,350
-	-	-	-	-
-	-	-	-	153,537
-	-	-	6,732	188,751
-	12,001	13,618	-	-
-	-	-	-	-
-	-	-	-	3,739
-	-	-	-	-
1,400	12,001	13,618	6,732	492,377
-	(1)	874	(577)	(41,406)
-	-	-	-	-
-	-	-	-	-
-	(1)	874	(577)	(41,406)
19	1	703	657	56,392
\$ 19	\$ -	\$ 1,577	\$ 80	\$ 14,986

-- 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, 2009*

	Title III	Title I	Title V	Drug Free Schools Grant
Revenues:				
Intergovernmental	\$ 8,025	\$ 202,158	\$ 2,500	\$ 4,251
Investment earnings	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees	-	-	-	-
Contributions and donations	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,025</u>	<u>202,158</u>	<u>2,500</u>	<u>4,251</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	9,046	156,338	-	-
Vocational	-	-	-	-
Support services:				
Pupil	-	-	2,100	3,132
Instructional staff	-	46,350	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	229	513
Extracurricular activities	-	-	-	-
<i>Total expenditures</i>	<u>9,046</u>	<u>202,688</u>	<u>2,329</u>	<u>3,645</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,021)</u>	<u>(530)</u>	<u>171</u>	<u>606</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>	(1,021)	(530)	171	606
<i>Fund balances at beginning of year</i>	<u>2,036</u>	<u>1,421</u>	<u>100</u>	<u>20</u>
<i>Fund balances at end of year</i>	<u>\$ 1,015</u>	<u>\$ 891</u>	<u>\$ 271</u>	<u>\$ 626</u>

Preschool Disability	Title II-A	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 15,934	\$ 61,782	\$ 1,378	\$ 107,148	\$ -	\$ -	\$ 1,563,843
-	-	-	8,222	1,025	-	13,761
-	-	-	-	-	-	202,404
-	-	-	-	-	70,397	76,537
-	-	-	-	-	-	5,370
-	-	-	509,306	-	-	509,306
-	-	-	-	663	-	6,688
<u>15,934</u>	<u>61,782</u>	<u>1,378</u>	<u>624,676</u>	<u>1,688</u>	<u>70,397</u>	<u>2,377,909</u>
-	61,811	-	-	-	73,962	187,114
6,340	-	-	-	-	-	323,520
-	-	-	-	-	3,021	3,189
8,353	-	1,369	-	-	-	201,285
782	315	-	-	-	-	244,799
-	-	-	-	-	-	30,136
-	-	-	660,210	-	-	660,210
-	-	-	-	-	-	660,266
-	-	-	-	-	-	301,778
<u>15,475</u>	<u>62,126</u>	<u>1,369</u>	<u>660,210</u>	<u>-</u>	<u>76,983</u>	<u>2,612,297</u>
<u>459</u>	<u>(344)</u>	<u>9</u>	<u>(35,534)</u>	<u>1,688</u>	<u>(6,586)</u>	<u>(234,388)</u>
-	-	-	40,000	-	-	159,000
-	-	-	40,000	-	-	159,000
459	(344)	9	4,466	1,688	(6,586)	(75,388)
<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>\$ 2,925</u>	<u>\$ 68</u>	<u>\$ 30</u>	<u>\$ 178,845</u>	<u>\$ 51,749</u>	<u>\$ 98,163</u>	<u>\$ 501,284</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 86,300	\$ 113,090	\$ 26,790
Classroom materials and fees	7,680	6,140	(1,540)
Other local revenues	15,170	6,579	(8,591)
<i>Total revenues.</i>	109,150	125,809	16,659
Expenditures:			
Current:			
Instruction-special:			
Purchased services	4,670	2,457	2,213
Materials and supplies.	3,010	2,990	20
Total instruction-special	7,680	5,447	2,233
Support services-pupil:			
Materials and supplies.	39,600	32,435	7,165
Capital outlay	9,000	358	8,642
Total support services-pupil.	48,600	32,793	15,807
Support services-instructional staff:			
Purchased services	5,300	-	5,300
Materials and supplies.	5,200	1,869	3,331
Capital outlay	2,000	-	2,000
Total support services-instructional staff	12,500	1,869	10,631
Extracurricular activities:			
Purchased services	74,300	70,945	3,355
Materials and supplies.	22,000	20,241	1,759
Capital outlay	3,500	2,187	1,313
Total extracurricular activities.	99,800	93,373	6,427
<i>Total expenditures</i>	168,580	133,482	35,098
<i>Excess of expenditures over revenues</i>	(59,430)	(7,673)	51,757
Other financing sources:			
Refund of prior year's expenditures	43,200	-	(43,200)
<i>Total other financing sources</i>	43,200	-	(43,200)
<i>Net change in fund balance</i>	(16,230)	(7,673)	(34,643)
<i>Fund balance at beginning of year</i>	52,669	52,669	-
<i>Fund balance at end of year.</i>	\$ 36,439	\$ 44,996	\$ (34,643)

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,281	\$ 50,971	\$ (10,310)
<i>Total revenues.</i>	61,281	50,971	(10,310)
 Expenditures:			
Current:			
Instruction-regular			
Purchased services	14,690	12,690	2,000
Supplies	13,554	9,682	3,872
Capital outlay	36,818	29,552	7,266
Total instruction-regular.	65,062	51,924	13,138
Instruction-vocational			
Supplies	168	168	-
Total instruction-other	168	168	-
<i>Total expenditures</i>	65,230	52,092	13,138
 <i>Net change in fund balance</i>	(3,949)	(1,121)	2,828
 <i>Fund balance at beginning of year</i>	13,719	13,719	-
<i>Prior year encumbrances appropriated.</i>	750	750	-
<i>Fund balance at end of year.</i>	\$ 10,520	\$ 13,348	\$ 2,828

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular activities.	\$ 132,486	\$ 89,314	\$ (43,172)
Miscellaneous	7,144	4,816	(2,328)
<i>Total revenues.</i>	139,630	94,130	(45,500)
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	18,100	18,100	-
Fringe benefits	2,955	2,930	25
Purchased services	170,465	122,256	48,209
Materials and supplies.	72,690	66,575	6,115
Capital outlay	4,999	82	4,917
Total extracurricular activities.	269,209	209,943	59,266
<i>Total expenditures</i>	269,209	209,943	59,266
<i>Excess of expenditures over revenues</i>	(129,579)	(115,813)	13,766
Other financing sources:			
Transfers in	119,000	119,000	-
<i>Total other financing sources</i>	119,000	119,000	-
<i>Net change in fund balance</i>	(10,579)	3,187	13,766
<i>Fund balance at beginning of year</i>	61,903	61,903	-
<i>Prior year encumbrances appropriated.</i>	25	25	-
<i>Fund balance at end of year.</i>	\$ 51,349	\$ 65,115	\$ 13,766

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 698,800	\$ 617,794	\$ (81,006)
Investment earnings	-	4,714	4,714
<i>Total revenues.</i>	<u>698,800</u>	<u>622,508</u>	<u>(76,292)</u>
Expenditures:			
Current:			
Other non-instructional services:			
Salaries and wages	189,662	162,407	27,255
Fringe benefits	57,524	49,207	8,317
Purchased services	282,963	282,240	723
Materials and supplies	109,765	106,377	3,388
Capital outlay	<u>83,141</u>	<u>66,745</u>	<u>16,396</u>
Total other non-instructional services	<u>723,055</u>	<u>666,976</u>	<u>56,079</u>
<i>Total expenditures</i>	<u>723,055</u>	<u>666,976</u>	<u>56,079</u>
<i>Net change in fund balance</i>	(24,255)	(44,468)	(20,213)
<i>Fund balance at beginning of year</i>	88,203	88,203	-
<i>Prior year encumbrances appropriated.</i>	<u>12,344</u>	<u>12,344</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 76,292</u>	<u>\$ 56,079</u>	<u>\$ (20,213)</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 8,000	\$ 6,884	\$ (1,116)
<i>Total revenues.</i>	8,000	6,884	(1,116)
Expenditures:			
Current:			
Support services-central:			
Purchased services	6,211	2,448	3,763
Capital outlay	2,500	2,069	431
Total support services-central	8,711	4,517	4,194
<i>Total expenditures</i>	8,711	4,517	4,194
<i>Net change in fund balance</i>	(711)	2,367	3,078
<i>Fund balance at beginning of year</i>	2,038	2,038	-
<i>Fund balance at end of year.</i>	\$ 1,327	\$ 4,405	\$ 3,078

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental.	\$ 3,000	\$ 1,400	\$ (1,600)
Total revenues.	<u>3,000</u>	<u>1,400</u>	<u>(1,600)</u>
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	<u>3,000</u>	<u>1,400</u>	<u>1,600</u>
Total instruction-regular.	<u>3,000</u>	<u>1,400</u>	<u>1,600</u>
<i>Total expenditures</i>	<u>3,000</u>	<u>1,400</u>	<u>1,600</u>
<i>Net change in fund balance</i>	-	-	-
<i>Fund balance at beginning of year</i>	<u>19</u>	<u>19</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ -</u>

**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, 2009*

	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	12,001	12,001	-
Total support services-central	12,001	12,001	-
<i>Total expenditures</i>	12,001	12,001	-
<i>Net change in fund balance</i>	(1)	(1)	-
<i>Fund balance at beginning of year</i>	1	1	-
<i>Fund balance at end of year.</i>	\$ -	\$ -	\$ -

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 14,797	\$ 14,492	\$ (305)
<i>Total revenues</i>	14,797	14,492	(305)
Expenditures:			
Current:			
Support services-central:			
Salaries and wages	6,054	6,054	-
Fringe benefits	990	989	1
Purchased services	5,939	4,363	1,576
Materials and supplies	100	100	-
Capital outlay	2,112	2,112	-
Total support services-central	15,195	13,618	1,577
<i>Total expenditures</i>	15,195	13,618	1,577
<i>Net change in fund balance</i>	(398)	874	1,272
<i>Fund balance at beginning of year</i>	703	703	-
<i>Fund balance at end of year</i>	\$ 305	\$ 1,577	\$ 1,272

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental.	\$ 6,200	\$ 6,155	\$ (45)
<i>Total revenues.</i>	<u>6,200</u>	<u>6,155</u>	<u>(45)</u>
Expenditures:			
Current:			
Support services-instructional staff:			
Salaries and wages	2,758	2,758	-
Fringe benefits	300	300	-
Purchased services	1,070	1,070	-
Supplies	<u>2,672</u>	<u>2,672</u>	-
Total support services-instructional staff	<u>6,800</u>	<u>6,800</u>	-
<i>Total expenditures</i>	<u>6,800</u>	<u>6,800</u>	-
<i>Net change in fund balance</i>	(600)	(645)	(45)
<i>Fund balance at beginning of year</i>	<u>725</u>	<u>725</u>	-
<i>Fund balance at end of year.</i>	<u>\$ 125</u>	<u>\$ 80</u>	<u>\$ (45)</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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 572,087	\$ 427,269	\$ (144,818)
<i>Total revenues.</i>	<u>572,087</u>	<u>427,269</u>	<u>(144,818)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	135,141	97,513	37,628
Fringe benefits	47,194	31,383	15,811
Materials and supplies	1,988	1,988	-
Total instruction-special	<u>184,323</u>	<u>130,884</u>	<u>53,439</u>
Support services-pupil:			
Salaries and wages	120,545	102,479	18,066
Fringe benefits	33,633	28,548	5,085
Purchased services	24,464	21,989	2,475
Total support services-pupil.	<u>178,642</u>	<u>153,016</u>	<u>25,626</u>
Support services-instructional staff:			
Salaries and wages	159,172	133,815	25,357
Fringe benefits	55,584	40,210	15,374
Total support services-instructional staff	<u>214,756</u>	<u>174,025</u>	<u>40,731</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	7,713	3,739	3,974
Total operation of non-instructional services	<u>7,713</u>	<u>3,739</u>	<u>3,974</u>
Total expenditures	<u>585,434</u>	<u>461,664</u>	<u>123,770</u>
<i>Excess of expenditures over revenues.</i>	<u>(13,347)</u>	<u>(34,395)</u>	<u>(21,048)</u>
Other financing sources (uses):			
Advances in	-	35,000	35,000
Advances out.	(50,000)	(50,000)	-
<i>Total other financing sources (uses).</i>	<u>(50,000)</u>	<u>(15,000)</u>	<u>35,000</u>
<i>Net change in fund balance</i>	(63,347)	(49,395)	13,952
<i>Fund balance at beginning of year</i>	9,470	9,470	-
<i>Prior year encumbrances appropriated.</i>	53,878	53,878	-
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 13,953</u>	<u>\$ 13,952</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 8,106	\$ 8,025	\$ (81)
<i>Total revenues.</i>	8,106	8,025	(81)
Expenditures:			
Current:			
Instruction-special:			
Purchased services	1,000	90	910
Materials and supplies.	1,061	1,061	-
Capital outlay	8,000	7,895	105
Total instruction-special	10,061	9,046	1,015
<i>Total expenditures</i>	10,061	9,046	1,015
<i>Net change in fund balance</i>	(1,955)	(1,021)	934
<i>Fund balance at beginning of year</i>	2,036	2,036	-
<i>Fund balance at end of year.</i>	\$ 81	\$ 1,015	\$ 934

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 268,649	\$ 204,959	\$ (63,690)
<i>Total revenues.</i>	<u>268,649</u>	<u>204,959</u>	<u>(63,690)</u>
Expenditures:			
Current:			
Instruction-special:			
Salaries and wages	164,018	113,480	50,538
Fringe benefits	57,224	40,723	16,501
Purchased services	<u>1,127</u>	<u>1,060</u>	<u>67</u>
Total instruction-special	<u>222,369</u>	<u>155,263</u>	<u>67,106</u>
Support services-instructional staff:			
Purchased services	45,866	44,595	1,271
Supplies	<u>1,755</u>	<u>1,755</u>	<u>-</u>
Total support services-instructional staff	<u>47,621</u>	<u>46,350</u>	<u>1,271</u>
<i>Total expenditures</i>	<u>269,990</u>	<u>201,613</u>	<u>68,377</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,341)</u>	<u>3,346</u>	<u>4,687</u>
Other financing sources:			
Advances in	-	1,500	1,500
<i>Total other financing sources</i>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
<i>Net change in fund balance</i>	(1,341)	4,846	6,187
<i>Fund balance at beginning of year</i>	<u>1,920</u>	<u>1,920</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 579</u>	<u>\$ 6,766</u>	<u>\$ 6,187</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 V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 9,645	\$ 6,540	\$ (3,105)
<i>Total revenues.</i>	<u>9,645</u>	<u>6,540</u>	<u>(3,105)</u>
Expenditures:			
Current:			
Support services-pupil:			
Purchased services	3,552	2,100	1,452
Materials and supplies.	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total support services-pupil.	<u>4,552</u>	<u>2,100</u>	<u>2,452</u>
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	<u>451</u>	<u>229</u>	<u>222</u>
Total operation of non-instructional services	<u>451</u>	<u>229</u>	<u>222</u>
Total expenditures	<u>5,003</u>	<u>2,329</u>	<u>2,674</u>
<i>Excess of revenues over expenditures</i>	<u>4,642</u>	<u>4,211</u>	<u>(431)</u>
Other financing uses:			
Advances out.	<u>(3,940)</u>	<u>(3,940)</u>	<u>-</u>
<i>Total other financing uses.</i>	<u>(3,940)</u>	<u>(3,940)</u>	<u>-</u>
<i>Net change in fund balance</i>	702	271	(431)
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 702</u>	<u>\$ 271</u>	<u>\$ (431)</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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 6,622	\$ 4,635	\$ (1,987)
<i>Total revenues.</i>	6,622	4,635	(1,987)
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies	723	-	723
Total instruction-regular.	723	-	723
Support services-pupil:			
Purchased services	5,022	3,132	1,890
Total support services-pupil.	5,022	3,132	1,890
Operation of non-instructional services:			
Materials and supplies	513	513	-
Total operation of non-instructional services	513	513	-
<i>Total expenditures</i>	6,258	3,645	2,613
Excess of revenues over expenditures	364	990	626
Other financing uses:			
Advances (out)	(386)	(386)	-
Total other financing uses	(386)	(386)	-
<i>Net change in fund balance</i>	(22)	604	626
<i>Fund balance at beginning of year</i>	22	22	-
<i>Fund balance at end of year.</i>	\$ -	\$ 626	\$ 626

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 22,430	\$ 18,103	\$ (4,327)
<i>Total revenues.</i>	<u>22,430</u>	<u>18,103</u>	<u>(4,327)</u>
Expenditures:			
Current:			
Instruction-special:			
Purchased services	1,994	870	1,124
Materials and supplies	7,491	5,620	1,871
Capital outlay	<u>347</u>	<u>347</u>	<u>-</u>
Total instruction-special	<u>9,832</u>	<u>6,837</u>	<u>2,995</u>
Support services-pupil:			
Salaries and wages	1,450	1,448	2
Fringe benefits	239	235	4
Purchased services	6,720	6,300	420
Materials and supplies	405	370	35
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total support services-pupil	<u>8,814</u>	<u>8,353</u>	<u>461</u>
Support services-instructional staff:			
Purchased services	<u>1,550</u>	<u>782</u>	<u>768</u>
Total support services-instructional staff	<u>1,550</u>	<u>782</u>	<u>768</u>
<i>Total expenditures</i>	<u>20,196</u>	<u>15,972</u>	<u>4,224</u>
<i>Excess of revenues over expenditures</i>	<u>2,234</u>	<u>2,131</u>	<u>(103)</u>
Other financing sources (uses):			
Advances in	-	1,000	1,000
Advances (out)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>(4,000)</u>	<u>1,000</u>
<i>Net change in fund balance</i>	<u>(2,766)</u>	<u>(1,869)</u>	<u>897</u>
<i>Fund balance at beginning of year</i>	2,323	2,323	-
<i>Prior year encumbrances appropriated.</i>	<u>444</u>	<u>444</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 898</u>	<u>\$ 897</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 II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental.	\$ 76,940	\$ 65,160	\$ (11,780)
<i>Total revenues.</i>	76,940	65,160	(11,780)
Expenditures:			
Current:			
Instruction-regular:			
Salaries and wages	56,507	48,341	8,166
Fringe benefits	14,567	12,525	2,042
Total instruction-regular.	71,074	60,866	10,208
Support services-instructional staff:			
Purchased services	2,176	-	2,176
Materials and supplies.	1,221	315	906
Total support services-instructional staff	3,397	315	3,082
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>	74,501	61,181	13,320
<i>Excess of revenues over expenditures</i>	2,439	3,979	1,540
Other financing uses:			
Advances (out)	(3,000)	(3,000)	-
<i>Total other financing uses.</i>	(3,000)	(3,000)	-
<i>Net change in fund balance</i>	(561)	979	1,540
<i>Fund balance at beginning of year</i>	591	591	-
<i>Fund balance at end of year.</i>	\$ 30	\$ 1,570	\$ 1,540

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 1,761	\$ 1,378	\$ (383)
<i>Total revenues.</i>	<u>1,761</u>	<u>1,378</u>	<u>(383)</u>
Expenditures:			
Current:			
Support services-pupil:			
Purchased services	<u>1,744</u>	<u>1,369</u>	<u>375</u>
Total support services-pupil.	<u>1,744</u>	<u>1,369</u>	<u>375</u>
Operation of non-instructional services:			
Other non-instructional services:			
Materials and supplies.	<u>30</u>	<u>-</u>	<u>30</u>
Total operation of non-instructional services	<u>30</u>	<u>-</u>	<u>30</u>
<i>Total expenditures</i>	<u>1,774</u>	<u>1,369</u>	<u>405</u>
<i>Net change in fund balance</i>	(13)	9	22
<i>Fund balance at beginning of year</i>	<u>21</u>	<u>21</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 8</u>	<u>\$ 30</u>	<u>\$ 22</u>

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 82,000	\$ 82,231	\$ 231
Investment earnings	5,000	7,935	2,935
Charges for services	475,000	509,938	34,938
<i>Total revenues.</i>	562,000	600,104	38,104
Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	249,069	230,852	18,217
Fringe benefits	137,120	123,892	13,228
Purchased services	7,500	-	7,500
Materials and supplies	261,311	240,322	20,989
Capital outlay	45,000	38,653	6,347
<i>Total food service operations</i>	700,000	633,719	66,281
<i>Total expenditures</i>	700,000	633,719	66,281
<i>Excess of expenditures over revenues</i>	(138,000)	(33,615)	104,385
Other financing sources:			
Transfers in	50,000	40,000	(10,000)
<i>Total other financing sources</i>	50,000	40,000	(10,000)
<i>Net change in fund balance</i>	(88,000)	6,385	94,385
<i>Fund balance at beginning of year</i>	193,813	193,813	-
<i>Fund balance at end of year.</i>	\$ 105,813	\$ 200,198	\$ 94,385

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings	\$ 970	\$ 1,103	\$ 133
Miscellaneous.	1,000	663	(337)
<i>Total revenues.</i>	1,970	1,766	(204)
Expenditures:			
Current:			
Support services-instructional staff:			
Materials and supplies.	32,750	-	32,750
Capital outlay	515	-	515
Total support services-instructional staff	33,265	-	33,265
Support services-operations and maintenance:			
Materials and supplies.	255	-	255
Total support services-operations and maintenance	255	-	255
Extracurricular activities:			
Materials and supplies.	755	-	755
Total extracurricular activities.	755	-	755
<i>Total expenditures</i>	34,275	-	34,275
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(32,305)	1,766	34,071
Other financing uses:			
Refund of prior year's receipts	21,021	-	(21,021)
<i>Total other financing uses</i>	21,021	-	(21,021)
<i>Net change in fund balance</i>	(11,284)	1,766	13,050
<i>Fund balance at beginning of year</i>	55,271	55,271	-
<i>Fund balance at end of year.</i>	\$ 43,987	\$ 57,037	\$ 13,050

**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, 2009*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Classroom materials and fees	\$ 101,130	\$ 70,397	\$ (30,733)
<i>Total revenues.</i>	<u>101,130</u>	<u>70,397</u>	<u>(30,733)</u>
Expenditures:			
Current:			
Instruction-regular:			
Materials and supplies.	<u>97,980</u>	<u>70,552</u>	<u>27,428</u>
<i>Total instruction-regular.</i>	<u>97,980</u>	<u>70,552</u>	<u>27,428</u>
Instruction-vocational:			
Materials and supplies.	<u>3,150</u>	<u>3,021</u>	<u>129</u>
<i>Total instruction-vocational.</i>	<u>3,150</u>	<u>3,021</u>	<u>129</u>
<i>Total expenditures</i>	<u>101,130</u>	<u>73,573</u>	<u>27,557</u>
<i>Net change in fund balance</i>	-	(3,176)	(3,176)
<i>Fund balance at beginning of year</i>	<u>80,089</u>	<u>80,089</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 80,089</u>	<u>\$ 76,913</u>	<u>\$ (3,176)</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, 2009*

	Building Improvement	School Net	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments.	\$ 183,155	\$ 1	\$ 183,156
Accrued interest receivable.	1,089	-	1,089
<i>Total assets.</i>	\$ 184,244	\$ 1	\$ 184,245
Liabilities:			
Deferred revenue	\$ 823	\$ -	\$ 823
<i>Total liabilities.</i>	823	-	823
Fund Balances:			
Unreserved, undesignated	183,421	1	183,422
<i>Total fund balances</i>	183,421	1	183,422
<i>Total liabilities and fund balances.</i>	\$ 184,244	\$ 1	\$ 184,245

**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, 2009*

	Building Improvement	School Net	Total Nonmajor Capital Projects Funds
Revenues:			
Investment earnings	\$ 7,219	\$ -	\$ 7,219
<i>Total revenues</i>	7,219	-	7,219
<i>Net change in fund balances</i>	7,219	-	7,219
<i>Fund balances at beginning of year</i>	176,202	1	176,203
<i>Fund balances at end of year</i>	\$ 183,421	\$ 1	\$ 183,422

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment earnings	\$ 6,000	\$ 6,952	\$ 952
<i>Total revenues.</i>	6,000	6,952	952
Expenditures:			
Operation of non-instructional services:			
Capital outlay	67,500	-	67,500
Total operation of non-instructional services	67,500	-	67,500
Facilities acquisition and construction:			
Capital outlay	112,000	-	112,000
Total facilities acquisition and construction.	112,000	-	112,000
<i>Total expenditures</i>	179,500	-	179,500
<i>Net change in fund balance</i>	(173,500)	6,952	180,452
<i>Fund balance at beginning of year</i>	175,214	175,214	-
<i>Fund balance at end of year.</i>	\$ 1,714	\$ 182,166	\$ 180,452

**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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund balance at beginning of year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

PRIVATE-PURPOSE TRUST FUND

Scholarship Fund

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

AGENCY FUNDS

District Agency Fund

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

Employee Benefits Fund

This fund accounts for monies withheld from employees' paychecks for 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, 2009*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating expenses:			
Scholarships awarded	\$ 24,300	\$ 2,500	\$ 21,800
<i>Total operating expenses</i>	<u>24,300</u>	<u>2,500</u>	<u>21,800</u>
<i>Operating loss</i>	<u>(24,300)</u>	<u>(2,500)</u>	<u>21,800</u>
Nonoperating revenues:			
Investment earnings	<u>2,745</u>	<u>3,195</u>	<u>450</u>
<i>Total nonoperating revenues</i>	<u>2,745</u>	<u>3,195</u>	<u>450</u>
<i>Net change in fund equity</i>	(21,555)	695	22,250
<i>Fund equity at beginning of year</i>	<u>80,900</u>	<u>80,900</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 59,345</u>	<u>\$ 81,595</u>	<u>\$ 22,250</u>

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

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009*

	<u>Beginning Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2009</u>
District Agency				
Assets:				
Equity in pooled cash and investments	\$ 6,101	\$ 42,745	\$ 44,253	\$ 4,593
Liabilities:				
Undistributed monies.	\$ 6,101	\$ 42,745	\$ 44,253	\$ 4,593
 Employee Benefits				
Assets:				
Equity in pooled cash and investments	\$ 3,801	\$ 65,423	\$ 65,493	\$ 3,731
Liabilities:				
Undistributed monies.	\$ 3,801	\$ 65,423	\$ 65,493	\$ 3,731
 Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 88,272	\$ 100,790	\$ 103,486	\$ 85,576
Liabilities:				
Due to students	\$ 88,272	\$ 100,790	\$ 103,486	\$ 85,576
 Total - All Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 98,174	\$ 208,958	\$ 213,232	\$ 93,900
Liabilities:				
Undistributed monies.	\$ 9,902	\$ 108,168	\$ 109,746	\$ 8,324
Due to students	88,272	100,790	103,486	85,576
<i>Total liabilities.</i>	<u>\$ 98,174</u>	<u>\$ 208,958</u>	<u>\$ 213,232</u>	<u>\$ 93,900</u>

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STATISTICAL SECTION

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**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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006 (1)</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 17,564,014	\$ 15,940,380	\$ 15,338,264	\$ 13,729,107
Restricted	8,180,016	6,410,493	5,782,995	4,129,749
Unrestricted	29,114,358	30,863,616	25,515,875	23,274,232
Total governmental activities net assets	<u>\$ 54,858,388</u>	<u>\$ 53,214,489</u>	<u>\$ 46,637,134</u>	<u>\$ 41,133,088</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 2,107,003	\$ 2,217,609	\$ 2,267,860	\$ 2,377,215
Unrestricted	5,124,892	4,690,495	4,150,252	3,581,815
Total business-type activities net assets	<u>\$ 7,231,895</u>	<u>\$ 6,908,104</u>	<u>\$ 6,418,112</u>	<u>\$ 5,959,030</u>
Primary government				
Invested in capital assets, net of related debt	\$ 19,671,017	\$ 18,157,989	\$ 17,606,124	\$ 16,106,322
Restricted	8,180,016	6,410,493	5,782,995	4,129,749
Unrestricted	34,239,250	35,554,111	29,666,127	26,856,047
Total primary government net assets	<u>\$ 62,090,283</u>	<u>\$ 60,122,593</u>	<u>\$ 53,055,246</u>	<u>\$ 47,092,118</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.

Note: Intergovernmental pass-through expenses have been reclassified to other non-instructional expenses to conform to fiscal year 2009's presentation.

<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 13,879,066	\$ 8,994,910	\$ 12,602,070	\$ 11,202,586
4,258,217	8,517,577	3,331,506	4,351,769
<u>20,781,033</u>	<u>17,943,454</u>	<u>14,916,846</u>	<u>12,902,453</u>
<u>\$ 38,918,316</u>	<u>\$ 35,455,941</u>	<u>\$ 30,850,422</u>	<u>\$ 28,456,808</u>
\$ 2,502,295	\$ 2,598,355	\$ 2,615,782	\$ 1,892,421
2,624,723	2,923,313	2,771,335	3,260,963
<u>\$ 5,127,018</u>	<u>\$ 5,521,668</u>	<u>\$ 5,387,117</u>	<u>\$ 5,153,384</u>
\$ 16,381,361	\$ 11,593,265	\$ 15,217,852	\$ 13,095,007
4,258,217	8,517,577	3,331,506	4,351,769
<u>23,405,756</u>	<u>20,866,767</u>	<u>17,688,181</u>	<u>16,163,416</u>
<u>\$ 44,045,334</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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 19,320,888	\$ 18,238,270	\$ 17,962,128	\$ 17,066,373
Special	6,374,462	5,832,538	5,475,417	6,310,151
Vocational	338,162	293,462	324,513	296,866
Other instructional	-	-	2,828	-
Support services:				
Pupil	3,336,127	3,471,580	3,337,866	2,799,441
Instructional staff	4,081,959	3,670,822	3,499,573	2,864,820
Board of Education	160,757	110,200	143,355	181,753
Administration	2,968,787	2,926,908	2,849,409	2,827,023
Fiscal	1,169,115	1,176,289	1,126,029	1,129,981
Business	598,414	549,721	509,048	545,223
Operations and maintenance of plant	5,284,630	5,118,866	5,096,407	5,318,201
Pupil transportation	3,485,290	3,367,878	3,366,186	3,228,108
Central	1,189,474	1,202,049	1,114,698	1,223,883
Operation of non-instructional services:				
Food service operations	672,018	589,901	603,470	569,200
Other non-instructional services	714,550	635,808	535,361	411,843
Extracurricular activities	1,608,333	1,617,987	1,584,091	1,683,450
Interest and fiscal charges	1,286,551	1,296,998	1,165,809	1,401,244
Total governmental activities expenses	<u>52,589,517</u>	<u>50,099,277</u>	<u>48,696,188</u>	<u>47,857,560</u>
Business-type activities:				
Recreation	2,300,268	2,257,947	2,155,699	2,236,723
Total business-type activities expenses	<u>2,300,268</u>	<u>2,257,947</u>	<u>2,155,699</u>	<u>2,236,723</u>
 Total primary government expenses	 <u>\$ 54,889,785</u>	 <u>\$ 52,357,224</u>	 <u>\$ 50,851,887</u>	 <u>\$ 50,094,283</u>

<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 16,379,861	\$ 16,320,163	\$ 14,545,778	\$ 14,568,032
6,202,166	5,028,484	6,017,671	6,402,994
253,802	280,092	241,796	230,331
-	23,649	11,775	-
2,648,841	2,734,653	2,210,058	2,179,425
2,681,775	3,081,414	1,480,216	1,460,404
163,202	141,777	89,482	55,562
2,603,395	2,606,354	2,291,678	2,398,794
1,115,331	1,053,898	1,032,334	1,024,004
443,553	432,204	396,839	385,116
4,441,976	3,386,491	4,213,242	3,763,576
3,029,567	3,162,885	3,028,156	2,733,130
924,539	938,416	1,073,794	721,406
633,098	592,915	589,708	484,331
403,198	376,439	463,799	243,162
1,469,294	1,385,763	1,464,133	1,360,754
1,452,048	1,335,954	1,640,230	1,435,275
<u>44,845,646</u>	<u>42,881,551</u>	<u>40,790,689</u>	<u>39,446,296</u>
<u>2,311,856</u>	<u>2,254,392</u>	<u>2,017,600</u>	<u>1,785,160</u>
<u>2,311,856</u>	<u>2,254,392</u>	<u>2,017,600</u>	<u>1,785,160</u>
<u><u>\$ 47,157,502</u></u>	<u><u>\$ 45,135,943</u></u>	<u><u>\$ 42,808,289</u></u>	<u><u>\$ 41,231,456</u></u>

- - Continued

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

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

Program Revenues	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 178,963	\$ 397,212	\$ 701,197	\$ 3,477,083
Special	3,574,000	3,118,760	2,770,390	4,823
Vocational	180,131	220,075	78,262	-
Support services:				
Pupil	29,565	32,923	38,767	41,945
Instructional staff	1,685	4,493	2,180	419
Operations and maintenance of plant	6,685	7,230	7,140	4,750
Pupil transportation	-	-	14,772	10,391
Operation of non-instructional services:				
Food service operations	509,306	491,963	466,038	480,615
Extracurricular activities	172,384	166,586	173,603	337,025
Operating grants and contributions:				
Instruction:				
Regular	113,669	139,151	89,485	84,881
Special	304,796	269,230	242,760	281,127
Vocational	171	4,035	-	227
Support services:				
Pupil	158,142	294,489	333,655	308,004
Instructional staff	227,773	112,347	105,450	114,446
Administration	-	2,218	3,258	11,788
Operations and maintenance of plant	-	10,050	2,310	-
Pupil transportation	154,525	157,809	163,705	-
Central	33,376	33,187	23,346	22,713
Operation of non-instructional services:				
Food service operations	114,223	116,631	92,126	61,784
Other non-instructional services	625,771	611,585	498,362	402,668
Extracurricular activities	9,400	6,335	4,761	25,967
Capital grants and contributions:				
Support services:				
Operations and maintenance of plant	7,500	-	127,713	11,211
Pupil transportation	39,909	32,744	35,008	-
Central	-	13,366	-	-
Total governmental program revenues	<u>6,441,974</u>	<u>6,242,419</u>	<u>5,974,288</u>	<u>5,681,867</u>
Business-type activities:				
Charges for services:				
Recreation	1,474,791	1,536,303	1,451,743	1,459,405
Operating grants and contributions	143,608	139,754	124,138	106,552
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>1,618,399</u>	<u>1,676,057</u>	<u>1,575,881</u>	<u>1,565,957</u>
Total primary government program revenue	<u>\$ 8,060,373</u>	<u>\$ 7,918,476</u>	<u>\$ 7,550,169</u>	<u>\$ 7,247,824</u>
Net (Expense)/Revenue				
Governmental activities	(46,147,543)	(43,856,858)	(42,721,900)	(42,175,693)
Business-type activities	(681,869)	(581,890)	(579,818)	(670,766)
Total primary government net expense	<u>\$ (46,829,412)</u>	<u>\$ (44,438,748)</u>	<u>\$ (43,301,718)</u>	<u>\$ (42,846,459)</u>

<u>2005</u>	<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 1,856,569	\$ 2,321,244	\$ 4,444,894	\$ 4,604,407
3,773	2,041	2,199	-
-	-	-	-
44,702	30,646	37,704	-
2,425	5,901	874	-
6,692	7,441	8,243	-
19,416	3,888	-	-
441,373	443,993	435,523	399,190
171,189	211,134	350,672	186,142
93,586	159,018	108,626	102,730
284,739	273,719	231,316	162,309
-	-	-	401
310,124	199,665	127,166	104,197
70,685	44,868	28,408	18,161
6,688	13,765	5,361	9,736
2,315	1,575	4,211	4,558
-	-	-	-
19,613	20,813	19,074	8,779
67,179	74,061	67,633	54,714
389,743	365,477	407,679	266,490
10,223	1,162	-	837
43,794	59,445	104,583	-
-	-	-	27,880
18,270	-	-	-
<u>3,863,098</u>	<u>4,239,856</u>	<u>6,384,166</u>	<u>5,950,531</u>
1,453,400	1,463,320	1,365,066	1,184,354
138,219	185,204	87,731	151,672
11,000	-	-	-
<u>1,602,619</u>	<u>1,648,524</u>	<u>1,452,797</u>	<u>1,336,026</u>
<u>\$ 5,465,717</u>	<u>\$ 5,888,380</u>	<u>\$ 7,836,963</u>	<u>\$ 7,286,557</u>
(40,982,548)	(38,641,695)	(34,406,523)	(33,495,765)
(709,237)	(605,868)	(564,803)	(449,134)
<u>\$ (41,691,785)</u>	<u>\$ (39,247,563)</u>	<u>\$ (34,971,326)</u>	<u>\$ (33,944,899)</u>

- - Continued

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

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 34,720,303	\$ 37,569,616	\$ 36,302,829	\$ 34,123,527
Debt service	2,098,013	2,258,971	2,102,099	1,986,733
Capital projects	794,196	849,401	807,873	769,922
Grants and entitlements not restricted to specific programs	8,608,261	7,789,074	7,000,298	6,748,771
Investment earnings	1,511,999	1,956,626	1,990,147	1,196,647
Gain on sale of capital assets	-	-	-	-
Miscellaneous	58,670	69,056	22,700	8,816
Transfers	-	(58,531)	-	-
Extraordinary item	-	-	-	-
Total governmental activities	<u>47,791,442</u>	<u>50,434,213</u>	<u>48,225,946</u>	<u>44,834,416</u>
Business-type activities:				
Property taxes levied for:				
Recreation	794,607	783,212	815,148	1,362,258
Investment earnings	139,220	191,095	193,580	120,835
Miscellaneous	71,833	39,044	30,172	32,960
Transfers	-	58,531	-	-
Total business-type activities	<u>1,005,660</u>	<u>1,071,882</u>	<u>1,038,900</u>	<u>1,516,053</u>
Total primary government	<u>\$ 48,797,102</u>	<u>\$ 51,506,095</u>	<u>\$ 49,264,846</u>	<u>\$ 46,350,469</u>
Change in Net Assets				
Governmental activities	1,643,899	6,577,355	5,504,046	2,658,723
Business-type activities	323,791	489,992	459,082	845,287
Total primary government	<u>\$ 1,967,690</u>	<u>\$ 7,067,347</u>	<u>\$ 5,963,128</u>	<u>\$ 3,504,010</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>2005</u>	<u>2004</u>	<u>2003 (1)</u>	<u>2002</u>
\$ 34,448,820	\$ 33,236,580	\$ 27,843,273	\$ 35,669,489
2,021,985	2,330,475	2,458,241	3,058,132
775,449	631,737	-	-
6,581,853	6,377,995	5,975,363	5,717,812
575,766	268,877	440,002	543,836
-	2,124	-	-
46,550	139,337	83,258	78,756
(5,500)	-	-	-
-	260,089	-	-
<u>44,444,923</u>	<u>43,247,214</u>	<u>36,800,137</u>	<u>45,068,025</u>
230,367	679,573	660,894	651,353
65,348	26,811	61,914	53,226
13,372	34,035	75,728	44,846
5,500	-	-	-
<u>314,587</u>	<u>740,419</u>	<u>798,536</u>	<u>749,425</u>
<u>\$ 44,759,510</u>	<u>\$ 43,987,633</u>	<u>\$ 37,598,673</u>	<u>\$ 45,817,450</u>
3,462,375	4,605,519	2,393,614	11,572,260
(394,650)	134,551	233,733	300,291
<u>\$ 3,067,725</u>	<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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:				
Reserved	\$ 6,056,237	\$ 5,148,703	\$ 4,806,799	\$ 4,419,363
Unreserved	<u>25,289,018</u>	<u>26,035,339</u>	<u>22,494,931</u>	<u>19,852,597</u>
Total general fund	<u>31,345,255</u>	<u>31,184,042</u>	<u>27,301,730</u>	<u>24,271,960</u>
All Other Governmental Funds:				
Reserved	4,436,359	2,757,346	2,595,005	3,386,156
Unreserved, reported in:				
Special revenue funds	488,701	521,337	472,190	496,295
Capital projects funds	3,246,177	3,282,849	2,834,842	85,739
Debt service funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>8,171,237</u>	<u>6,561,532</u>	<u>5,902,037</u>	<u>3,968,190</u>
Total governmental funds	<u>\$ 39,516,492</u>	<u>\$ 37,745,574</u>	<u>\$ 33,203,767</u>	<u>\$ 28,240,150</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>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000 (1)</u>
\$ 6,405,735	\$ 5,807,656	\$ 3,572,549	\$ 6,020,900	\$ 1,633,278	\$ 2,231,112
15,513,098	12,520,841	10,884,948	6,751,616	408,133	593,329
<u>21,918,833</u>	<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>
1,622,627	6,179,105	1,852,442	1,054,245	6,208,912	19,000,943
447,072	438,804	331,835	511,081	377,758	289,786
2,147,760	2,154,219	1,631,938	2,009,277	2,361,494	9,683,657
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,179,003</u>	<u>1,172,264</u>	<u>1,555,512</u>
<u>4,217,459</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>\$ 26,136,292</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>

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues				
From local sources:				
Property and other local taxes	\$ 38,961,368	\$ 39,879,562	\$ 39,797,661	\$ 36,917,405
Tuition and fees	3,465,610	2,820,356	3,701,388	3,004,688
Charges for services	509,306	491,963	466,038	480,615
Investment earnings	1,745,195	1,782,271	1,963,335	1,031,383
Extracurricular	202,404	202,607	216,845	378,972
Classroom materials and fees	79,482	77,844	86,046	84,173
Rentals	6,685	7,230	7,140	4,750
Contributions and donations	14,270	-	-	-
Services provided to other entities	57,101	-	-	-
Other local revenues	63,958	107,769	190,711	86,873
Intergovernmental	10,366,538	9,538,474	8,588,456	8,007,852
Total revenues	<u>55,471,917</u>	<u>54,908,076</u>	<u>55,017,620</u>	<u>49,996,711</u>
Expenditures				
Current:				
Instruction:				
Regular	18,365,083	17,385,174	17,305,337	16,173,320
Special	6,205,744	5,725,646	5,289,978	6,157,219
Vocational	315,725	272,615	303,665	276,743
Other	-	-	37,728	-
Support services:				
Pupil	3,250,828	3,471,402	3,299,577	2,721,090
Instructional staff	4,019,019	3,649,596	3,511,311	2,780,562
Board of education	160,757	110,200	143,355	181,589
Administration	2,837,225	2,872,172	2,787,210	2,754,691
Fiscal	1,157,298	1,171,481	1,151,052	1,107,658
Business	555,661	537,479	510,033	509,897
Operations and maintenance of plant	4,771,091	4,608,092	4,278,812	4,563,040
Pupil transportation	3,539,067	3,424,859	3,511,181	3,286,647
Central	1,153,880	1,200,502	1,085,252	1,154,066
Operation of non-instructional services:				
Food service operations	660,210	585,191	618,018	527,599
Other non-instructional services	660,266	578,947	513,872	389,599
Extracurricular activities	1,526,210	1,500,950	1,490,130	1,589,738
Facilities acquisitions and construction	2,290,812	1,003,471	2,326,830	1,632,519
Capital outlay	-	294,690	-	-
Debt service:				
Principal retirement	1,246,794	1,247,432	881,536	799,104
Interest and fiscal charges	986,089	1,024,672	1,009,126	1,287,772
Bond issuance costs	-	-	183,859	-
Total expenditures	<u>53,701,759</u>	<u>50,664,571</u>	<u>50,237,862</u>	<u>47,892,853</u>
Excess of revenues over (under) expenditures	1,770,158	4,243,505	4,779,758	2,103,858

	2005	2004 (1)	2003	2002	2001 (1)	2000 (1)
\$	36,671,073	\$ 35,808,052	\$ 30,096,717	\$ 37,947,949	\$ 28,201,938	\$ 24,309,358
	2,476,688	3,474,021	4,043,241	4,362,668	1,224,851	919,285
	441,373	443,993	557,859	576,898	35,431	26,851
	575,766	259,712	440,002	543,836	1,928,964	2,706,402
	217,569	244,742	391,449	186,142	162,405	363,850
	91,794	85,328	-	-	-	-
	6,692	7,441	8,243	64,031	24,983	25,311
	-	-	68,421	2,000	21,064	338,199
	-	-	-	-	-	-
	148,003	226,701	193,724	78,756	165,001	37,197
	7,849,318	7,528,082	6,961,005	6,559,647	5,633,637	4,940,474
	<u>48,478,276</u>	<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>

	15,563,319	15,953,841	14,077,659	13,447,944	12,625,478	12,442,821
	6,033,382	5,088,254	5,860,971	6,065,966	5,464,607	4,560,383
	231,760	254,318	218,558	202,804	232,294	213,375
	314,102	23,649	11,775	-	-	-
	2,604,010	2,608,696	2,133,191	2,050,681	1,888,665	1,930,600
	2,650,240	2,890,736	1,430,186	1,277,163	1,382,454	1,286,815
	163,202	141,777	90,263	55,528	62,624	69,623
	2,541,739	2,502,782	2,212,003	2,192,317	2,091,286	1,846,554
	1,114,715	1,045,621	1,028,462	1,001,996	863,583	760,422
	418,029	398,249	375,221	371,377	380,977	404,954
	3,938,245	3,154,984	3,993,961	3,558,199	3,424,856	3,066,533
	3,072,781	2,930,094	2,863,664	2,648,412	2,516,022	2,193,991
	854,049	876,060	986,330	625,026	485,845	547,736
	589,150	519,613	496,404	395,688	-	-
	419,754	354,142	452,159	243,543	291,444	257,264
	1,376,799	1,293,867	1,408,265	1,239,596	1,024,709	1,287,229
	573,202	1,056,117	1,304,673	-	-	-
	-	-	169,374	6,533,745	22,877,238	10,125,065
	5,568,582	6,241,002	6,816,475	7,243,277	7,879,533	10,275,789
	1,415,766	1,295,340	1,405,032	1,554,382	1,528,572	1,659,463
	-	95,695	-	-	-	-
	<u>49,442,826</u>	<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>
	(964,550)	(646,765)	(4,573,965)	(385,717)	(27,621,913)	(19,261,690)

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Other Financing Sources (Uses)				
Transfers in	2,659,000	260,319	2,706,700	268,370
Transfers (out)	(2,659,000)	(260,319)	(2,706,700)	(268,370)
Refund of prior year expenditure	-	-	-	-
Sale of capital assets	760	3,612	-	-
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>760</u>	<u>298,302</u>	<u>183,859</u>	<u>-</u>
Change in Inventory Reserve	-	-	-	-
Extraordinary item				
Reimbursement for storm damage	-	-	-	-
Net change in fund balances	<u>\$ 1,770,918</u>	<u>\$ 4,541,807</u>	<u>\$ 4,963,617</u>	<u>\$ 2,103,858</u>
Capital expenditures	\$ 2,420,224	\$ 1,422,166	\$ 2,208,765	\$ 1,531,231
Debt service as a percentage of total noncapital expenditures	4.35%	4.61%	4.32%	4.50%

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: Intergovernmental pass-through expenditures have been reclassified to other non-instructional expenditures to conform to fiscal year 2009's presentation.

<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001 (1)</u>	<u>2000 (1)</u>
156,000	764,000	734,000	515,000	1,171,037	4,234,358
(156,000)	(764,000)	(734,000)	(515,000)	(1,171,037)	(4,252,358)
-	-	-	-	-	-
217	2,124	2,181	-	-	150
-	-	169,374	-	188,536	-
-	-	-	-	-	-
-	-	-	-	-	-
-	202,302	-	-	-	-
-	9,165	-	-	-	-
-	4,499,998	-	-	-	-
-	4,500,000	5,150,000	5,750,000	6,250,000	7,000,000
<u>217</u>	<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>
-	-	-	-	(9,123)	(3,886)
-	260,089	-	-	-	-
<u>\$ (964,333)</u>	<u>\$ 8,826,913</u>	<u>\$ 747,590</u>	<u>\$ 5,364,283</u>	<u>\$ (21,192,500)</u>	<u>\$ (12,283,426)</u>
\$ 639,192	\$ 1,247,635	\$ 1,562,357	\$ 6,533,745	\$ 22,877,238	\$ 6,859,344
14.31%	16.08%	17.96%	19.92%	22.32%	25.91%

**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
2009	\$ 1,028,000,490	\$ 2,937,144,257	\$ 13,781,055	\$ 220,496,880	\$ 7,496,850	\$ 8,519,148
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

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)
\$ 1,049,278,395	\$ 3,166,160,285	33.14%	\$ 86.00
1,057,557,760	3,357,877,060	31.49%	86.00
1,058,800,778	3,170,278,705	33.40%	86.00
970,304,692	2,812,289,132	34.50%	86.10
966,558,874	2,796,321,164	34.57%	86.10
950,532,258	2,785,857,238	34.12%	81.10
897,241,309	2,601,822,620	34.49%	81.10
879,430,953	2,547,938,543	34.52%	81.10
862,958,903	2,476,945,970	34.84%	81.10
762,230,240	2,196,524,467	34.70%	71.50

**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									
2008/2009	18.10	9.50	2.50	76.55	2.30	1.00	0.95	5.20	\$ 86.00
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

Source: Cuyahoga County Auditor's Office

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

*PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2008 AND DECEMBER 31, 1999*

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Chagrin Retail L.L.C.	\$ 19,855,890	1	1.93%
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	0.42%
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	\$ 60,230,570		\$ 1,028,000,490

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Eton Square	\$ 6,335,810	1	0.90%
Duke Realty Ltd. Partnership	4,270,000	2	0.61%
AM Castle and Company	4,087,650	3	0.58%
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	0.31%
Country Club, Inc.	2,021,530	7	0.29%
American Spring Wire Corporation	1,993,670	8	0.28%
PAH-Beachwood I, L.L.C.	1,933,650	9	0.27%
Cleveland Racquet Club, Inc.	1,902,080	10	0.27%
Total	\$ 29,644,740		705,439,830

Source: Cuyahoga County Auditor's Office

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

*PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2008 AND DECEMBER 31, 1999*

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Assessed Value
Olympic Steel, Inc.	\$ 1,848,110	1	13.41%
AM Castle & Company	1,824,510	2	13.24%
American Spring Wire Corporation	1,324,930	3	9.61%
Lowe's Home Center, Inc.	896,090	4	6.50%
Sherwin Williams Co.	746,710	5	5.42%
Formtek Metal Forming, Inc.	512,250	6	3.72%
Branch Group, Inc.	366,180	7	2.66%
Erico Global Co.	333,552	8	2.42%
Alson Jeweler's, Inc.	253,470	9	1.84%
USB Corporation	223,700	10	1.62%
Total	\$ 8,329,502		\$ 13,781,055

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Assessed Value
AM Castle and Company	\$ 5,549,490	1	13.65%
Olympic Steel Inc.	4,498,730	2	11.06%
American Spring Wire Corporation	4,116,060	3	10.12%
Sherwin Williams dba Automotive Finishing	3,453,630	4	8.49%
Telerama, Inc.	1,324,490	5	3.26%
Southern Electric Supply Co., Inc.	1,146,250	6	2.82%
Forest City Babin Co.	955,610	7	2.35%
North Cost Distributing Inc.	1,035,760	8	2.55%
BF Goodrich Co.	962,860	9	2.37%
Total	\$ 23,042,880		40,664,220

Source: Cuyahoga County Auditor's Office

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

*PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2008 AND DECEMBER 31, 1999*

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 6,168,210	1	82.28%
East Ohio Gas Company	702,730	2	9.37%
American Transmission Systems	614,430	3	8.20%
Total	\$ 7,485,370		\$ 7,496,850

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 10,656,820	1	66.08%
Ohio Bell Telephone Company	2,433,570	2	15.09%
East Ohio Gas Company	1,138,450	3	7.06%
Total	\$ 14,228,840		16,126,190

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
2008/2009	\$ 46,312,377	\$ 41,844,144	90.35%	\$ 1,200,055	\$ 43,044,199	92.94%	\$ 1,636,581	3.53%
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%

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*

<u>Governmental Activities</u>							
Fiscal Year	General Obligation Bonds	General Obligation Notes	Capital Leases	(1) Total Primary Government	(2) Per Capita	(2) Per Enrollment	(2) Total Debt as a Percentage of Personal Income
2009	\$ 25,700,933	\$ -	\$ 220,464	\$ 25,921,397	\$ 1,921	\$ 11,217	(3)
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%

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)		
2009	\$ 25,700,933	\$ 25,700,933	0.81%	\$ 1,905
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

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, 2009*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Orange City School District	\$ 25,700,933	100.00%	\$ 25,700,933
Overlapping debt:			
Cuyahoga County	248,899,326	3.29%	8,192,032
Regional Transit Authority	172,765,000	3.29%	5,686,220
Village of Orange	3,400,000	17.43%	592,782
City of Bedford Heights	5,650,000	4.00%	225,994
Village of Moreland Hills	925,000	19.13%	176,939
City of Pepper Pike	9,864,375	39.05%	3,852,204
City of Warrensville Heights	18,701,000	0.84%	157,829
City of Solon	17,430,000	2.41%	420,365
Village of Woodmere	1,455,000	5.32%	77,370
Village of Hunting Valley	<u>4,000,000</u>	11.81%	<u>472,477</u>
Total direct and overlapping debt	<u>\$ 508,790,634</u>		<u>\$ 45,555,145</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 2008 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
2009 (1)	93,193,572	\$ 24,323,189	\$ 2,751,041	\$ 21,572,148	\$ 71,621,424	23.15%
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%

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>
2009	13,493	(2)	(2)	41.5	2,311	10.2%	11.1%	9.5%
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%

(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
DECEMBER 31, 2007 AND THREE YEARS AGO*

December 31, 2007

Employer	Employees	Rank
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>	

December 31, 2005

Employer	Employees	Rank
Orange City School District (1)	623	1
Ursuline College	358	2
Beech Brook	179	3
Sky Financial Group	121	4
City of Pepper Pike	100	5
Stern Advertising	81	6
Merrill Lynch Pierce Fenner	63	7
Chagrin Valley Country Club	60	8
National City Corporation	48	9
Wachovia Shared Resources	42	10
Total	<u>1,675</u>	

Source: Regional Income Tax Agency

(1) Includes substitute and seasonal employees. Information for current year and prior to 2005 is unavailable.

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	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Professional Staff:										
Teaching Staff:										
Elementary	84.6	84.6	84.1	80.1	81.2	83.6	77.1	73.3	55.0	59.0
Middle	50.9	49.5	48.5	46.5	46.1	44.5	43.5	43.0	40.6	40.6
High	67.0	66.9	66.9	66.7	62.3	62.3	61.5	61.6	74.0	75.0
Others	18.7	17.7	17.7	16.7	16.7	16.7	14.7	13.7	13.7	14.0
Administration:										
District	20.0	20.0	20.0	21.0	19.0	19.0	19.0	19.0	19.0	20.0
Auxiliary Positions:										
Counselors	6.5	6.5	6.5	6.5	6.5	6.5	6.0	6.0	6.0	6.0
Nurses	3.0	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Speech	5.3	5.3	5.3	5.3	5.6	5.3	5.1	5.1	4.9	4.1
Mental Health Specialists	3.6	3.6	3.6	3.4	3.4	2.8	2.8	2.8	2.7	2.5
Others	9.6	9.6	9.6	9.6	8.1	7.9	7.9	7.3	7.1	7.0
Support Staff:										
Supervisors	11.0	11.0	11.0	11.0	11.0	11.0	11.0	9.0	9.0	8.0
Secretarial	32.5	33.5	33.5	32.0	32.0	32.0	32.0	31.0	31.0	31.0
Aides	60.0	57.5	53.5	54.0	49.5	50.1	48.1	44.1	40.3	39.6
Hall monitor/Security	-	-	1.0	-	-	-	-	-	-	-
Technical	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Cooks	8.1	8.1	8.6	8.5	9.0	8.8	8.6	9.1	8.1	8.7
Custodial	25.3	25.3	25.3	25.3	25.3	24.0	23.0	24.5	25.0	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	32.9	32.1	33.6	33.1	32.9	32.7	30.7	32.0	30.7
Bus Aides	2.5	2.5	2.5	2.0	2.0	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	456.5	452.5	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0
Function	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Instruction:										
Regular	160.7	160.2	159.2	152.9	152.2	154.7	144.2	143.5	135.2	142.9
Special	49.6	47.6	47.1	45.1	43.1	42.5	43.5	39.5	39.5	39.5
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	36.4	36.5	35.8	34.1	33.0	32.3	31.2	30.7	29.6
Instructional staff	67.0	65.0	62.0	62.5	58.0	58.6	56.6	52.6	48.8	48.1
Administration	22.0	22.5	22.5	23.5	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	6.0	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	45.3	43.0	42.0	41.5	42.0	39.5
Pupil transportation	40.9	40.9	40.6	40.6	40.1	39.8	39.6	37.6	38.8	37.6
Central	10.0	10.0	10.0	9.0	9.0	9.0	8.0	7.0	7.0	6.5
Food Service Operations	9.1	9.1	9.0	9.5	10.0	9.8	9.6	10.1	9.1	9.7
Extracurricular activities	3.9	3.9	3.9	3.9	3.9	3.8	3.0	3.0	3.0	3.0
Total Governmental Activities	456.5	452.5	447.7	439.7	428.3	426.8	411.3	398.6	386.7	388.0

Source: School District records

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

*OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS*

Function	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Instruction:										
Regular and Special										
Enrollment (students)	2311	2,388	2,373	2,354	2,358	2,391	2,356	2,381	2,244	2,251
Graduates	201	187	180	195	177	176	188	193	163	208
Support services:										
Board of education										
Regular meetings per year	24	24	24	22	21	23	24	22	24	23
Special meetings per year	11	22	21	24	14	15	12	7	11	15
Administration										
Student attendance rate	96.0%	96.5%	95.9%	96.1%	95.9%	95.9%	95.6%	95.4%	95.7%	95.6%
Fiscal										
Nonpayroll checks issued	6,588	6,619	6,424	6,800	6,368	6,743	6,624	6,820	6,816	6,405
Operations and maintenance										
Work orders completed	500	500	500	500	(1)	(1)	(1)	(1)	(1)	(1)
Square footage maintained	534,881	534,881	534,881	534,881	534,881	534,881	534,881	534,881	430,948	404,988
Pupil transportation										
Avg. students transported daily (2)	(1)	2,462	2,592	2,637	2,724	2,687	2,655	2,564	2,654	(1)
Food service operations										
Meals served to students	(1)	207,577	192,466	187,274	156,191	174,192	161,938	152,118	(1)	(1)
Number of students with free or reduced lunches	222	218	174	144	124	(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 EIGHT FISCAL YEARS*

Governmental Activities								
	2009	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	\$ 6,370,150
Construction in Progress	1,424,838	55,103	7,657	832,438	-	-	-	-
Land improvements	4,603,316	4,925,063	5,213,189	5,467,298	5,878,294	6,205,322	6,278,642	6,360,172
Buildings	27,231,377	27,698,365	28,168,267	26,739,762	27,547,417	28,380,439	28,807,005	29,246,102
Equipment	1,101,286	1,181,011	869,790	878,323	1,245,813	1,236,608	1,319,572	991,639
Vehicles	1,685,540	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	\$42,416,507	\$41,815,251	\$42,170,725	\$41,641,098	\$ 42,302,925	\$ 43,380,110	\$ 43,835,515	\$ 43,933,132
Business-Type Activities								
	2009	2008	2007	2006	2005	2004	2003	2002
Land improvements	\$ 41,066	\$ 44,728	\$ 49,292	\$ 54,760	\$ 60,228	\$ 60,058	\$ 39,256	\$ 17,146
Buildings	2,040,833	2,131,584	2,170,785	2,261,559	2,366,379	2,457,795	2,488,485	1,797,673
Equipment	12,567	17,696	18,066	25,065	33,743	42,892	45,416	29,962
Vehicles	12,537	23,601	29,717	35,831	41,945	37,610	42,625	47,640
Total Business-Type Activities Capital Assets, net	\$ 2,107,003	\$ 2,217,609	\$ 2,267,860	\$ 2,377,215	\$ 2,502,295	\$ 2,598,355	\$ 2,615,782	\$ 1,892,421

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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</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	688	715	737	764	787
Brady Middle School (1965)					
Square feet	86,138	86,138	86,138	86,138	86,138
Capacity (All)	720	720	720	720	720
Enrollment	521	570	532	509	501
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	997	1,006	1,023	992	980
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	79	68	53	66	64
New Directions (1989)					
Square feet	26,400	1,800	1,800	1,800	1,800
Capacity (All)	38	30	30	30	30
Enrollment	26	29	28	23	26

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.

2004	2003	2002	2001	2000
215,886	215,886	215,886	215,886	189,926
960	960	960	960	960
792	770	777	895	933
86,138	86,138	86,138	86,138	86,138
720	720	720	720	720
495	510	544	509	528
124,875	124,875	124,875	N/A	N/A
1,440	1,440	1,440	N/A	N/A
1,010	980	965	N/A	N/A
(1)	(1)	(1)	45,247	45,247
(1)	(1)	(1)	720	720
(1)	(1)	(1)	456	423
(2)	(2)	(2)	50,413	50,413
(2)	(2)	(2)	480	480
(2)	(2)	(2)	279	289
6,000	6,000	6,000	6,000	6,000
84	84	84	84	84
79	82	81	77	67
1,800	910	910	910	910
30	18	18	18	18
15	14	14	28	11

**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		
2009	\$ 51,468,876	\$ 22,271	\$ 51,302,966	\$ 22,199	2,311	-3.22%
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%

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
221.2	10.45	96.0%
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%

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

*TEACHER STATISTICS
JUNE 30, 2009*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Associate's Degree	1	0.41%	(1)
Bachelor's Degree	33	13.69%	\$40,945 - \$74,997
Master's Degree	204	84.65%	\$45,203 - \$92,488
Ph.D.	<u>3</u>	<u>1.24%</u>	\$48,203 - \$93,488
	<u><u>241</u></u>	<u><u>99.99%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	28	11.62%
6 - 10	65	26.97%
11 and over	<u>148</u>	<u>61.41%</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.

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

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

DAVID DENBOW, TREASURER

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

TABLE OF CONTENTS

Independent Auditor’s Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards.....	1
Schedule of Receipts and Expenditures of Federal Awards	2 - 3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4 - 5
Report on Compliance With Requirements Applicable to Its Major Program and on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i>	6 - 7
Schedule of Findings <i>OMB Circular A-133 § .505</i>	8



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

Board of Education
Orange City School District
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

We have audited the 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, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Orange City School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 22, 2009

**ORANGE CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(E) National School Lunch Program	10.555	2009	\$ 79,828	\$ 79,828
(C) National School Lunch Program - Food Donation	10.555	2009	25,093	25,093
Total National School Lunch Program			<u>104,921</u>	<u>104,921</u>
Total U.S. Department of Agriculture			<u>104,921</u>	<u>104,921</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
(F) Title I Grants to Local Educational Agencies	84.010	2008	23,766	25,690
(F) Title I Grants to Local Educational Agencies	84.010	2009	181,193	175,923
Total Title I Grants to Local Educational Agencies			<u>204,959</u>	<u>201,613</u>
Special Education Cluster:				
(F) (D) Special Education_Grants to States	84.027	2008	39,890	53,238
(F) (D) Special Education_Grants to States	84.027	2009	387,379	398,949
Total Special Education_Grants to States			<u>427,269</u>	<u>452,187</u>
(F) (D) Special Education_Preschool Grants	84.173	2008	2,580	347
(F) (D) Special Education_Preschool Grants	84.173	2009	15,523	15,475
Total Special Education_Preschool Grants			<u>18,103</u>	<u>15,822</u>
Total Special Education Cluster			<u>445,372</u>	<u>468,009</u>
(F) Safe and Drug-Free Schools and Communities_State Grants	84.186	2008	364	-
(F) Safe and Drug-Free Schools and Communities_State Grants	84.186	2009	4,271	3,645
Total Safe and Drug-Free Schools and Communities_State Grants			<u>4,635</u>	<u>3,645</u>
(F) State Grants for Innovative Programs	84.298	2008	3,940	-
(F) State Grants for Innovative Programs	84.298	2009	2,600	2,330
Total State Grants for Innovative Programs			<u>6,540</u>	<u>2,330</u>
(F) Education Technology State Grants	84.318	2008	(21)	-
(F) Education Technology State Grants	84.318	2009	1,399	1,369
Total Education Technology State Grants			<u>1,378</u>	<u>1,369</u>
(F) English Language Acquisition Grants	84.365	2008	(2,036)	-
(F) English Language Acquisition Grants	84.365	2009	10,061	9,046
Total English Language Acquisition Grants			<u>8,025</u>	<u>9,046</u>
(F) Improving Teacher Quality State Grants	84.367	2008	11,900	9,492
(F) Improving Teacher Quality State Grants	84.367	2009	53,260	51,690
Total Improving Teach Quality State Grants			<u>65,160</u>	<u>61,182</u>
Total U.S. Department of Education			<u>736,069</u>	<u>747,194</u>
Total Federal Financial Assistance			<u>\$ 840,990</u>	<u>\$ 852,115</u>

-Continued

**ORANGE CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2009.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Special Education Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2009, the ODE authorized the following transfers:

Program Title	CFDA	Grant Year	Transfers Out	Transfers In
Title I Grants to Local Educational Agencies	84.010	2008	\$ 1,426	
Title I Grants to Local Educational Agencies	84.010	2009		\$ 1,426
Special Education_Grants to States	84.027	2008	36,197	
Special Education_Grants to States	84.027	2009		36,197
Special Education_Preschool Grants	84.173	2008	2,466	
Special Education_Preschool Grants	84.173	2009		2,466
Safe and Drug-Free Schools and Communities_State Grants	84.186	2008	20	
Safe and Drug-Free Schools and Communities_State Grants	84.186	2009		20
State Grants for Innovative Programs	84.298	2008	100	
State Grants for Innovative Programs	84.298	2009		100
Education Technology State Grants	84.318	2008	21	
Education Technology State Grants	84.318	2009		21
English Language Acquisition Grants	84.365	2008	2,036	
English Language Acquisition Grants	84.365	2009		2,036
Improving Teacher Quality State Grants	84.367	2008	478	
Improving Teacher Quality State Grants	84.367	2009		478
Totals			<u>\$ 42,744</u>	<u>\$ 42,744</u>



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**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Basic Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Education
Orange City School District
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

We have audited the 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, as of and for the fiscal year ended June 30, 2009, which collectively comprise Orange City School District's basic financial statements and have issued our report thereon dated December 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Orange City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Orange City School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Orange City School 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 the normal course of 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 Orange City School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Orange City School District's financial statements that is more than inconsequential will not be prevented or detected by Orange City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Orange City School District's internal control.

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

Board of Education
Orange City School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orange City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the Orange City School District's management in a separate letter dated December 22, 2009.

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 22, 2009



Julian & Grube, Inc.
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**Report on Compliance With Requirements Applicable
to Its Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Board of Education
Orange City School District
32000 Chagrin Boulevard
Pepper Pike, Ohio 44124-5974

Compliance

We have audited the compliance of Orange City School District, Cuyahoga County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2009. Orange City School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Orange City School District's management. Our responsibility is to express an opinion on Orange City School 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, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Orange City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Orange City School District's compliance with those requirements.

In our opinion, Orange City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2009.

Board of Education
Orange City School District

Internal Control Over Compliance

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Orange City School District's internal control.

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.

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



Julian & Grube, Inc.
December 22, 2009

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
JUNE 30, 2009**

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

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Cluster: Special Education - Grants to State - CFDA #84.027 and Special Education Preschool Grants - CFDA #84.173
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes
2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS		

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



Julian & Grube, Inc.

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

To the Board of Education:

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Ohio Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school”.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Orange City School District has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on February 16, 2008.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;

- (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Ohio Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States.
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education of Orange City School District and is not intended to be and should not be used by anyone other than this specified party.



Julian & Grube, Inc.
December 22, 2009



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
MARCH 16, 2010