



OHIO AUDITOR OF STATE
KEITH FABER



**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 38,220
National School Lunch Program	10.555	N/A	156,866
National School Lunch Program - Non-Cash	10.555	N/A	34,149
Total Child Nutrition Cluster			<u>229,235</u>
Total U.S. Department of Agriculture			<u>229,235</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies - 2018	84.010	N/A	15,082
Title I Grants to Local Educational Agencies- 2019	84.010	N/A	188,974
Total Title I Grants to Local Educational Agencies			<u>204,056</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B) - 2018	84.027	N/A	56,559
Special Education - Grants to States (IDEA, Part B) - 2019	84.027	N/A	420,252
Total Special Education - Grants to States (IDEA, Part B)			<u>476,811</u>
Special Education - Preschool Grants (IDEA Preschool) - 2019	84.173	N/A	8,304
Total Special Education - Preschool Grants (IDEA Preschool)			<u>8,304</u>
Total Special Education Cluster (IDEA)			<u>485,115</u>
Title II, Part A, Supporting Effective Instruction State Grants - 2018	84.367	N/A	13,769
Title II, Part A, Supporting Effective Instruction State Grants - 2019	84.367	N/A	40,002
Total Title II, Part A, Supporting Effective Instruction State Grants			<u>53,771</u>
Student Support and Academic Enrichment Program - 2018	84.424	N/A	4,186
Student Support and Academic Enrichment Program - 2019	84.424	N/A	22,339
Total Student Support and Academic Enrichment Program			<u>26,525</u>
<i>Passed through Educational Service Center of Northeast Ohio</i>			
English Language Acquisition State Grants - 2019	84.365	N/A	5,301
English Language Acquisition State Grants			<u>5,301</u>
Total U.S. Department of Education			<u>774,768</u>
Total Expenditures of Federal Awards			<u>\$ 1,004,003</u>

The accompanying notes are an integral part of this schedule.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fairview Park City School District (District's) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D- CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2018 to 2019 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 24,669
Special Education - Grants to States (IDEA, Part B)	84.027	\$ 43,813
Title II, Part A, Supporting Effective Instruction State Grants	84.367	\$ 2,767
Student Support and Academic Enrichment Program	84.424	\$ 5,465

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 30, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2019-001.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

January 30, 2020

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Fairview Park City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Fairview Park City School District's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Efficient • Effective • Transparent

Opinion on the Major Federal Program

In our opinion, the Fairview Park City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fairview Park City School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated January 30, 2020. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State

Columbus, Ohio

January 30, 2020

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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

1. Bonding Requirements

FINDING NUMBER 2019-001

NONCOMPLIANCE

Ohio Rev. Code § 3313.25-(A) states: “except as otherwise provided in section 3.061 of the Revised Code, before entering upon the duties of office, the treasurer of each board of education

**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019
(Continued)**

shall execute a bond, in an amount and with surety to be approved by the board, payable to the state, conditioned for the faithful performance of all the official duties required of the treasurer. Such bond must be deposited with the president of the board, and a copy thereof, certified by the president, shall be filed with the county auditor.”

Ohio Rev. Code § 3.06-(B) states: “notwithstanding the provisions of any other law requiring an official bond to be conditioned substantially to the effect that an officer, clerk, or employee will faithfully perform his duties, in lieu thereof, with the consent and approval of the officer or governing body authorized to require the bond, any department or instrumentality of the state or any county, township, municipal corporation, or other subdivision or board of education or department or instrumentality thereof, may procure a blanket bond from any duly authorized corporate surety covering officers, clerks, and employees other than: (1) Treasurers or tax collectors by whatever title known; (2) Any officer, clerk, or employee required by law to execute or file an individual official bond to qualify for office or employment.”

The Treasurer did not provide a bond meeting the above requirements that would have been in place upon appointment or through the period under audit. The District had a public official bond for a definite term for the former Treasurer through August 1, 2019.

Additionally, the District had performance bonds for the each Principal: (Superintendent (1), Board President (1), Treasurer Staff (3), Building Principal (6), Building Secretary (7) and Cafe Staff (4)) from January 1, 2016 to January 1, 2019, which did not sufficiently cover the audit period. There was a gap in the performance bond coverage from January 2, 2019 to June 30, 2019.

While the District has general insurance policies in place, they are not compliant with statutory requirements and any lapses could result in additional liabilities to the District.

We recommend the District ensure the Treasurer is properly bonded or otherwise insured in accordance with state statute. For any additional bonds or coverage, the District should ensure policies are maintained to avoid any gaps in coverage.

The Treasurer provided a bond dated January 24, 2020 that meets the above requirements.

Official’s Response: The District has obtained the bond for the Treasurer as well as the performance bonds for the Superintendent, Board President, Treasurer Staff, Building Principal, Building Secretary and Café Staff. Procedures have been put in place to ensure there is no gap in coverage in the future.

3. FINDINGS FOR FEDERAL AWARDS

None.



Fairview Park City School District

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

FAIRVIEW PARK CITY SCHOOL DISTRICT CUYAHOGA COUNTY

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2019

Finding Number	Planned Corrective Action	Anticipation Completion Date	Responsible Contact Person
2019-001	The Treasurer has obtained the Treasurer Bond as well as the Performance Bonds for the Superintendent, Board President, Treasurer Staff, Building Principal, Building Secretary and Café Staff. There are procedures in place to notify the Treasurer before the Bonds expire.	1/7/2020	Kimberly Sperling

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

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2019



Learning to Believe & Achieve

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

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

FOR THE

FISCAL YEAR ENDED JUNE 30, 2019



Learning to Believe & Achieve

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

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Fairview Park, Ohio 44126

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**FAIRVIEW PARK CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



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Fairview Park City School District

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

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January 30, 2020

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Fairview Park City School District (the "District") for the fiscal year ended June 30, 2019. This CAFR includes an opinion from the State of Ohio Auditor and conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs.

The Reporting Entity

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

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

Profile and Organizational Structure

The District covers approximately 4.77 square miles and is located approximately 10 miles west of downtown Cleveland, Ohio. The District provides education to 1,706 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively flat over the last several years and is projected to slightly increase in the foreseeable future.

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

MISSION STATEMENT

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

Local Economy and Relevant Financial Policies

There has been stable commercial/business growth during 2019 with new businesses and renovations of existing. In 2019, the City of Fairview Park had 8 businesses do renovations to their existing locations. In the past year, 19 new businesses have opened in the City of Fairview Park, with the majority along the Lorain Road area that has been a focus for redevelopment initiatives. These businesses have been a combination of professional, retail and food service entities.

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

The Cuyahoga County Fiscal Office property re-appraisal was completed in Calendar Year 2018, which resulted in the District's real estate property values to be increased an average of 11% District wide. However, the County has received a large number of property valuation complaints so the true percentage increase is not known at this time.

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

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920, which mandates that any reappraised property increase results in an approximately equal value decrease in millage. As a result, school districts throughout Ohio must place operating funding issues on the ballot at regular intervals to keep pace with inflation and added programming.

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

Major Initiatives

The District continues to be committed to providing "superior services and academic programs that challenge the mind and instill the joy of lifelong learning and responsible citizenship" as stated in the mission statement. In 2019, the District continued to work on its mission statement by:

- Providing first class facilities, which entail the best possible learning environments to the students and residents of the Fairview Park City School District. A committee screened qualifications for design and master planning service to determine ongoing facility needs over two year span. With input from the community to the committee's recommendation in May, 2016, the board approved a master plan estimated at \$32.5 million. Renovations to the Fairview Early Education Center, L.F. Mayer Middle and Fairview High School continued in fiscal year 2019. Renovations to the Early Education Center are to be completed in December 2019 and renovations to the middle/high school are to be completed in March 2020.

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

MISSION STATEMENT

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

The current District facilities include:

Classroom Building Facility	Year Construction/Improvement	Number of Classrooms
Fairview Park Early Education Center (daycare, Pre-K, K)	Original 1950/1959/1966/2010	6
Gilles-Sweet Elementary (1 to 5)	2006	34
L.F. Mayer Middle (6 to 8)	Original 1955/1959/1966/2009	18
Fairview High School (9 to 12)	Original 1928/1949/1952/1956/1959/1968/1979/2009	34

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

- The International Center for Leadership named the District a 2019 Innovative District for its dramatic improvements in student learning and achievement.
- The District was named a Distinguished District for “Project Lead the Way” for STEM programs.
- The District prepares its students for a world of problem solving, communication, collaboration and analysis by using state-of-the-art technology in its classrooms. All K-5 students are assigned an iPad and all 6-12 students are assigned a MacBook as part of the District’s ongoing one-to-one technology initiative which provides devices for all students.

Long-Term Financial Planning

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

During the 2019 fiscal year, the District continued the practice of closely monitoring the student population and student needs and adjusting the staffing to the fluctuations accordingly. These comparisons allow the District to keep a streamlined organization. As a result of these monitoring efforts, the District has been able to maintain a relatively low increase in operating expenditures.

Financial Information

Internal Accounting and Budgetary Control

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

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual audit of each voucher prior to payment, ensures the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

MISSION STATEMENT

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

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

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

Financial Presentation

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

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

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion follows the Independent Auditor's Report, providing an assessment of the District's finances for fiscal year 2019 and a discussion of current issues affecting the District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Keith Faber, Auditor of State, rendered an opinion on the District's financial statements as of and for the year ended June 30, 2019. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fairview Park City School District for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

MISSION STATEMENT

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

ASBO Certificate of Excellence in Financial Reporting

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2018. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2019, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Acknowledgments

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

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

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

Respectfully Submitted,



Kimberly Sperling
Treasurer/CFO

MISSION STATEMENT

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



Government Finance Officers Association

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

Presented to

**Fairview Park City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Fairview Park City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

PRINCIPAL OFFICIALS

June 30, 2019

Board of Education

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

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

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

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

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

Superintendent

Dr. William W. Wagner

Treasurer/CFO

Kimberly Sperling

Department Administrative Staff

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

Building Level Administrative Staff

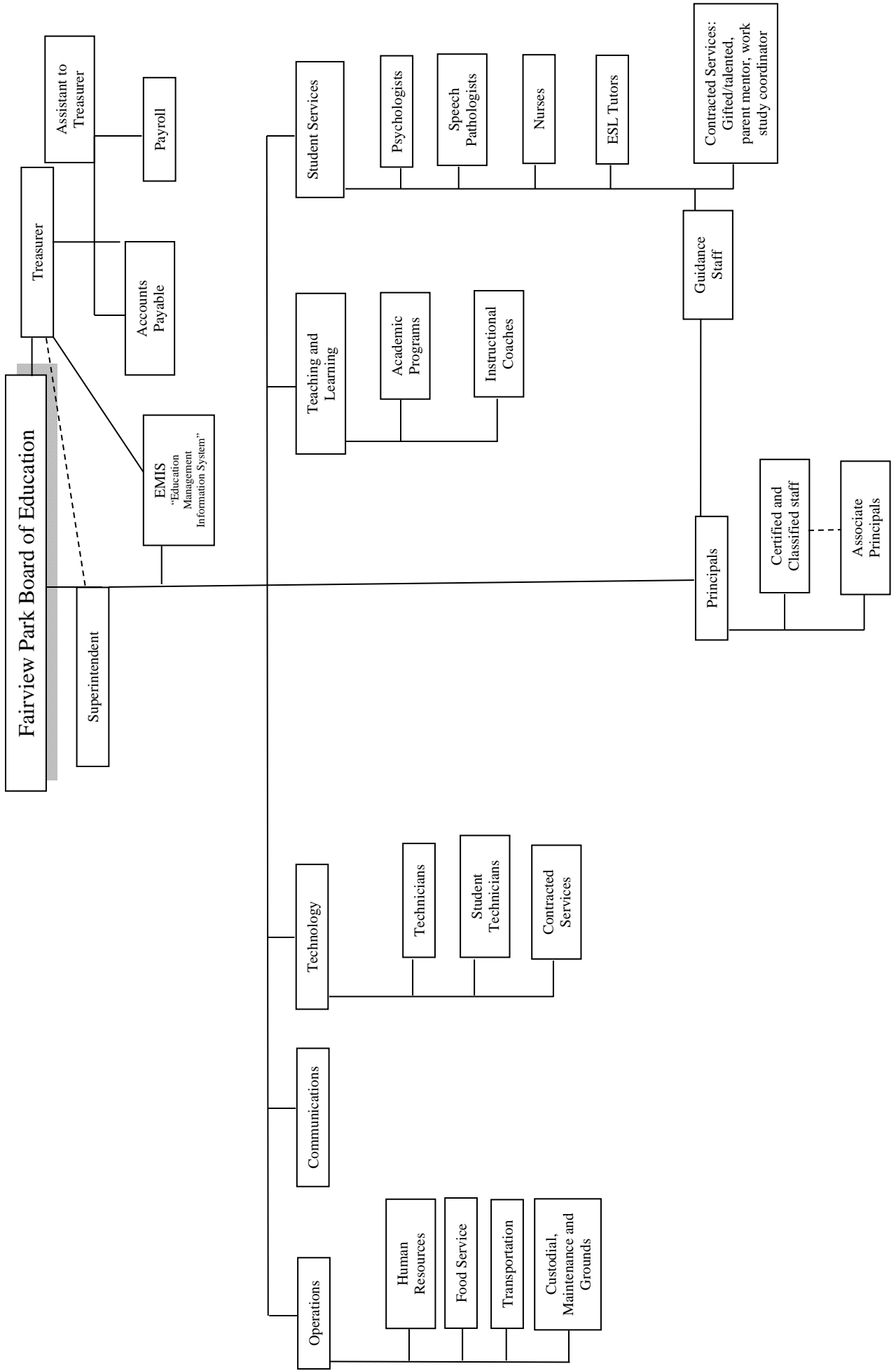
High School/Middle School Campus Principal	-	Chris Vicha
High School Associate Principal	-	Chris Honeck
Middle School Principal	-	Jordan McHugh ⁽²⁾
Gilles Sweet Elementary Principal	-	Barbara Brady
Gilles Sweet Associate Principal	-	Matt Krivak
Early Education Center Principal	-	Patricia Moran

⁽¹⁾ In August 2019, Mark St. John resigned and was replaced by Debbie Tidwell.

⁽²⁾ In October 2019, Jordan McHugh resigned and the position remained vacant.

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

ORGANIZATIONAL CHART



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FINANCIAL SECTION



Learning to Believe & Achieve

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Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fairview Park City School District, Cuyahoga County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated January 30, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

January 30, 2020

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The management's discussion and analysis of Fairview Park City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- In total, net position increased \$3,016,981. Net position of governmental activities increased \$3,037,014, which represents a 630.57% increase from June 30, 2018's net position. Business-type activities net position decreased \$20,033 from June 30, 2018's net position.
- General revenues accounted for \$25,803,938 of revenue or 91.60% of governmental activities revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$2,365,058 or 8.40% of governmental activities revenues.
- Total revenues for fiscal year 2019 were \$29,655,192. Of this total, \$28,168,996 was reported in the governmental activities and \$1,486,196 in the business-type activities.
- The District had \$25,131,982 in expenses related to governmental activities; only \$2,365,058 of these expenses was offset by program specific charges for services and sales and operating grants and contributions resulting in a net cost of \$22,766,924 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$25,803,938 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the building fund. The District's major proprietary funds are the daycare services fund and the food service fund. The general fund had \$22,908,839 in revenues and \$23,632,729 in expenditures and other financing uses. During fiscal year 2019, the general fund's fund balance decreased \$723,890 from a balance of \$15,637,221 to \$14,913,331.
- The building fund had \$633,328 in revenues and \$17,282,172 in expenditures. During fiscal year 2019, the building fund's fund balance decreased \$16,648,844 from \$31,572,328 to \$14,923,484.
- The food service fund had \$232,458 in operating revenues, \$232,455 in non-operating revenues, \$512,923 in operating expenses and \$4,518 in nonoperating expenses. During fiscal year 2019, the food service's net position decreased \$52,528 from a deficit balance of \$167,269 to a deficit balance of \$219,797.
- The day care services fund had \$1,021,283 in operating revenues and \$988,788 in expenses. During fiscal year 2019, the day care services' net position increased \$32,495 from a deficit balance of \$1,021,087 to a deficit balance of \$988,592.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

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

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

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

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service and day care services are reported as business activities.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 14 and the analysis of the District's major enterprise funds begins on page 15. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the building fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 22-26 of this report.

Proprietary Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-81 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 84-99 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2019 and June 30, 2018.

	Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>						
Current and other assets	\$ 55,228,568	\$ 71,953,252	\$ 465,012	\$ 374,075	\$ 55,693,580	\$ 72,327,327
Net OPEB asset	1,577,060	-	4,867	-	1,581,927	-
Capital assets, net	<u>47,986,779</u>	<u>31,668,980</u>	<u>26,323</u>	<u>37,695</u>	<u>48,013,102</u>	<u>31,706,675</u>
Total assets	<u>104,792,407</u>	<u>103,622,232</u>	<u>496,202</u>	<u>411,770</u>	<u>105,288,609</u>	<u>104,034,002</u>
<u>Deferred outflows</u>	<u>10,313,035</u>	<u>13,047,100</u>	<u>382,634</u>	<u>414,921</u>	<u>10,695,669</u>	<u>13,462,021</u>
<u>Liabilities</u>						
Current liabilities	5,346,508	4,200,650	70,990	54,812	5,417,498	4,255,462
Long-term liabilities						
Due within one year	1,780,635	2,257,809	10,096	6,868	1,790,731	2,264,677
Due in more than one year:						
Net pension liability	26,361,644	28,607,574	1,196,209	1,205,181	27,557,853	29,812,755
Net OPEB liability	2,358,307	6,174,504	554,649	525,133	2,912,956	6,699,637
Other amounts	<u>55,357,912</u>	<u>56,824,110</u>	<u>97,880</u>	<u>65,531</u>	<u>55,455,792</u>	<u>56,889,641</u>
Total liabilities	<u>91,205,006</u>	<u>98,064,647</u>	<u>1,929,824</u>	<u>1,857,525</u>	<u>93,134,830</u>	<u>99,922,172</u>
<u>Deferred inflows</u>	<u>20,381,792</u>	<u>18,123,055</u>	<u>157,401</u>	<u>157,522</u>	<u>20,539,193</u>	<u>18,280,577</u>
<u>Net position</u>						
Net investment in capital assets	6,258,898	6,120,726	26,323	37,695	6,285,221	6,158,421
Restricted	3,920,449	3,224,338	-	-	3,920,449	3,224,338
Unrestricted (deficit)	<u>(6,660,703)</u>	<u>(8,863,434)</u>	<u>(1,234,712)</u>	<u>(1,226,051)</u>	<u>(7,895,415)</u>	<u>(10,089,485)</u>
Total net position (deficit)	<u>\$ 3,518,644</u>	<u>\$ 481,630</u>	<u>\$ (1,208,389)</u>	<u>\$ (1,188,356)</u>	<u>\$ 2,310,255</u>	<u>\$ (706,726)</u>

Net Pension Liability and Net OPEB Liability/Asset

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's assets plus deferred outflows exceeded liabilities plus deferred inflows by \$3,518,644 in the governmental activities and liabilities plus deferred inflows exceeded assets plus deferred outflows by \$1,208,389 in the business-type activities.

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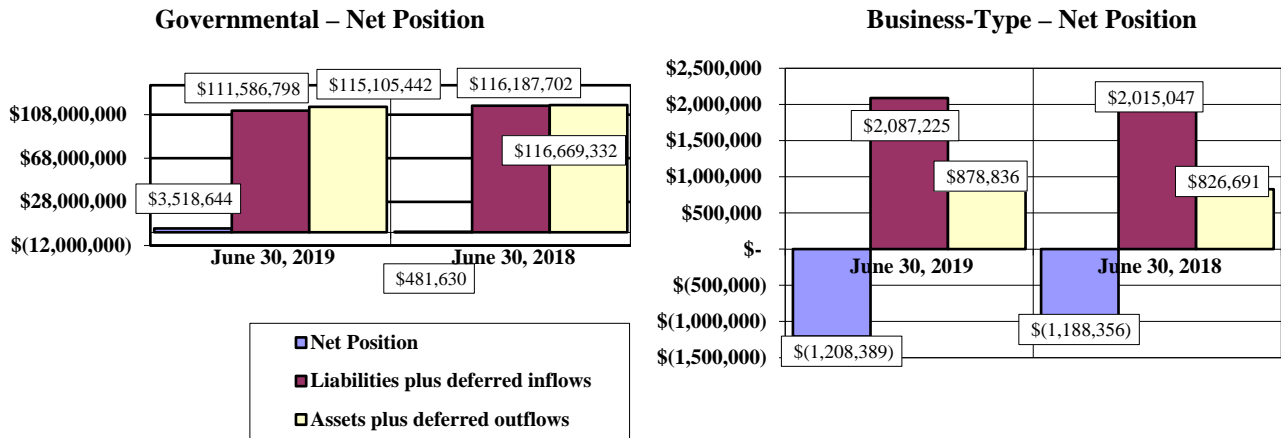
Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 12 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail. STRS did not report a net pension asset in the prior year.

At year-end, capital assets represented 45.60% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks. The net investment in capital assets at June 30, 2019, was \$6,285,221. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Long-term liabilities decreased primarily due to a decrease in the net pension liability and net OPEB liability. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

A portion of the District's net position, \$3,920,449 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$7,895,415. The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2019 and 2018.



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The table below shows the change in net position for fiscal years 2019 and 2018.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services and sales	\$ 673,006	\$ 738,441	\$ 1,252,516	\$ 1,244,061	\$ 1,925,522	\$ 1,982,502
Operating grants and contributions	1,692,052	1,783,621	232,455	205,920	1,924,507	1,989,541
Capital grants and contributions	-	7,635	-	-	-	7,635
General revenues:						
Property taxes	19,437,802	17,888,378	-	-	19,437,802	17,888,378
Grants and entitlements	5,014,764	4,911,677	-	-	5,014,764	4,911,677
Investment earnings	703,684	744,644	-	-	703,684	744,644
Fair value adjustment	567,438	(227,440)	-	-	567,438	(227,440)
Other	80,250	5,220	1,225	-	81,475	5,220
Total revenues	28,168,996	25,852,176	1,486,196	1,449,981	29,655,192	27,302,157
Expenses						
Program expenses:						
Instruction:						
Regular	10,778,829	5,772,202	-	-	10,778,829	5,772,202
Special	3,730,179	1,983,087	-	-	3,730,179	1,983,087
Vocational	1,990	212	-	-	1,990	212
Other	31,617	31,499	-	-	31,617	31,499
Support services:						
Pupil	1,583,370	798,083	-	-	1,583,370	798,083
Instructional staff	663,047	393,706	-	-	663,047	393,706
Board of education	53,384	45,446	-	-	53,384	45,446
Administration	1,638,383	719,777	-	-	1,638,383	719,777
Fiscal	821,670	516,257	-	-	821,670	516,257
Business	129,210	82,291	-	-	129,210	82,291
Operations and maintenance	1,660,335	1,320,479	-	-	1,660,335	1,320,479
Pupil transportation	724,459	473,019	-	-	724,459	473,019
Central	378,670	181,326	-	-	378,670	181,326
Operation of non-instructional services:						
Other non-instructional services	514,096	393,264	-	-	514,096	393,264
Extracurricular activities	415,092	265,689	-	-	415,092	265,689
Interest and fiscal charges	2,007,651	2,170,106	-	-	2,007,651	2,170,106
Food service operations	-	-	517,441	448,593	517,441	448,593
Day care services	-	-	988,788	776,171	988,788	776,171
Total expenses	25,131,982	15,146,443	1,506,229	1,224,764	26,638,211	16,371,207
Changes in net position	3,037,014	10,705,733	(20,033)	225,217	3,016,981	10,930,950
Net position (deficit) at beginning of year	481,630	(10,224,103)	(1,188,356)	(1,413,573)	(706,726)	(11,637,676)
Net position (deficit) at end of year	\$ 3,518,644	\$ 481,630	\$ (1,208,389)	\$ (1,188,356)	\$ 2,310,255	\$ (706,726)

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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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Governmental Activities

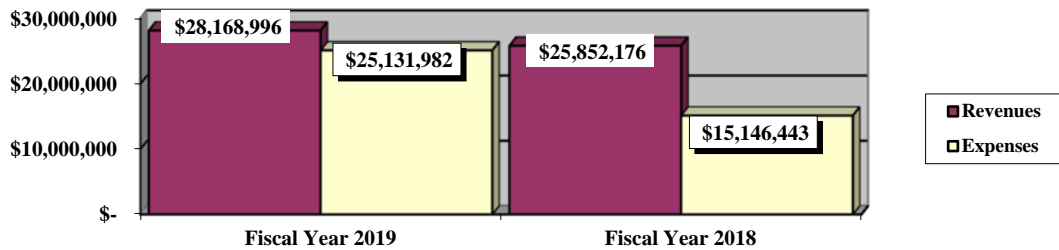
For fiscal year 2019, the net position of the District’s governmental activities increased \$3,037,014. Total governmental expenses of \$25,131,982 were offset by program revenues of \$2,365,058 and general revenues of \$25,803,938. Program revenues supported 9.41% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$9,985,539 or 65.93%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment (“COLA”) and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. These benefit changes caused a decrease to the net pension liability reported at June 30, 2018 and the subsequent expenses reported for fiscal year 2018 when compared to fiscal year 2017.

On an accrual basis, the District reported \$3,155,965 and (\$8,628,203) in pension expense for fiscal year 2019 and 2018, respectively. In addition, the District reported (\$3,308,487) and (\$1,024,122) in OPEB expense for fiscal year 2019 and 2018, respectively. The net increase in the pension expense and the OPEB expense from fiscal year 2018 to fiscal year 2019 was \$9,499,803. This net increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The District’s total expenses for fiscal year 2019 are comparable to total fiscal year 2018 expenses.

The graph below presents the District’s governmental activities revenue and expenses for fiscal year 2019 and 2018.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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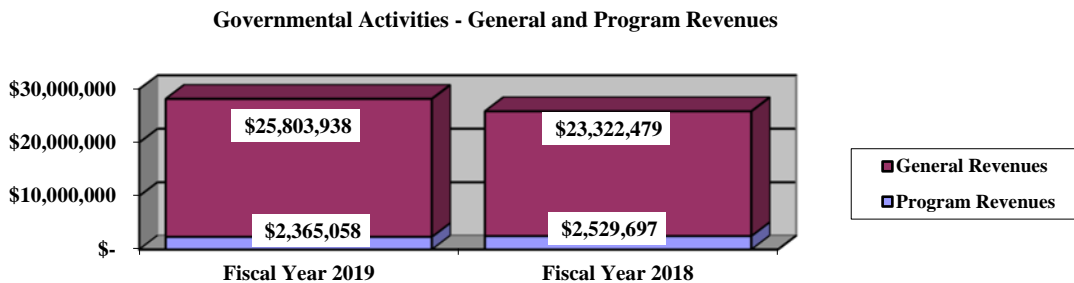
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Governmental Activities

	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
Program expenses:				
Instruction:				
Regular	\$ 10,778,829	\$ 10,462,502	\$ 5,772,202	\$ 5,446,615
Special	3,730,179	2,586,465	1,983,087	693,322
Vocational	1,990	(474)	212	(3,596)
Other	31,617	31,617	31,499	31,499
Support services:				
Pupil	1,583,370	1,456,627	798,083	685,812
Instructional staff	663,047	645,729	393,706	372,116
Board of education	53,384	53,384	45,446	45,446
Administration	1,638,383	1,637,340	719,777	718,906
Fiscal	821,670	821,670	516,257	516,257
Business	129,210	129,210	82,291	82,291
Operations and maintenance	1,660,335	1,522,892	1,320,479	1,186,955
Pupil transportation	724,459	716,419	473,019	409,685
Central	378,670	378,670	181,326	181,326
Operation of non-instructional services:				
Other non-instructional services	514,096	19,492	393,264	(49,664)
Extracurricular activities	415,092	297,730	265,689	129,670
Interest and fiscal charges	<u>2,007,651</u>	<u>2,007,651</u>	<u>2,170,106</u>	<u>2,170,106</u>
Total expenses	<u>\$ 25,131,982</u>	<u>\$ 22,766,924</u>	<u>\$ 15,146,443</u>	<u>\$ 12,616,746</u>

The dependence upon tax revenues during fiscal year 2019 for governmental activities is apparent, as 89.94% of 2019 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 90.59%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2019 and 2018.



Business-type Activities

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

Food service operations had \$232,458 in operating revenue, \$232,455 in grants and subsidies and had total expenses of \$517,441. Food service program revenues were insufficient to support food service expenses.

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The day care services fund had \$1,021,283 in operating revenue and \$988,788 in expenses. Day care services revenues were sufficient to support day care services expenses by \$32,495.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$33,624,237, which is \$17,215,715 less than last year's fund total of \$50,839,952.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	<u>Fund Balance</u> <u>June 30, 2019</u>	<u>Fund Balance</u> <u>June 30, 2018</u>	<u>Change</u>
General	\$ 14,913,331	\$ 15,637,221	\$ (723,890)
Building	14,923,484	31,572,328	(16,648,844)
Other governmental	<u>3,787,422</u>	<u>3,630,403</u>	<u>157,019</u>
Total	<u>\$ 33,624,237</u>	<u>\$ 50,839,952</u>	<u>\$ (17,215,715)</u>

General Fund

The District's general fund balance decreased \$723,890.

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

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 16,446,306	\$ 15,248,587	\$ 1,197,719	7.85 %
Intergovernmental	5,302,616	5,109,464	193,152	3.78 %
Investment earnings	321,034	336,664	(15,630)	(4.64) %
Tuition and fees	280,090	333,708	(53,618)	(16.07) %
Other revenues	<u>558,793</u>	<u>217,262</u>	<u>341,531</u>	157.20 %
Total	<u>\$ 22,908,839</u>	<u>\$ 21,245,685</u>	<u>\$ 1,663,154</u>	7.83 %

Property tax revenue increased partially due to an increase in the amount of advances available to the District at year-end. Property tax revenue represents 71.79% of all general fund revenue. The combined value of property taxes and intergovernmental revenue represent 94.94% of the general fund revenues. Tuition and fees decreased mainly due to an decrease in open enrollment. Other revenues increased due to the increase in the fair value of the District's investments compared to fiscal year 2018.

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

<u>Expenditures</u>	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Change</u>	<u>Change</u>
Instruction	\$ 14,308,491	\$ 14,197,297	\$ 111,194	0.78 %
Support services	7,566,640	7,137,433	429,207	6.01 %
Operation of non-instructional services	1,276	1,880	(604)	(32.13) %
Extracurricular activities	<u>323,431</u>	<u>389,756</u>	<u>(66,325)</u>	<u>(17.02) %</u>
Total	<u>\$ 22,199,838</u>	<u>\$ 21,726,366</u>	<u>\$ 473,472</u>	<u>2.18 %</u>

District expenditures increased 2.18%, primarily as a result in increases of wages and benefits.

Building Fund

The building fund had \$633,328 in revenues and \$17,282,172 in expenditures. During fiscal year 2019, the building fund's fund balance decreased \$16,648,844 from \$31,572,328 to \$14,923,484. The building fund is used for the acquisition, construction or improvement of capital facilities and for acquisition of capital assets.

Food Service Fund

The food service fund had \$232,458 in operating revenues, \$232,455 in non-operating grants, \$512,923 in operating expenses and \$4,518 in nonoperating expenses. During fiscal year 2019, the food service's fund balance decreased \$52,528 from a deficit balance of \$167,269 to a deficit balance of \$219,797.

Day Care Services Fund

The day care services fund had \$1,021,283 in operating revenues and \$988,788 in expenses. During fiscal year 2019, the day care services fund's fund balance increased \$32,495 from a deficit balance of \$1,021,087 to a deficit balance of \$988,592.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

Throughout fiscal year 2019, the District routinely made amendments to the general fund budget. These amendments were necessary to accompany initiatives that were established and needed funding throughout the fiscal year. The District uses a modified site-based budgeting technique which is designed to tightly control total site budgets, but also provide flexibility for site management.

For the general fund, the original budgeted revenue and other financing sources of \$21,035,184 were increased in the final budgeted revenue and other financing sources to \$21,659,484. Actual revenue and other financing sources were \$21,955,533. Actual revenues and other financing sources were \$296,049 higher than the final budgeted revenues and other financing sources.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$23,456,370. This amount was \$342,358 less than the final budgeted amounts. The final budgeted expenditures and other financing uses were \$23,798,728 and original budgeted expenditures and other financing uses were \$23,798,728. Overall, fund balance on the budget basis decreased \$1,500,837 over the prior year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the District had \$48,013,102 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks. Of this total, \$47,986,779 was reported in governmental activities and \$26,323 was reported in business-type activities. The following table shows June 30, 2019 balances compared to June 30, 2018:

Capital Assets at June 30 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 335,688	\$ 335,688	\$ -	\$ -	\$ 335,688	\$ 335,688
Construction in progress	19,973,024	2,690,852	-	-	19,973,024	2,690,852
Land improvements	479,500	539,444	-	-	479,500	539,444
Buildings and improvements	26,162,676	26,936,990	-	-	26,162,676	26,936,990
Furniture, fixtures and equipment	421,962	522,744	26,323	37,695	448,285	560,439
Vehicles	388,731	410,234	-	-	388,731	410,234
Textbooks	225,198	233,028	-	-	225,198	233,028
Total	<u>\$ 47,986,779</u>	<u>\$ 31,668,980</u>	<u>\$ 26,323</u>	<u>\$ 37,695</u>	<u>\$ 48,013,102</u>	<u>\$ 31,706,675</u>

Overall governmental capital assets, net of accumulated depreciation, increased \$16,317,799 from June 30, 2018 to June 30, 2019. Capital outlay in the governmental activities of \$17,612,025 exceeded depreciation expense of \$1,294,226. See Note 11 to the basic financial statements for more detail on the District's capital assets.

Debt Administration

At June 30, 2019, the District has \$52,873,157 in long-term debt outstanding. Of this total, \$1,515,315 is due within one year and \$51,357,842 is due in greater than one year.

The following table summarizes outstanding long-term debt:

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	<u>2019</u>	<u>2018</u>
Long Term Debt:		
Series 2014 - Refunding bonds	\$ 3,397,000	\$ 4,317,000
Series 2012 & 2013 - Refunding bonds	15,841,157	15,848,701
Series 2017 - School improvement bonds	10,650,000	10,695,000
Series 2016 & 2017 - Certificates of participation	22,985,000	23,465,000
Capital leases	-	548,172
Total	<u>\$ 52,873,157</u>	<u>\$ 54,873,873</u>

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

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Current Financial Related Activities

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

Assessed Valuation

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

Collection Year	Real(a)	Public Utility (b)	Total Assessed Valuation
2012	\$350,580,950	\$3,709,930	\$354,290,880
2013(c)	336,463,920	4,011,650	340,475,570
2014	340,827,800	4,394,500	345,222,300
2015	334,796,640	4,598,810	339,395,450
2016(d)	361,371,420	4,705,490	366,076,910
2017	354,321,571	4,984,210	359,215,780
2018	402,409,130	5,625,260	408,034,390

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

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

(c) Reflects sexennial reappraisal.

(d) Reflects triennial adjustment.

Source: County Fiscal Officer.

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

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

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Contacting the District's Financial Management

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

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

STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments	\$ 35,672,482	\$ 451,722	\$ 36,124,204
Receivables:			
Property taxes	19,286,011	-	19,286,011
Accounts	21,420	8,664	30,084
Accrued interest	94,855	-	94,855
Intergovernmental	153,800	-	153,800
Materials and supplies inventory	-	128	128
Inventory held for resale	-	4,498	4,498
Net OPEB asset	1,577,060	4,867	1,581,927
Capital assets:			
Nondepreciable capital assets	20,308,712	-	20,308,712
Depreciable capital assets, net	27,678,067	26,323	27,704,390
Capital assets, net	47,986,779	26,323	48,013,102
Total assets	<u>104,792,407</u>	<u>496,202</u>	<u>105,288,609</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,230,744	-	1,230,744
Pension	8,537,923	321,747	8,859,670
OPEB	544,368	60,887	605,255
Total deferred outflows of resources	<u>10,313,035</u>	<u>382,634</u>	<u>10,695,669</u>
Liabilities:			
Accounts payable	131,233	2,597	133,830
Contracts payable	2,119,107	-	2,119,107
Accrued wages and benefits payable	2,149,272	57,712	2,206,984
Intergovernmental payable	82,264	782	83,046
Pension and post employment benefits payable	341,921	9,899	351,820
Accrued interest payable	177,574	-	177,574
Claims payable	345,137	-	345,137
Long-term liabilities:			
Due within one year	1,780,635	10,096	1,790,731
Due in more than one year:			
Net pension liability	26,361,644	1,196,209	27,557,853
Net OPEB liability	2,358,307	554,649	2,912,956
Other amounts due in more than one year	55,357,912	97,880	55,455,792
Total liabilities	<u>91,205,006</u>	<u>1,929,824</u>	<u>93,134,830</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	15,521,371	-	15,521,371
Pension	2,048,021	78,399	2,126,420
OPEB	2,812,400	79,002	2,891,402
Total deferred inflows of resources	<u>20,381,792</u>	<u>157,401</u>	<u>20,539,193</u>
Net position:			
Net investment in capital assets	6,258,898	26,323	6,285,221
Restricted for:			
Capital projects	632,968	-	632,968
Debt service	3,276,227	-	3,276,227
Locally funded programs	740	-	740
Federally funded programs	10,514	-	10,514
Unrestricted (deficit)	(6,660,703)	(1,234,712)	(7,895,415)
Total net position (deficit)	<u>\$ 3,518,644</u>	<u>\$ (1,208,389)</u>	<u>\$ 2,310,255</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 10,778,829	\$ 269,688	\$ 46,639
Special	3,730,179	140,476	1,003,238
Vocational	1,990	-	2,464
Other	31,617	-	-
Support services:			
Pupil	1,583,370	-	126,743
Instructional staff	663,047	-	17,318
Board of education	53,384	-	-
Administration	1,638,383	-	1,043
Fiscal	821,670	-	-
Business	129,210	-	-
Operations and maintenance	1,660,335	137,443	-
Pupil transportation	724,459	8,040	-
Central	378,670	-	-
Operation of non-instructional services:			
Other non-instructional services	514,096	476	494,128
Extracurricular activities	415,092	116,883	479
Interest and fiscal charges	2,007,651	-	-
Total governmental activities	<u>25,131,982</u>	<u>673,006</u>	<u>1,692,052</u>
Business-type activities:			
Food service	517,441	231,233	232,455
Day care service	988,788	1,021,283	-
Total business-type activities	<u>1,506,229</u>	<u>1,252,516</u>	<u>232,455</u>
Totals	<u>\$ 26,638,211</u>	<u>\$ 1,925,522</u>	<u>\$ 1,924,507</u>

General revenues:

Property taxes levied for:	
General purposes	
Debt service	
Capital outlay	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Fair value adjustment	
Miscellaneous	
Total general revenues	
Change in net position	
Net position (deficit) at beginning of year	
Net position (deficit) at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-Type Activities	Total
\$ (10,462,502)	\$ -	\$ (10,462,502)
(2,586,465)	-	(2,586,465)
474	-	474
(31,617)	-	(31,617)
(1,456,627)	-	(1,456,627)
(645,729)	-	(645,729)
(53,384)	-	(53,384)
(1,637,340)	-	(1,637,340)
(821,670)	-	(821,670)
(129,210)	-	(129,210)
(1,522,892)	-	(1,522,892)
(716,419)	-	(716,419)
(378,670)	-	(378,670)
(19,492)	-	(19,492)
(297,730)	-	(297,730)
(2,007,651)	-	(2,007,651)
(22,766,924)	-	(22,766,924)
-	(53,753)	(53,753)
-	32,495	32,495
-	(21,258)	(21,258)
(22,766,924)	(21,258)	(22,788,182)
16,469,682	-	16,469,682
2,205,805	-	2,205,805
762,315	-	762,315
5,014,764	-	5,014,764
703,684	-	703,684
567,438	-	567,438
80,250	1,225	81,475
25,803,938	1,225	25,805,163
3,037,014	(20,033)	3,016,981
481,630	(1,188,356)	(706,726)
\$ 3,518,644	\$ (1,208,389)	\$ 2,310,255

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 14,480,054	\$ 17,036,585	\$ 3,558,425	\$ 35,075,064
Receivables:				
Property taxes	16,551,177	-	2,734,834	19,286,011
Accounts	6,523	-	14,897	21,420
Accrued interest	62,415	32,440	-	94,855
Interfund loans	219,500	-	-	219,500
Intergovernmental	98,660	-	55,140	153,800
Due from other funds	10,386	-	-	10,386
Total assets	<u>\$ 31,428,715</u>	<u>\$ 17,069,025</u>	<u>\$ 6,363,296</u>	<u>\$ 54,861,036</u>
Liabilities:				
Accounts payable	\$ 97,827	\$ -	\$ 33,406	\$ 131,233
Contracts payable	-	2,119,107	-	2,119,107
Accrued wages and benefits payable	2,106,862	-	42,410	2,149,272
Compensated absences payable	25,331	-	-	25,331
Intergovernmental payable	77,788	-	4,476	82,264
Pension and post employment benefits payable	335,554	-	6,367	341,921
Interfund loans payable	-	-	199,500	199,500
Due to other funds	-	-	10,386	10,386
Total liabilities	<u>2,643,362</u>	<u>2,119,107</u>	<u>296,545</u>	<u>5,059,014</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	13,361,605	-	2,159,766	15,521,371
Delinquent property tax revenue not available	440,143	-	72,727	512,870
Intergovernmental revenue not available	-	-	46,836	46,836
Accrued interest not available	20,752	26,434	-	47,186
Miscellaneous revenue not available	49,522	-	-	49,522
Total deferred inflows of resources	<u>13,872,022</u>	<u>26,434</u>	<u>2,279,329</u>	<u>16,177,785</u>
Fund balances:				
Nonspendable:				
Unclaimed monies	12,501	-	-	12,501
Restricted:				
Debt service	-	-	3,727,674	3,727,674
Capital improvements	-	14,923,484	-	14,923,484
Non-public schools	-	-	17,722	17,722
Other purposes	-	-	740	740
Committed:				
Capital improvements	-	-	190,131	190,131
Termination benefits	214,426	-	-	214,426
Assigned:				
Student instruction	15,176	-	-	15,176
Student and staff support	163,049	-	-	163,049
Other purposes	7,756	-	-	7,756
Unassigned (deficit)	14,500,423	-	(148,845)	14,351,578
Total fund balances	<u>14,913,331</u>	<u>14,923,484</u>	<u>3,787,422</u>	<u>33,624,237</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 31,428,715</u>	<u>\$ 17,069,025</u>	<u>\$ 6,363,296</u>	<u>\$ 54,861,036</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances		\$ 33,624,237
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,986,779
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 512,870	
Accrued interest receivable	47,186	
Intergovernmental receivable	46,836	
Miscellaneous receivable	49,522	
Total		656,414
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		232,281
Unamortized premiums on bonds issued are not recognized in the funds.		(2,283,311)
Unamortized amounts on refundings are not recognized in the funds.		1,230,744
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(177,574)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows and deferred outflows are not reported in governmental funds.		
Deferred outflows - Pension	8,537,923	
Deferred Inflows - Pension	(2,048,021)	
Net pension liability	(26,361,644)	
Total		(19,871,742)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows and deferred outflows are not reported in governmental funds.		
Deferred outflows - OPEB	544,368	
Deferred inflows - OPEB	(2,812,400)	
Net OPEB asset	1,577,060	
Net OPEB liability	(2,358,307)	
Total		(3,049,279)
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	(30,285,782)	
Certificates of participation	(22,985,000)	
Compensated absences	(1,559,123)	
Total		(54,829,905)
Net position of governmental activities		\$ 3,518,644

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 16,446,306	\$ -	\$ 2,967,836	\$ 19,414,142
Tuition	169,489	-	-	169,489
Transportation fees	8,040	-	-	8,040
Earnings on investments	321,034	397,934	2,591	721,559
Extracurricular	53,730	-	115,889	169,619
Classroom materials and fees	102,561	-	59,369	161,930
Rental income	137,443	-	21,290	158,733
Contributions and donations	27,418	-	480	27,898
Contract services	5,195	-	-	5,195
Other local revenues	2,963	-	1,729	4,692
Intergovernmental - intermediate	12,653	-	-	12,653
Intergovernmental - state	5,195,027	-	733,488	5,928,515
Intergovernmental - federal	94,936	-	814,819	909,755
Change in fair value on investments	332,044	235,394	-	567,438
Total revenues	<u>22,908,839</u>	<u>633,328</u>	<u>4,717,491</u>	<u>28,259,658</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,635,647	-	56,014	10,691,661
Special	3,659,161	-	490,824	4,149,985
Vocational	2,007	-	-	2,007
Other	11,676	-	-	11,676
Support services:				
Pupil	1,581,697	-	125,087	1,706,784
Instructional staff	628,916	-	18,338	647,254
Board of education	55,533	-	-	55,533
Administration	1,761,804	-	1,078	1,762,882
Fiscal	818,499	-	30,251	848,750
Business	145,550	-	-	145,550
Operations and maintenance	1,701,501	-	85,222	1,786,723
Pupil transportation	620,463	-	107,824	728,287
Central	252,677	-	42,250	294,927
Operation of non-instructional services:				
Other operation of non-instructional	1,276	-	500,652	501,928
Extracurricular activities	323,431	-	150,113	473,544
Facilities acquisition and construction	-	17,282,172	239,136	17,521,308
Debt service:				
Principal retirement	-	-	2,000,716	2,000,716
Interest and fiscal charges	-	-	1,915,202	1,915,202
Accretion on capital appreciation bonds	-	-	232,456	232,456
Total expenditures	<u>22,199,838</u>	<u>17,282,172</u>	<u>5,995,163</u>	<u>45,477,173</u>
Excess (deficiency) of revenues over (under) expenditures	709,001	(16,648,844)	(1,277,672)	(17,217,515)
Other financing sources (uses):				
Sale of assets	-	-	1,800	1,800
Transfers in	-	-	1,432,891	1,432,891
Transfers (out)	(1,432,891)	-	-	(1,432,891)
Total other financing sources (uses)	<u>(1,432,891)</u>	<u>-</u>	<u>1,434,691</u>	<u>1,800</u>
Net change in fund balances	(723,890)	(16,648,844)	157,019	(17,215,715)
Fund balances at beginning of year	<u>15,637,221</u>	<u>31,572,328</u>	<u>3,630,403</u>	<u>50,839,952</u>
Fund balances at end of year	<u>\$ 14,913,331</u>	<u>\$ 14,923,484</u>	<u>\$ 3,787,422</u>	<u>\$ 33,624,237</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds	\$	(17,215,715)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 17,612,025	
Current year depreciation	<u>(1,294,226)</u>	
Total		16,317,799
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	23,660	
Earnings on investments	(15,284)	
Other local revenues	49,522	
Intergovernmental	<u>(148,560)</u>	
Total		(90,662)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds and certificates of participation	1,452,544	
Accretion on capital appreciation bonds	232,456	
Capital leases	<u>548,172</u>	
Total		2,233,172
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	5,272	
Accreted interest on capital appreciation bonds	(225,899)	
Amortization of bond premiums	181,249	
Amortization of deferred charges	<u>(53,071)</u>	
Total		(92,449)
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.		
		(238,174)
Contractually required pension and OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		1,976,893
OPEB		68,168
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability/net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension		(3,007,035)
OPEB		3,321,889
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expense of the internal service fund is allocated among the governmental activities.		
		<u>(236,872)</u>
Change in net position of governmental activities	\$	<u>3,037,014</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 15,182,856	\$ 15,476,839	\$ 15,738,564	\$ 261,725
Tuition	163,838	167,010	168,843	1,833
Transportation fees	11,731	11,958	12,860	902
Earnings on investments	317,705	323,857	333,070	9,213
Extracurricular	1,369	1,395	1,200	(195)
Classroom materials and fees	102,404	104,386	104,352	(34)
Rental income	132,947	135,522	136,480	958
Contributions and donations	391	399	315	(84)
Contract services	5,865	5,979	5,195	(784)
Other local revenues	2,982	3,039	2,865	(174)
Intergovernmental - intermediate	11,731	11,958	12,653	695
Intergovernmental - state	5,053,465	5,151,314	5,171,182	19,868
Intergovernmental - federal	47,900	48,828	49,164	336
Total revenues	<u>21,035,184</u>	<u>21,442,484</u>	<u>21,736,743</u>	<u>294,259</u>
Expenditures:				
Current:				
Instruction:				
Regular	11,057,533	10,361,954	10,206,803	155,151
Special	3,445,043	3,583,418	3,538,767	44,651
Vocational	8,597	3,747	2,232	1,515
Other	11,593	11,686	11,676	10
Support services:				
Pupil	1,369,529	1,548,383	1,516,092	32,291
Instructional staff	669,134	628,979	625,539	3,440
Board of education	52,053	64,763	64,545	218
Administration	1,720,952	1,689,710	1,659,578	30,132
Fiscal	867,953	851,065	828,796	22,269
Business	172,683	149,751	148,774	977
Operations and maintenance	2,490,725	1,796,806	1,762,675	34,131
Pupil transportation	845,862	665,075	652,282	12,793
Central	245,781	276,596	273,077	3,519
Extracurricular activities	391,290	328,995	327,872	1,123
Total expenditures	<u>23,348,728</u>	<u>21,961,228</u>	<u>21,618,979</u>	<u>342,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,313,544)</u>	<u>(518,744)</u>	<u>117,764</u>	<u>636,508</u>
Other financing sources (uses):				
Refund of prior year's expenditures	-	47,000	47,190	190
Transfers (out)	(450,000)	(1,633,000)	(1,632,891)	109
Advances in	-	170,000	171,600	1,600
Advances (out)	-	(204,500)	(204,500)	-
Total other financing sources (uses)	<u>(450,000)</u>	<u>(1,620,500)</u>	<u>(1,618,601)</u>	<u>1,899</u>
Net change in fund balance	(2,763,544)	(2,139,244)	(1,500,837)	638,407
Fund balance at beginning of year	15,260,692	15,260,692	15,260,692	-
Prior year encumbrances appropriated	188,728	188,728	188,728	-
Fund balance at end of year	<u>\$ 12,685,876</u>	<u>\$ 13,310,176</u>	<u>\$ 13,948,583</u>	<u>\$ 638,407</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 124,002	\$ 327,720	\$ 451,722	\$ 597,418
Receivables:				
Accounts	2,021	6,643	8,664	-
Materials and supplies inventory.	128	-	128	-
Inventory held for resale	4,498	-	4,498	-
Total current assets	<u>130,649</u>	<u>334,363</u>	<u>465,012</u>	<u>597,418</u>
Noncurrent assets:				
Net OPEB asset	-	4,867	4,867	-
Depreciable capital assets, net	26,323	-	26,323	-
Total assets.	<u>156,972</u>	<u>339,230</u>	<u>496,202</u>	<u>597,418</u>
Deferred outflows of resources:				
Pension.	65,959	255,788	321,747	-
OPEB.	15,398	45,489	60,887	-
Total deferred outflows of resources	<u>81,357</u>	<u>301,277</u>	<u>382,634</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable.	1,374	1,223	2,597	-
Accrued wages and benefits payable	21,241	36,471	57,712	-
Compensated absences.	-	10,096	10,096	-
Pension and post employment benefits payable	3,704	6,195	9,899	-
Interfund loan payable	-	-	-	20,000
Intergovernmental payable	264	518	782	-
Claims payable	-	-	-	345,137
Total current liabilities	<u>26,583</u>	<u>54,503</u>	<u>81,086</u>	<u>365,137</u>
Long-term liabilities:				
Compensated absences payable.	26,185	71,695	97,880	-
Net pension liability.	258,940	937,269	1,196,209	-
Net OPEB liability.	127,589	427,060	554,649	-
Total long-term liabilities	<u>412,714</u>	<u>1,436,024</u>	<u>1,848,738</u>	<u>-</u>
Total liabilities	<u>439,297</u>	<u>1,490,527</u>	<u>1,929,824</u>	<u>365,137</u>
Deferred inflows of resources:				
Pension.	7,175	71,224	78,399	-
OPEB.	11,654	67,348	79,002	-
Total deferred inflows of resources	<u>18,829</u>	<u>138,572</u>	<u>157,401</u>	<u>-</u>
Net position:				
Investment in capital assets	26,323	-	26,323	-
Unrestricted (deficit).	(246,120)	(988,592)	(1,234,712)	232,281
Total net position (deficit).	<u>\$ (219,797)</u>	<u>\$ (988,592)</u>	<u>\$ (1,208,389)</u>	<u>\$ 232,281</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Operating revenues:				
Sales/charges for services.	\$ 231,233	\$ 1,021,283	\$ 1,252,516	\$ 3,238,368
Other	1,225	-	1,225	131,781
Total operating revenues	<u>232,458</u>	<u>1,021,283</u>	<u>1,253,741</u>	<u>3,370,149</u>
Operating expenses:				
Personal services.	263,755	793,493	1,057,248	41,189
Purchased services.	9,415	116,316	125,731	120,938
Materials and supplies	232,318	78,979	311,297	-
Other.	581	-	581	-
Claims	-	-	-	3,444,894
Depreciation	6,854	-	6,854	-
Total operating expenses.	<u>512,923</u>	<u>988,788</u>	<u>1,501,711</u>	<u>3,607,021</u>
Operating income (loss)	<u>(280,465)</u>	<u>32,495</u>	<u>(247,970)</u>	<u>(236,872)</u>
Nonoperating revenues (expenses):				
Grants and subsidies.	232,455	-	232,455	-
Loss on disposal of capital assets	(4,518)	-	(4,518)	-
Total nonoperating revenues (expenses).	<u>227,937</u>	<u>-</u>	<u>227,937</u>	<u>-</u>
Change in net position	(52,528)	32,495	(20,033)	(236,872)
Net position (deficit) at beginning of year	<u>(167,269)</u>	<u>(1,021,087)</u>	<u>(1,188,356)</u>	<u>469,153</u>
Net position (deficit) at end of year.	<u>\$ (219,797)</u>	<u>\$ (988,592)</u>	<u>\$ (1,208,389)</u>	<u>\$ 232,281</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Food Service	Day Care Services	Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
Cash flows from operating activities:				
Cash received from sales/charges for services	\$ 229,220	\$ 1,024,267	\$ 1,253,487	\$ 3,238,368
Cash received from other operations	1,222	-	1,222	131,781
Cash payments for personal services	(215,314)	(742,103)	(957,417)	(41,189)
Cash payments for contractual services	(9,415)	(115,508)	(124,923)	(120,938)
Cash payments for materials and supplies	(196,350)	(78,837)	(275,187)	-
Cash payments for claims	-	-	-	(3,311,973)
Cash payments for other expenses	(581)	-	(581)	-
Net cash provided by (used in) operating activities	<u>(191,218)</u>	<u>87,819</u>	<u>(103,399)</u>	<u>(103,951)</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	198,306	-	198,306	-
Cash received from interfund loans	-	-	-	20,000
Cash used in repayment of interfund loans	-	-	-	(17,100)
Net cash provided by noncapital financing activities	<u>198,306</u>	<u>-</u>	<u>198,306</u>	<u>2,900</u>
Net change in cash and cash equivalents	7,088	87,819	94,907	(101,051)
Cash and cash equivalents at beginning of year	116,914	239,901	356,815	698,469
Cash and cash equivalents at end of year	<u>\$ 124,002</u>	<u>\$ 327,720</u>	<u>\$ 451,722</u>	<u>\$ 597,418</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (280,465)	\$ 32,495	\$ (247,970)	\$ (236,872)
Adjustments:				
Depreciation	6,854	-	6,854	-
Federal donated commodities	34,149	-	34,149	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Materials and supplies inventory	540	-	540	-
Inventory held for resale	749	-	749	-
Accounts receivable	(303)	2,984	2,681	-
Net OPEB asset	-	(4,867)	(4,867)	-
Deferred outflows - pension	11,901	43,590	55,491	-
Deferred outflows - OPEB	(3,770)	(19,434)	(23,204)	-
Accounts payable	530	950	1,480	-
Accrued wages and benefits payable	2,790	9,540	12,330	-
Intergovernmental payable	38	128	166	-
Compensated absences payable	18,978	16,599	35,577	-
Pension and postemployment benefits payable	885	1,317	2,202	-
Net pension liability	(125)	(8,847)	(8,972)	-
Net OPEB liability	9,910	19,606	29,516	-
Deferred inflows - pension	5,945	(1,991)	3,954	-
Deferred inflows - OPEB	176	(4,251)	(4,075)	-
Claims payable	-	-	-	132,921
Net cash provided by (used in) operating activities	<u>\$ (191,218)</u>	<u>\$ 87,819</u>	<u>\$ (103,399)</u>	<u>\$ (103,951)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 3,662,967	\$ 326,120
Receivables:		
Accrued interest.	19,554	-
Prepayments	-	28,955
Total assets.	3,682,521	\$ 355,075
Liabilities:		
Accounts payable.	-	\$ 335
Due to students.	-	35,499
Undistributed monies.	-	319,241
Total liabilities	-	\$ 355,075
Net position:		
Held in trust for scholarships	3,682,521	
Total net position.	\$ 3,682,521	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		<u>Private-Purpose Trust</u>
		<u>Scholarship</u>
Additions:		
Interest	\$	51,131
Change in fair value of investments		88,504
Total additions.		<u>139,635</u>
Deductions:		
Scholarships awarded		<u>27,852</u>
Change in net position		111,783
Net position at beginning of year.		<u>3,570,738</u>
Net position at end of year	\$	<u>3,682,521</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 - DESCRIPTION OF THE DISTRICT AND THE REPORTING ENTITY

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

The District is located in Fairview Park, Ohio, Cuyahoga County. The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board of Education controls the District’s instructional/support facilities staffed by 88 classified employees, 127 certificated full-time teaching personnel, and 13 administrators who provide services to 1,706 students and other community members.

The Reporting Entity

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

JOINTLY GOVERNED ORGANIZATIONS

Connect

Connect, formerly known as the North Coast Council, is a jointly governed organization serving twenty-four school districts and two educational service centers. Connect was organized pursuant to Ohio Revised Code Chapter 167 as a regional council of governments for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Connect operates as an information technology center pursuant to ORC 3301.075. Each of the governments of these schools supports Connect based on a per pupil charge dependent upon the software packages used. The District contributed \$65,414 to Connect during fiscal year 2019. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Northeast Ohio, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Polaris Career Center

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

Ohio Schools' Council Association

The Ohio Schools Council (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2019, the District paid \$52,521 to the Council for annual membership and other fees. Financial information can be obtained by contacting Dr. Bill Zelei, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

INSURANCE PURCHASING POOLS

Great Lakes Regional Council of Governments

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

B. Basis of Presentation

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

C. Basis of Accounting

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

D. Equity in Pooled Cash and Investments

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

During fiscal year 2019, investments included commercial paper, Federal Home Loan bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. Government treasury notes, U.S. Government money market mutual funds, negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2019, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2019 amounted to \$321,034 which includes \$81,591 assigned from other funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

E. Inventory

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

F. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10-30 years	N/A
Buildings and improvements	10-50 years	N/A
Furniture, fixtures and equipment	5-15 years	5-15 years
Vehicles	8-10 years	N/A
Textbooks	7 years	N/A

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

G. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable” and “due to/due from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District’s policy of internal service activity in the government-wide statement of activities indicates that interfund services provided and used are eliminated in the process of consolidation and any residual balance of the internal service activity is allocated on a pro-rata basis to the activities and functions participating in the internal service fund.

H. Compensated Absences

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

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

I. Accrued Liabilities and Long-Term Obligations

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

J. Fund Balance

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

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

K. Net Position

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

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

L. Estimates

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

M. Operating Revenues and Expenses

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

N. Interfund Activity

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

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

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

P. Budgetary Data

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

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

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

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

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

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

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

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

R. Budget Stabilization Arrangement

The District has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2019, the balance in the budget stabilization reserve was \$373,830. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

S. Pensions/Other Postemployment Benefits (OPEB)

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

T. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*" and GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
District Managed Student Acitivity	\$ 589
IDEA, Part B	62,395
Title I, Disadvantaged Children	74,567
IDEA Preschool Grant	4,224
Improving Teacher Quality	7,070
<u>Major enterprise funds</u>	
Food service	219,797
Daycare services	988,592
<u>Internal service fund</u>	
Employee flex benefits plan	6,243

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in such securities described are made only through eligible institutions;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Deposits

At June 30, 2019, the carrying amount of all District deposits was \$1,444,220 and the bank balance of all District deposits was \$1,741,553. Of the bank balance, \$500,000 was covered by the FDIC and \$1,241,553 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2019, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair market value:</i>						
Commercial paper	\$ 3,256,303	\$ 1,378,917	\$ 1,877,386	\$ -	\$ -	\$ -
FHLB	1,893,332	299,610	-	547,377	-	1,046,345
FHLMC	13,791,082	7,785,511	3,132,223	944,775	-	1,928,573
FNMA	5,725,150	999,470	2,983,650	995,930	746,100	-
Negotiable CDs	7,770,184	742,849	3,563,558	1,237,018	497,344	1,729,415
US Treasury Notes	3,829,085	899,174	648,305	326,160	297,343	1,658,103
US Government money market	1,853,449	1,853,449	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	550,486	550,486	-	-	-	-
Total	\$ 38,669,071	\$ 14,509,466	\$ 12,205,122	\$ 4,051,260	\$ 1,540,787	\$ 6,362,436

The weighted average maturity of investments is 1.02 years.

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

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

The District has a formal investment policy. The District follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At June 30, 2019, the decrease in fair value of investments was \$8,512 which is reported as a decrease in fair value of investments on the financial statements. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Interest Rate Risk

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

D. Credit Risk

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

E. Custodial Credit Risk

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

F. Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District's investments in federal agency securities, U.S. Treasury bills and notes and U.S. government money market mutual funds represent 98.58 percent of the District's total investments. All other investments not explicitly guaranteed by the U.S. government are 1.42 percent of the District's total investments.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Investments at year end were as follows:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 3,256,303	8.42 %
FFCB		
FHLB	1,893,332	4.90
FHLMC	13,791,082	35.67
FNMA	5,725,150	14.81
Negotiable CDs	7,770,184	20.09
US Treasury Notes	3,829,085	9.90
US Government money market	1,853,449	4.79
<i>Amortized cost:</i>		
STAR Ohio	<u>550,486</u>	<u>1.42</u>
	<u>\$ 38,669,071</u>	<u>100.00 %</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,444,220
Investments	<u>38,669,071</u>
Total	<u>\$ 40,113,291</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 35,672,482
Business-type activities	451,722
Private-purpose trust fund	3,662,967
Agency fund	<u>326,120</u>
Total	<u>\$ 40,113,291</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 5 - INTERFUND TRANSFERS AND BALANCES

A. Interfund Transfers

During fiscal year 2019, interfund transfers were as follows:

Transfers from general fund to:

Nonmajor governmental funds	<u>\$ 1,432,891</u>
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Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

B. Interfund Balances

Interfund balances related to “interfund loans receivable/payable” on fund financial statements at June 30, 2019 consist of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 199,500
General fund	Internal service fund	<u>20,000</u>
Total		<u>\$ 219,500</u>

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

Interfund balances related to “due to/due from other funds” on fund financial statements at June 30, 2019 consist of the following:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 10,386</u>

The primary purpose of interfund balances for due to/due from other funds is to eliminate negative cash balances. The amount will be repaid once cash is received.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available for advance at June 30, 2019 was \$2,749,429 in the general fund and \$385,108 in the bond retirement fund (a nonmajor governmental fund) and \$117,233 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2018 was \$2,041,687 in the general fund, \$260,129 in the bond retirement fund (a nonmajor governmental fund) and \$90,073 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 354,857,500	98.52	\$ 402,409,130	98.62
Public utility personal	<u>5,332,130</u>	<u>1.48</u>	<u>5,625,260</u>	<u>1.38</u>
Total	<u>\$ 360,189,630</u>	<u>100.00</u>	<u>\$ 408,034,390</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$98.72		\$98.72	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019 consisted of property taxes, accounts (rent and billings for user charged services), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

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

Governmental activities:

Property taxes	\$ 19,286,011
Accounts	21,420
Accrued interest	94,855
Intergovernmental	<u>153,800</u>
Total governmental activities	<u>\$ 19,556,086</u>

Business-type activities:

Accounts	<u>\$ 8,664</u>
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Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In order to minimize these components of risk, the District has obtained a number of insurance packages.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - RISK MANAGEMENT - (Continued)

During fiscal year 2019, the District had the following coverage in effect:

<u>Type of Coverage</u>	<u>Coverage Amount</u>
Building and Contents (\$2,500 deductible)	\$85,928,850
Miscellaneous Unscheduled Equipment (\$500 deductible)	100,000
Crime Insurance (\$500 deductible)	50,000
Vehicles (\$1,000 deductible)	1,000,000
General Liability (per occurrence)	1,000,000
General Liability (aggregate)	3,000,000
Uninsured Motorist (per occurrence)	1,000,000
Other Than Umbrella Liability (per occurrence)	4,000,000
Other Than Umbrella Liability (aggregate)	4,000,000

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

B. Workers' Compensation

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool for calendar year 2019. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of CompManagement provides administrative, cost control, and actuarial services to the GRP.

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

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The District is a member of the Great Lakes Regional Council of Governments, an insurance purchasing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the District's behalf. The claims liability of \$345,137 reported in the internal service fund at June 30, 2019 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - RISK MANAGEMENT - (Continued)

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

	<u>Balance at</u>		<u>Current</u>		<u>Balance at</u>
	<u>Beginning</u>		<u>Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
	<u>of Year</u>				<u>End of Year</u>
2019	\$ 212,216	\$ 3,444,894	\$ (3,311,973)	\$ 345,137	
2018	284,840	3,090,116	(3,162,740)	212,216	

Medical coverage was provided through Medical Mutual. For full-time certified employees and administrators, the District paid 85% of the monthly premium. The District's required monthly premium for single, two-person and family coverage was \$584.31, \$1,114.82 and \$1,936.28, respectively, in fiscal year 2019. For full-time classified employees, the District paid 89.80% of the monthly premium. The District's required monthly premium for single, two-person and family coverage was \$617.30, \$1,177.76 and \$2,045.63, respectively, in fiscal year 2019. For part-time classified employees, who are eligible for coverage, the District's portion of the monthly insurance premium varied depending upon the number of hours worked per day by the employee. For day care employees, the District paid 100% of the monthly cost of coverage which, for a single individual, was \$687.42 in fiscal year 2019.

Dental coverage was provided through MetLife. For full-time certified employees and administrators, the District paid over 85% of the single monthly premium, over 92% for two-person coverage and over 95% of the family monthly premium. The District's required monthly premium for single, two-person and family coverage was \$30.14, \$59.03 and \$102.93, respectively, in fiscal year 2019. For full-time classified employees and administrators, the District paid over 85% of the single monthly premium, over 92% for two-person coverage and over 95% of the family monthly premium. The District's required monthly premium for single, two-person and family coverage was \$30.14, \$59.03 and \$102.93, respectively, in fiscal year 2019. For part-time classified employees, who are eligible for coverage, the District's portion of the monthly insurance premium varied depending upon the number of hours worked per day. For day care employees, the District paid 100% of the monthly cost of coverage which, for a single individual, was \$35.14 in fiscal year 2019.

Life insurance coverage was provided through MetLife. Classified and certified employees received \$50,000 in coverage with the District paying 100% of the monthly premium which was \$4.00 for fiscal year 2019. Administrators received \$125,000 in coverage with the District paying 100% of the monthly premium which was \$10.00 for fiscal year 2019. Day care employees received \$13,000 in coverage with the District paying 100% of the monthly premium which was \$1.30 for fiscal year 2019.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - EMPLOYEE BENEFITS

Compensated Absences

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

A. Vacation Leave

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

School support personnel accumulate annual vacation leave as follows:

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

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

B. Sick Leave

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

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 122,398
Building	8,909,428
Other governmental	88,149
Total	<u>\$ 9,119,975</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - CAPITAL ASSETS

Governmental capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance			Balance
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 335,688	\$ -	\$ -	\$ 335,688
Construction in progress	<u>2,690,852</u>	<u>17,282,172</u>	<u>-</u>	<u>19,973,024</u>
Total capital assets, not being depreciated	<u>3,026,540</u>	<u>17,282,172</u>	<u>-</u>	<u>20,308,712</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,651,702	-	-	1,651,702
Buildings and improvements	43,302,598	252,804	-	43,555,402
Furniture, fixtures and equipment	3,000,852	34,266	-	3,035,118
Vehicles	1,166,185	42,783	-	1,208,968
Textbooks	<u>1,743,017</u>	<u>-</u>	<u>-</u>	<u>1,743,017</u>
Total capital assets, being depreciated	<u>50,864,354</u>	<u>329,853</u>	<u>-</u>	<u>51,194,207</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,112,258)	(59,944)	-	(1,172,202)
Buildings and improvements	(16,365,608)	(1,027,118)	-	(17,392,726)
Furniture, fixtures and equipment	(2,478,108)	(135,048)	-	(2,613,156)
Vehicles	(755,951)	(64,286)	-	(820,237)
Textbooks	<u>(1,509,989)</u>	<u>(7,830)</u>	<u>-</u>	<u>(1,517,819)</u>
Total accumulated depreciation	<u>(22,221,914)</u>	<u>(1,294,226)</u>	<u>-</u>	<u>(23,516,140)</u>
Total capital assets, being depreciated, net	<u>28,642,440</u>	<u>(964,373)</u>	<u>-</u>	<u>27,678,067</u>
Governmental activities capital assets, net	<u>\$ 31,668,980</u>	<u>\$ 16,317,799</u>	<u>\$ -</u>	<u>\$ 47,986,779</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,073,511
<u>Support services:</u>	
Pupil	16,857
Instructional staff	9,231
Administration	625
Operations and maintenance of plant	29,736
Pupil transportation	64,286
Central	97,005
Extracurricular	<u>2,975</u>
Total depreciation expense	<u>\$ 1,294,226</u>

Business-type capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Business-type activities:				
<i>Capital assets, being depreciated:</i>				
Furniture, fixtures and equipment	\$ 354,288	\$ -	\$ (23,372)	\$ 330,916
Total capital assets, being depreciated	<u>354,288</u>	<u>-</u>	<u>(23,372)</u>	<u>330,916</u>
<i>Less: accumulated depreciation</i>				
Furniture, fixtures and equipment	<u>(316,593)</u>	<u>(6,854)</u>	<u>18,854</u>	<u>(304,593)</u>
Total accumulated depreciation	<u>(316,593)</u>	<u>(6,854)</u>	<u>18,854</u>	<u>(304,593)</u>
Total capital assets, being depreciated, net	<u>37,695</u>	<u>(6,854)</u>	<u>(4,518)</u>	<u>26,323</u>
Business-type activities capital assets, net	<u>\$ 37,695</u>	<u>\$ (6,854)</u>	<u>\$ (4,518)</u>	<u>\$ 26,323</u>

All depreciation expense was charged to the food service fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$489,943 for fiscal year 2019. Of this amount, \$66,619 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,585,407 for fiscal year 2019. Of this amount, \$207,260 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.10406340%	0.09932639%	
Proportion of the net pension liability current measurement date	<u>0.10322320%</u>	<u>0.09844602%</u>	
Change in proportionate share	<u>-0.00084020%</u>	<u>-0.00088037%</u>	
Proportionate share of the net pension liability	\$ 5,911,784	\$ 21,646,069	\$ 27,557,853
Pension expense	\$ 315,782	\$ 2,840,183	\$ 3,155,965

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 324,227	\$ 499,656	\$ 823,883
Changes of assumptions	133,501	3,836,092	3,969,593
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	68,432	1,922,412	1,990,844
Contributions subsequent to the measurement date	<u>489,943</u>	<u>1,585,407</u>	<u>2,075,350</u>
Total deferred outflows of resources	<u>\$ 1,016,103</u>	<u>\$ 7,843,567</u>	<u>\$ 8,859,670</u>

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 141,361	\$ 141,361
Net difference between projected and actual earnings on pension plan investments	163,800	1,312,597	1,476,397
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>334,715</u>	<u>173,947</u>	<u>508,662</u>
Total deferred inflows of resources	<u>\$ 498,515</u>	<u>\$ 1,627,905</u>	<u>\$ 2,126,420</u>

\$2,075,350 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ 274,690	\$ 2,617,324	\$ 2,892,014
2021	(2,803)	1,848,834	1,846,031
2022	(194,008)	488,400	294,392
2023	<u>(50,234)</u>	<u>(324,303)</u>	<u>(374,537)</u>
Total	<u>\$ 27,645</u>	<u>\$ 4,630,255</u>	<u>\$ 4,657,900</u>

Actuarial Assumptions - SERS

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 8,327,193	\$ 5,911,784	\$ 3,886,625

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

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CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

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

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 31,611,235	\$ 21,646,069	\$ 13,211,909

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$66,055.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$84,201 for fiscal year 2019. Of this amount, \$68,522 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.10523710%	0.09932639%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.10499900%</u>	<u>0.09844602%</u>	
Change in proportionate share	<u>-0.00023810%</u>	<u>-0.00088037%</u>	
Proportionate share of the net OPEB liability	\$ 2,912,956	\$ -	\$ 2,912,956
Proportionate share of the net OPEB asset	\$ -	\$ (1,581,927)	\$ (1,581,927)
OPEB expense	\$ 74,730	\$ (3,383,217)	\$ (3,308,487)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 47,550	\$ 184,772	\$ 232,322
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	22,859	265,873	288,732
Contributions subsequent to the measurement date	<u>84,201</u>	<u>-</u>	<u>84,201</u>
Total deferred outflows of resources	<u>\$ 154,610</u>	<u>\$ 450,645</u>	<u>\$ 605,255</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 92,169	\$ 92,169
Net difference between projected and actual earnings on pension plan investments	4,372	180,723	185,095
Changes of assumptions	261,707	2,155,501	2,417,208
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>165,557</u>	<u>31,373</u>	<u>196,930</u>
Total deferred inflows of resources	<u>\$ 431,636</u>	<u>\$ 2,459,766</u>	<u>\$ 2,891,402</u>

\$84,201 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020.

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ (175,577)	\$ (353,746)	\$ (529,323)
2021	(137,140)	(353,746)	(490,886)
2022	(15,415)	(353,746)	(369,161)
2023	(13,559)	(312,705)	(326,264)
2024	(13,858)	(298,304)	(312,162)
Thereafter	(5,678)	(336,874)	(342,552)
Total	\$ (361,227)	\$ (2,009,121)	\$ (2,370,348)

Actuarial Assumptions - SERS

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

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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

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

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

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

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 3,534,643	\$ 2,912,956	\$ 2,420,696
	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 2,350,221	\$ 2,912,956	\$ 3,658,118

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%, effective July 1, 2017
Discounted rate of return	7.45%	N/A
Blended discount rate of return	N/A	4.13%
Health care cost trends		6 to 11% initial, 4.50% ultimate
	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

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

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

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

**FAIRVIEW PARK CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
	District's proportionate share of the net OPEB asset	\$ 1,355,860	\$ 1,581,927

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 1,761,200	\$ 1,581,927

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 – CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2018-2019 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 15 - ENDOWMENT

In fiscal years 2002 and 2003, the District received a three million dollar endowment from a former school graduate to create two annual scholarships. At June 30, 2019, the balance of the endowment was \$3,662,967 and no amount was available for expenditure. The principal of the endowment is reported as “held in trust for scholarships” on the statement of fiduciary net position. Per section 3313.36 of the Ohio Revised Code by the adoption of a resolution, a board may direct the school district treasurer to pay the proceeds of any bequest, gift, or endowment given to the district for the education foundation fund or given without conditions or limitations into the education foundation fund established. The endowment is accounted for as a private purpose trust with 55 percent of interest earned to be used for scholarships and 45 percent to be added to existing principal.

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During a previous fiscal year, the District entered into capital leases for the acquisition of computer equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis. The computer equipment did not meet the capitalization threshold. At June 30, 2019, there was no further capital lease obligation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 2019 were as follows.

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due In One Year
Governmental activities:					
Series 2014 Refunding Bonds					
Serial Bond - 3.75%	\$ 4,317,000	\$ -	\$ (920,000)	\$ 3,397,000	\$ 951,000
Series 2012 & 2013 Refunding Bonds					
Serial Bond - 1.00% - 3.50%	15,830,000	-	-	15,830,000	-
Capital Appreciation Bonds	18,701	-	(7,544)	11,157	4,315
School Improvement Bonds - Series 2017	10,695,000	-	(45,000)	10,650,000	70,000
Total Bonds Payable before Deferrals	<u>30,860,701</u>	<u>-</u>	<u>(972,544)</u>	<u>29,888,157</u>	<u>1,025,315</u>
Deferrals for:					
Issuance Premiums	2,464,560	-	(181,249)	2,283,311	-
Total Bonds Payable	<u>33,325,261</u>	<u>-</u>	<u>(1,153,793)</u>	<u>32,171,468</u>	<u>1,025,315</u>
Certificates of Participation - Series 2016	9,650,000	-	(195,000)	9,455,000	200,000
Certificates of Participation - Series 2017	13,815,000	-	(285,000)	13,530,000	290,000
Accretion of Capital Appreciation Bonds	404,182	225,899	(232,456)	397,625	177,368
Capital Lease obligation	548,172	-	(548,172)	-	-
Net pension liability	28,607,574	-	(2,245,930)	26,361,644	-
Net OPEB liability	6,174,504	46,515	(3,862,712)	2,358,307	-
Compensated Absences	1,339,304	327,823	(82,673)	1,584,454	87,952
Total Governmental Long-Term Obligations	<u>\$ 93,863,997</u>	<u>\$ 600,237</u>	<u>\$ (8,605,736)</u>	<u>\$ 85,858,498</u>	<u>\$ 1,780,635</u>
Business-type activities:					
Net pension liability	\$ 1,205,181		\$ (8,972)	\$ 1,196,209	\$ -
Net OPEB liability	525,133	42,154	(12,638)	554,649	-
Compensated Absences	72,399	42,445	(6,868)	107,976	10,096
Total Business-Type Long-Term obligations	<u>\$ 1,802,713</u>	<u>\$ 84,599</u>	<u>\$ (28,478)</u>	<u>\$ 1,858,834</u>	<u>\$ 10,096</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

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

All certificates of participation outstanding are obligations of the District to which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to the certificates of participation are recorded as expenditures in the permanent improvement fund (a nonmajor governmental fund). At June 30, 2019, there were \$14,316,950 in unspent proceeds of the certificates of participation.

Series 2012 and Series 2013 Refunding General Obligation Bonds

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

The refunding issue is comprised of both current interest bonds, par value \$16,420,000, and capital appreciation bonds par value \$119,980. The interest rates on the current interest bonds range from 1.00% to 3.50%. The capital appreciation bonds mature on December 1 of each year 2013 through 2022 and on December 1, 2029 (coupon rates ranging from 1.047% to 2.40% and effective interest rates ranging from 61.3% to 78.6%) at redemption prices equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the remaining capital appreciation bonds is \$3,100,000. Total accreted interest of \$397,625 has been included in the statement of net position at June 30, 2019.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2033.

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

Series 2014 Refunding General Obligation Bonds

On October 16, 2013, the District issued \$6,901,000 of general obligation bonds to advance refund a portion of the Series 2005 School Improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2019, is \$3,397,000.

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

Interest payments on the current interest bonds are due on June 1, and December 1, of each year. The final maturity stated in the issue is December 1, 2022.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

Series 2017 School Improvement Bonds

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

Series 2016 Certificates of Participation

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

Series 2017 Certificates of Participation

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

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2019 are as follows:

Fiscal Year Ending	Serial and Term Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,021,000	\$ 1,025,387	\$ 4,315	\$ 235,685	\$ 1,025,315	\$ 1,261,072
2021	1,159,000	986,525	1,894	128,106	1,160,894	1,114,631
2022	1,201,000	945,064	1,109	128,891	1,202,109	1,073,955
2023	631,000	901,626	3,825	761,175	634,825	1,662,801
2024	1,435,000	867,638	-	-	1,435,000	867,638
2025-2029	7,810,000	3,824,194	-	-	7,810,000	3,824,194
2030-2034	7,990,000	2,808,676	14	1,354,986	7,990,014	4,163,662
2035-2039	1,445,000	1,845,375	-	-	1,445,000	1,845,375
2040-2044	2,080,000	1,409,000	-	-	2,080,000	1,409,000
2045-2049	2,900,000	792,250	-	-	2,900,000	792,250
2050-2052	2,205,000	134,700	-	-	2,205,000	134,700
Total	<u>\$ 29,877,000</u>	<u>\$15,540,435</u>	<u>\$ 11,157</u>	<u>\$ 2,608,843</u>	<u>\$ 29,888,157</u>	<u>\$ 18,149,278</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire certificates of participation outstanding at June 30, 2019 are as follows:

Fiscal Year Ending,	Certificates of Participation		
	Principal	Interest	Total
2020	\$ 490,000	\$ 857,187	\$ 1,347,187
2021	505,000	841,663	1,346,663
2022	520,000	824,162	1,344,162
2023	540,000	804,488	1,344,488
2024	565,000	784,150	1,349,150
2025-2029	3,115,000	3,614,612	6,729,612
2030-2034	3,690,000	3,017,099	6,707,099
2035-2039	4,440,000	2,251,257	6,691,257
2040-2044	5,365,000	1,298,844	6,663,844
2045-2047	3,755,000	229,100	3,984,100
Total	<u>\$ 22,985,000</u>	<u>\$ 14,522,562</u>	<u>\$ 37,507,562</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2019, are a voted debt margin of (\$12,422,388) (including available funds of \$3,727,674) and an unvoted debt margin of \$408,034.

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

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ (1,500,837)
Net adjustment for revenue accruals	1,092,050
Net adjustment for expenditure accruals	(664,865)
Net adjustment for other sources/uses	(14,290)
Funds budgeted elsewhere	152,564
Adjustment for encumbrances	211,488
GAAP basis	\$ (723,890)

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

NOTE 19 - SET-ASIDES

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 19 - SET-ASIDES - (Continued)

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2018	\$ -
Current year set-aside requirement	314,420
Current year offsets	<u>(756,631)</u>
Total	<u>\$ (442,211)</u>
Balance carried forward to fiscal year 2020	<u>\$ -</u>
Set-aside balance June 30, 2019	<u>\$ -</u>

NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Cuyahoga County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District's property taxes were reduced by \$543,363 during fiscal year 2019.

NOTE 21 - CONTRACTUAL COMMITMENTS

As of June 30, 2019, the District had the following contractual commitments outstanding related to the building projects that are being expended from the building fund:

	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2019</u>
<u>Vendor</u>			
Architectural Vision Group, LTD	\$ 2,009,511	\$ (1,654,000)	\$ 355,511
The Ruhlin Company	808,795	(428,617)	380,178
The Albert M. Higley Co.	<u>25,009,584</u>	<u>(15,226,488)</u>	<u>9,783,096</u>
Total	<u>\$ 27,827,890</u>	<u>\$ (17,309,105)</u>	<u>\$ 10,518,785</u>

NOTE 22 - SUBSEQUENT EVENT

In December 2019, the District issued \$12,450,000 in General Obligation School Improvement Refunding Bonds, Series 2019 to refund the Series 2012 & 2013 Refunding Bonds. The bonds have interest rates ranging from 3.00-4.00% and have a final maturity date of December 1, 2033.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST SIX FISCAL YEARS			
	2019	2018	2017	2016
District's proportion of the net pension liability	0.10322320%	0.10406340%	0.11184880%	0.11351640%
District's proportionate share of the net pension liability	\$ 5,911,784	\$ 6,217,558	\$ 8,186,300	\$ 6,477,356
District's covered payroll	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779	\$ 3,417,436
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.05%	184.82%	233.04%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.11098200%	0.11098200%
\$ 5,616,735	\$ 6,599,743
\$ 3,224,928	\$ 3,193,569
174.17%	206.66%
71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST SIX FISCAL YEARS			
	2019	2018	2017	2016
District's proportion of the net pension liability	0.09844602%	0.09932639%	0.09236642%	0.08757921%
District's proportionate share of the net pension liability	\$ 21,646,069	\$ 23,595,197	\$ 30,917,825	\$ 24,204,332
District's covered payroll	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300	\$ 9,355,379
District's proportionate share of the net pension liability as a percentage of its covered payroll	194.87%	217.40%	314.32%	258.72%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.08488430%	0.08488430%
\$ 20,646,802	\$ 24,594,335
\$ 8,672,831	\$ 9,349,892
238.06%	263.04%
74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 489,943	\$ 458,552	\$ 470,985	\$ 491,789
Contributions in relation to the contractually required contribution	<u>(489,943)</u>	<u>(458,552)</u>	<u>(470,985)</u>	<u>(491,789)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,629,207	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 450,418	\$ 446,975	\$ 441,990	\$ 455,533	\$ 400,916	\$ 407,077
<u>(450,418)</u>	<u>(446,975)</u>	<u>(441,990)</u>	<u>(455,533)</u>	<u>(400,916)</u>	<u>(407,077)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,417,436	\$ 3,224,928	\$ 3,193,569	\$ 3,386,862	\$ 3,189,467	\$ 3,006,477
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,585,407	\$ 1,555,106	\$ 1,519,456	\$ 1,377,082
Contributions in relation to the contractually required contribution	<u>(1,585,407)</u>	<u>(1,555,106)</u>	<u>(1,519,456)</u>	<u>(1,377,082)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,324,336	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,309,753	\$ 1,127,468	\$ 1,215,486	\$ 1,222,636	\$ 1,199,772	\$ 1,229,619
<u>(1,309,753)</u>	<u>(1,127,468)</u>	<u>(1,215,486)</u>	<u>(1,222,636)</u>	<u>(1,199,772)</u>	<u>(1,229,619)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,355,379	\$ 8,672,831	\$ 9,349,892	\$ 9,404,892	\$ 9,229,015	\$ 9,458,608
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.10499900%	0.10523710%	0.11313716%
District's proportionate share of the net OPEB liability	\$ 2,912,956	\$ 2,824,287	\$ 3,224,828
District's covered payroll	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	85.76%	83.95%	91.80%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.09844602%	0.09932639%	0.09236642%
District's proportionate share of the net OPEB liability/(asset)	\$ (1,581,927)	\$ 3,875,350	\$ 4,939,780
District's covered payroll	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.24%	35.71%	50.22%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 84,201	\$ 74,947	\$ 55,678	\$ 56,350
Contributions in relation to the contractually required contribution	<u>(84,201)</u>	<u>(74,947)</u>	<u>(55,678)</u>	<u>(56,350)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,629,207	\$ 3,396,681	\$ 3,364,179	\$ 3,512,779
Contributions as a percentage of covered payroll	2.32%	2.21%	1.66%	1.60%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 82,508	\$ 58,268	\$ 54,803	\$ 80,392	\$ 89,065	\$ 60,113
<u>(82,508)</u>	<u>(58,268)</u>	<u>(54,803)</u>	<u>(80,392)</u>	<u>(89,065)</u>	<u>(60,113)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,417,436	\$ 3,224,928	\$ 3,193,569	\$ 3,386,862	\$ 3,189,467	\$ 3,006,477
2.41%	1.81%	1.72%	2.37%	2.79%	2.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,324,336	\$ 11,107,900	\$ 10,853,257	\$ 9,836,300
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 88,732	\$ 93,499	\$ 94,049	\$ 92,290	\$ 94,586
-	(88,732)	(93,499)	(94,049)	(92,290)	(94,586)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,355,379	\$ 8,672,831	\$ 9,349,892	\$ 9,404,892	\$ 9,229,015	\$ 9,458,608
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

DESCRIPTION OF FUNDS

General Fund

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

Other Major Fund

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Total revenues and other financing sources	\$ 450,000	\$ 429,120	\$ (20,880)
Total expenditures and other financing uses	<u>32,345,899</u>	<u>27,424,185</u>	<u>4,921,714</u>
Net change in fund balance	(31,895,899)	(26,995,065)	4,900,834
Fund balance at beginning of year	30,287,528	30,287,528	-
Prior year encumbrances appropriated	<u>3,145,899</u>	<u>3,145,899</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,537,528</u>	<u>\$ 6,438,362</u>	<u>\$ 4,900,834</u>

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

DESCRIPTION OF FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Limited English Proficiency Fund - This program is designed to help meet the educational needs of children of limited English proficiency.

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

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

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

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

(Continued)

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

DESCRIPTION OF FUNDS

Nonmajor Special Revenue Funds

(Continued)

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

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

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

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund - Bond Retirement</u>	<u>Nonmajor Capital Projects Fund - Permanent Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 148,520	\$ 3,342,566	\$ 67,339	\$ 3,558,425
Receivables:				
Property taxes	-	1,967,458	767,376	2,734,834
Accounts	181	-	14,716	14,897
Intergovernmental	55,140	-	-	55,140
	<u>203,841</u>	<u>5,310,024</u>	<u>849,431</u>	<u>6,363,296</u>
Total assets	<u>\$ 203,841</u>	<u>\$ 5,310,024</u>	<u>\$ 849,431</u>	<u>\$ 6,363,296</u>
Liabilities:				
Accounts payable	\$ 28,193	\$ -	\$ 5,213	\$ 33,406
Accrued wages and benefits payable	42,410	-	-	42,410
Intergovernmental payable	532	-	3,944	4,476
Pension and post employment benefits payable	6,367	-	-	6,367
Interfund loans payable	199,500	-	-	199,500
Due to other funds	10,386	-	-	10,386
	<u>287,388</u>	<u>-</u>	<u>9,157</u>	<u>296,545</u>
Total liabilities	<u>287,388</u>	<u>-</u>	<u>9,157</u>	<u>296,545</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	1,530,030	629,736	2,159,766
Delinquent property tax revenue not available	-	52,320	20,407	72,727
Intergovernmental revenue not available	46,836	-	-	46,836
	<u>46,836</u>	<u>1,582,350</u>	<u>650,143</u>	<u>2,279,329</u>
Total deferred inflows of resources	<u>46,836</u>	<u>1,582,350</u>	<u>650,143</u>	<u>2,279,329</u>
Fund Balances:				
Restricted:				
Debt service	-	3,727,674	-	3,727,674
Non-public schools	17,722	-	-	17,722
Other purposes	740	-	-	740
Committed:				
Capital improvements	-	-	190,131	190,131
Unassigned (deficit)	(148,845)	-	-	(148,845)
	<u>(130,383)</u>	<u>3,727,674</u>	<u>190,131</u>	<u>3,787,422</u>
Total fund balances	<u>(130,383)</u>	<u>3,727,674</u>	<u>190,131</u>	<u>3,787,422</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 203,841</u>	<u>\$ 5,310,024</u>	<u>\$ 849,431</u>	<u>\$ 6,363,296</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Bond Retirement	Nonmajor Capital Projects Fund - Permanent Improvement	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 2,206,060	761,776	\$ 2,967,836
Earnings on investments	2,591	-	-	2,591
Extracurricular	115,889	-	-	115,889
Classroom materials and fees	-	-	59,369	59,369
Rentals	-	-	21,290	21,290
Contributions and donations	480	-	-	480
Other local revenues	1,382	-	347	1,729
Intergovernmental - state	452,485	258,988	22,015	733,488
Intergovernmental - federal	814,819	-	-	814,819
Total revenues	1,387,646	2,465,048	864,797	4,717,491
Expenditures:				
Current:				
Instruction:				
Regular	49,909	-	6,105	56,014
Special	490,824	-	-	490,824
Support services:				
Pupil	125,087	-	-	125,087
Instructional staff	18,338	-	-	18,338
Administration	1,078	-	-	1,078
Fiscal	-	30,251	-	30,251
Operations and maintenance	-	-	85,222	85,222
Pupil transportation	-	-	107,824	107,824
Central	-	-	42,250	42,250
Operation of non-instructional services:				
Other non-instructional services	500,652	-	-	500,652
Extracurricular activities	147,428	-	2,685	150,113
Facilities acquisition and construction	-	-	239,136	239,136
Debt service:				
Principal retirement	-	972,544	1,028,172	2,000,716
Interest and fiscal charges	-	1,044,364	870,838	1,915,202
Accretion on capital appreciation bonds	-	232,456	-	232,456
Total expenditures	1,333,316	2,279,615	2,382,232	5,995,163
Excess (deficiency) of revenues over (under) expenditures	54,330	185,433	(1,517,435)	(1,277,672)
Other financing sources:				
Sale of assets	-	-	1,800	1,800
Transfers in	32,891	-	1,400,000	1,432,891
Total other financing sources	32,891	-	1,401,800	1,434,691
Net change in fund balances	87,221	185,433	(115,635)	157,019
Fund balances at beginning of year	(217,604)	3,542,241	305,766	3,630,403
Fund balances (deficit) at end of year	\$ (130,383)	\$ 3,727,674	\$ 190,131	\$ 3,787,422

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>
Assets:				
Equity in pooled cash and investments	\$ 740	\$ 20,836	\$ 48,993	\$ 2,880
Receivables:				
Accounts	-	181	-	-
Intergovernmental	-	-	-	-
Total assets.	<u>\$ 740</u>	<u>\$ 21,017</u>	<u>\$ 48,993</u>	<u>\$ 2,880</u>
Liabilities:				
Accounts payable.	\$ -	\$ 2,750	\$ 22,271	\$ 2,880
Accrued wages and benefits payable	-	300	7,597	-
Intergovernmental payable	-	4	108	-
Pension and post employment benefits payable	-	52	1,295	-
Interfund loans payable	-	18,500	-	-
Due to other funds	-	-	-	-
Total liabilities.	<u>-</u>	<u>21,606</u>	<u>31,271</u>	<u>2,880</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Non-public schools	-	-	17,722	-
Other purposes	740	-	-	-
Unassigned (deficit)	-	(589)	-	-
Total fund balances.	<u>740</u>	<u>(589)</u>	<u>17,722</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 740</u>	<u>\$ 21,017</u>	<u>\$ 48,993</u>	<u>\$ 2,880</u>

IDEA, Part B Special Education	Title I	Early Childhood Education Development	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 52,653	\$ 18,488	\$ -	\$ 2,930	\$ 1,000	\$ 148,520
-	-	-	-	-	181
<u>18,511</u>	<u>17,811</u>	<u>8,304</u>	<u>10,514</u>	<u>-</u>	<u>55,140</u>
<u>\$ 71,164</u>	<u>\$ 36,299</u>	<u>\$ 8,304</u>	<u>\$ 13,444</u>	<u>\$ 1,000</u>	<u>\$ 203,841</u>
\$ 43	\$ 249	\$ -	\$ -	\$ -	\$ 28,193
12,633	19,738	2,142	-	-	42,410
183	237	-	-	-	532
2,189	2,831	-	-	-	6,367
100,000	70,000	-	10,000	1,000	199,500
-	-	10,386	-	-	10,386
<u>115,048</u>	<u>93,055</u>	<u>12,528</u>	<u>10,000</u>	<u>1,000</u>	<u>287,388</u>
<u>18,511</u>	<u>17,811</u>	<u>-</u>	<u>10,514</u>	<u>-</u>	<u>46,836</u>
<u>18,511</u>	<u>17,811</u>	<u>-</u>	<u>10,514</u>	<u>-</u>	<u>46,836</u>
-	-	-	-	-	17,722
-	-	-	-	-	740
<u>(62,395)</u>	<u>(74,567)</u>	<u>(4,224)</u>	<u>(7,070)</u>	<u>-</u>	<u>(148,845)</u>
<u>(62,395)</u>	<u>(74,567)</u>	<u>(4,224)</u>	<u>(7,070)</u>	<u>-</u>	<u>(130,383)</u>
<u>\$ 71,164</u>	<u>\$ 36,299</u>	<u>\$ 8,304</u>	<u>\$ 13,444</u>	<u>\$ 1,000</u>	<u>\$ 203,841</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 2,591	\$ -
Extracurricular	-	115,889	-	-
Contributions and donations	-	480	-	-
Other local revenues	1,382	-	-	-
Intergovernmental - state	-	-	442,112	10,373
Intergovernmental - federal	-	-	-	-
Total revenues	<u>1,382</u>	<u>116,369</u>	<u>444,703</u>	<u>10,373</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,255	-	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	9,780
Instructional staff	1,381	-	-	-
Administration	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	262	449,005	-
Extracurricular activities	-	147,428	-	-
Total expenditures	<u>4,636</u>	<u>147,690</u>	<u>449,005</u>	<u>9,780</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,254)</u>	<u>(31,321)</u>	<u>(4,302)</u>	<u>593</u>
Other financing sources:				
Transfers in	-	32,891	-	-
Total other financing sources	<u>-</u>	<u>32,891</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,254)	1,570	(4,302)	593
Fund balances (deficit) at beginning of year	<u>3,994</u>	<u>(2,159)</u>	<u>22,024</u>	<u>(593)</u>
Fund balances (deficit) at end of year	<u>\$ 740</u>	<u>\$ (589)</u>	<u>\$ 17,722</u>	<u>\$ -</u>

<u>IDEA, Part B Special Education</u>	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,591
-	-	-	-	-	115,889
-	-	-	-	-	480
-	-	-	-	-	1,382
-	-	-	-	-	452,485
<u>529,697</u>	<u>193,377</u>	<u>8,304</u>	<u>56,567</u>	<u>26,874</u>	<u>814,819</u>
<u>529,697</u>	<u>193,377</u>	<u>8,304</u>	<u>56,567</u>	<u>26,874</u>	<u>1,387,646</u>
-	-	-	36,521	10,133	49,909
279,824	200,555	10,445	-	-	490,824
115,307	-	-	-	-	125,087
14,086	2,068	-	-	803	18,338
-	1,078	-	-	-	1,078
22,485	4,606	-	9,217	15,077	500,652
-	-	-	-	-	147,428
<u>431,702</u>	<u>208,307</u>	<u>10,445</u>	<u>45,738</u>	<u>26,013</u>	<u>1,333,316</u>
<u>97,995</u>	<u>(14,930)</u>	<u>(2,141)</u>	<u>10,829</u>	<u>861</u>	<u>54,330</u>
-	-	-	-	-	32,891
-	-	-	-	-	32,891
97,995	(14,930)	(2,141)	10,829	861	87,221
<u>(160,390)</u>	<u>(59,637)</u>	<u>(2,083)</u>	<u>(17,899)</u>	<u>(861)</u>	<u>(217,604)</u>
<u>\$ (62,395)</u>	<u>\$ (74,567)</u>	<u>\$ (4,224)</u>	<u>\$ (7,070)</u>	<u>\$ -</u>	<u>\$ (130,383)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Other Grants Fund</u>			
Total revenues and other financing sources	\$ 5,000	\$ 1,382	\$ (3,618)
Total expenditures and other financing uses	<u>5,000</u>	<u>4,636</u>	<u>364</u>
Net change in fund balance	-	(3,254)	(3,254)
Fund balance at beginning of year	<u>3,994</u>	<u>3,994</u>	-
Fund balance at end of year	<u>\$ 3,994</u>	<u>\$ 740</u>	<u>\$ (3,254)</u>
<u>District Managed Student Activity Fund</u>			
Total revenues and other financing sources	\$ 148,000	\$ 149,584	\$ 1,584
Total expenditures and other financing uses	<u>161,395</u>	<u>156,118</u>	<u>5,277</u>
Net change in fund balance	(13,395)	(6,534)	6,861
Fund balance at beginning of year	21,311	21,311	-
Prior year encumbrances appropriated	<u>1,395</u>	<u>1,395</u>	-
Fund balance at end of year	<u>\$ 9,311</u>	<u>\$ 16,172</u>	<u>\$ 6,861</u>
<u>Auxiliary Services Fund</u>			
Total revenues and other financing sources	\$ 445,000	\$ 444,703	\$ (297)
Total expenditures and other financing uses	<u>538,937</u>	<u>537,094</u>	<u>1,843</u>
Net change in fund balance	(93,937)	(92,391)	1,546
Fund balance at beginning of year	15,425	15,425	-
Prior year encumbrances appropriated	<u>78,937</u>	<u>78,937</u>	-
Fund balance at end of year	<u>\$ 425</u>	<u>\$ 1,971</u>	<u>\$ 1,546</u>
<u>Miscellaneous State Grants Fund</u>			
Total revenues and other financing sources	\$ 10,373	\$ 10,373	\$ -
Total expenditures and other financing uses	<u>10,373</u>	<u>10,373</u>	-
Net change in fund balance	-	-	-
Fund balance (deficit) at beginning of year	(593)	(593)	-
Prior year encumbrances appropriated	<u>593</u>	<u>593</u>	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Data Communication Fund</u>			
Total revenues and other financing sources	\$ 7,200	\$ -	\$ (7,200)
Total expenditures and other financing uses	<u>7,200</u>	<u>-</u>	<u>7,200</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>IDEA, Part B Special Education Fund</u>			
Total revenues and other financing sources	\$ 559,000	\$ 629,697	\$ 70,697
Total expenditures and other financing uses	<u>541,511</u>	<u>584,336</u>	<u>(42,825)</u>
Net change in fund balance	17,489	45,361	27,872
Fund balance (deficit) at beginning of year	(40,784)	(40,784)	-
Prior year encumbrances appropriated	<u>41,551</u>	<u>41,551</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,256</u>	<u>\$ 46,128</u>	<u>\$ 27,872</u>
<u>Limited English Proficiency Fund</u>			
Total revenues and other financing sources	\$ 5,301	\$ -	\$ (5,301)
Total expenditures and other financing uses	<u>5,301</u>	<u>-</u>	<u>5,301</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Title I Fund</u>			
Total revenues and other financing sources	\$ 234,000	\$ 263,377	\$ 29,377
Total expenditures and other financing uses	<u>229,035</u>	<u>246,354</u>	<u>(17,319)</u>
Net change in fund balance	4,965	17,023	12,058
Fund balance (deficit) at beginning of year	(3,869)	(3,869)	-
Prior year encumbrances appropriated	<u>4,035</u>	<u>4,035</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,131</u>	<u>\$ 17,189</u>	<u>\$ 12,058</u>
<u>Early Childhood Education Development Fund</u>			
Total revenues and other financing sources	\$ 8,304	\$ -	\$ (8,304)
Total expenditures and other financing uses	<u>8,304</u>	<u>10,403</u>	<u>(2,099)</u>
Net change in fund balance	-	(10,403)	(10,403)
Fund balance at beginning of year	<u>17</u>	<u>17</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17</u>	<u>\$ (10,386)</u>	<u>\$ (10,403)</u>
<u>Improving Teacher Quality Fund</u>			
Total revenues and other financing sources	\$ 67,000	\$ 66,567	\$ (433)
Total expenditures and other financing uses	<u>66,127</u>	<u>69,063</u>	<u>(2,936)</u>
Net change in fund balance	873	(2,496)	(3,369)
Fund balance (deficit) at beginning of year	(6,992)	(6,992)	-
Prior year encumbrances appropriated	<u>7,127</u>	<u>7,127</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,008</u>	<u>\$ (2,361)</u>	<u>\$ (3,369)</u>
<u>Miscellaneous Federal Grants Fund</u>			
Total revenues and other financing sources	\$ 29,101	\$ 27,874	\$ (1,227)
Total expenditures and other financing uses	<u>25,886</u>	<u>27,535</u>	<u>(1,649)</u>
Net change in fund balance	3,215	339	(2,876)
Fund balance (deficit) at beginning of year	(1,269)	(1,269)	-
Prior year encumbrances appropriated	<u>1,320</u>	<u>1,320</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,266</u>	<u>\$ 390</u>	<u>\$ (2,876)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Public School Support Fund</u>			
Total revenues and other financing sources	\$ 86,000	\$ 79,414	\$ (6,586)
Total expenditures and other financing uses	<u>92,172</u>	<u>86,052</u>	<u>6,120</u>
Net change in fund balance	(6,172)	(6,638)	(466)
Fund balance at beginning of year	56,332	56,332	-
Prior year encumbrances appropriated	<u>2,172</u>	<u>2,172</u>	<u>-</u>
Fund balance at end of year	<u>\$ 52,332</u>	<u>\$ 51,866</u>	<u>\$ (466)</u>
<u>Summer School Fund</u>			
Total expenditures and other financing uses	\$ 4,354	\$ -	\$ 4,354
Net change in fund balance	(4,354)	-	4,354
Fund balance at beginning of year	<u>4,354</u>	<u>4,354</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,354</u>	<u>\$ 4,354</u>
<u>Termination Benefits Fund</u>			
Total revenues and other financing sources	\$ 200,000	\$ 200,000	\$ -
Total expenditures and other financing uses	<u>40,000</u>	<u>37,387</u>	<u>2,613</u>
Net change in fund balance	160,000	162,613	2,613
Fund balance at beginning of year	<u>77,144</u>	<u>77,144</u>	<u>-</u>
Fund balance at end of year	<u>\$ 237,144</u>	<u>\$ 239,757</u>	<u>\$ 2,613</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Special Trusts Fund</u>			
Total revenues and other financing sources	\$ 2,500	\$ 516	\$ (1,984)
Total expenditures and other financing uses	<u>5,145</u>	<u>3,786</u>	<u>1,359</u>
Net change in fund balance	(2,645)	(3,270)	(625)
Fund balance at beginning of year	22,390	22,390	-
Prior year encumbrances appropriated	<u>145</u>	<u>145</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,890</u>	<u>\$ 19,265</u>	<u>\$ (625)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final</u>	<u>Actual</u>	
<u>Bond Retirement Fund</u>			
Total revenues and other financing sources	\$ 2,329,668	\$ 2,340,069	\$ 10,401
Total expenditures and other financing uses	<u>2,490,000</u>	<u>2,279,615</u>	<u>210,385</u>
Net change in fund balance	(160,332)	60,454	220,786
Fund balance at beginning of year	<u>3,282,112</u>	<u>3,282,112</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,121,780</u>	<u>\$ 3,342,566</u>	<u>\$ 220,786</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Permanent Improvement Fund</u>			
Total revenues and other financing sources	\$ 2,638,127	\$ 2,301,966	\$ (336,161)
Total expenditures and other financing uses	<u>2,778,586</u>	<u>2,518,061</u>	<u>260,525</u>
Net change in fund balance	(140,459)	(216,095)	(75,636)
Fund balance at beginning of year	1,910	1,910	-
Prior year encumbrances appropriated	<u>224,586</u>	<u>224,586</u>	<u>-</u>
Fund balance at end of year	<u>\$ 86,037</u>	<u>\$ 10,401</u>	<u>\$ (75,636)</u>

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

DESCRIPTION OF FUNDS

Major Enterprise Funds

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

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

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

Internal Service Funds

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

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

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

Fiduciary Funds

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

Private Purpose Trust Fund

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

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

Agency Funds

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

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

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

OHSAA Tournaments - This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Food Services Fund</u>			
Total revenues and other financing sources	\$ 395,000	\$ 428,747	\$ 33,747
Total expenses and other financing uses	<u>460,980</u>	<u>424,652</u>	<u>36,328</u>
Net change in fund equity	(65,980)	4,095	70,075
Fund equity at beginning of year	110,934	110,934	-
Prior year encumbrances appropriated	<u>5,980</u>	<u>5,980</u>	<u>-</u>
Fund equity at end of year	<u>\$ 50,934</u>	<u>\$ 121,009</u>	<u>\$ 70,075</u>
<u>Day Care Services Fund</u>			
Total revenues and other financing sources	\$ 925,300	\$ 1,024,267	\$ 98,967
Total expenses and other financing uses	<u>966,090</u>	<u>947,735</u>	<u>18,355</u>
Net change in fund equity	(40,790)	76,532	117,322
Fund equity at beginning of year	238,811	238,811	-
Prior year encumbrances appropriated	<u>1,090</u>	<u>1,090</u>	<u>-</u>
Fund equity at end of year	<u>\$ 199,111</u>	<u>\$ 316,433</u>	<u>\$ 117,322</u>

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	<u>Employee Flex Benefits Plan</u>	<u>Health Self Insurance Fund</u>	<u>Total Governmental Activities - Internal Service Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and investments . . .	\$ 13,757	\$ 583,661	\$ 597,418
Total assets	<u>13,757</u>	<u>583,661</u>	<u>597,418</u>
Liabilities:			
Current liabilities:			
Interfund loan payable	20,000	-	20,000
Claims payable	-	345,137	345,137
Total liabilities	<u>20,000</u>	<u>345,137</u>	<u>365,137</u>
Net position:			
Unrestricted (deficit)	<u>(6,243)</u>	<u>238,524</u>	<u>232,281</u>
Total net position	<u>\$ (6,243)</u>	<u>\$ 238,524</u>	<u>\$ 232,281</u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Employee Flex Benefits Plan	Health Self Insurance Fund	Total Governmental Activities - Internal Service Funds
Operating revenues:			
Sales/charges for services.	\$ -	\$ 3,238,368	\$ 3,238,368
Other	131,781	-	131,781
Total operating revenues	<u>131,781</u>	<u>3,238,368</u>	<u>3,370,149</u>
Operating expenses:			
Personal services.	-	41,189	41,189
Purchased services.	120,938	-	120,938
Claims	-	3,444,894	3,444,894
Total operating expenses.	<u>120,938</u>	<u>3,486,083</u>	<u>3,607,021</u>
Operating income (loss)/change in net position	<u>10,843</u>	<u>(247,715)</u>	<u>(236,872)</u>
Change in net position.	10,843	(247,715)	(236,872)
Net position (deficit) at beginning of year .	<u>(17,086)</u>	<u>486,239</u>	<u>469,153</u>
Net position (deficit) at end of year	<u>\$ (6,243)</u>	<u>\$ 238,524</u>	<u>\$ 232,281</u>

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

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Employee Flex Benefits Plan	Health Self Insurance Fund	Total Governmental Activities - Internal Service Funds
Cash flows from operating activities:			
Cash received from sales/charges for services.	\$ -	\$ 3,238,368	\$ 3,238,368
Cash received from other operations	131,781	-	131,781
Cash payments for personal services.	-	(41,189)	(41,189)
Cash payments for contractual services	(120,938)	-	(120,938)
Cash payments for claims	-	(3,311,973)	(3,311,973)
Net cash provided by (used in) operating activities	10,843	(114,794)	(103,951)
Cash flows from noncapital financing activities:			
Cash received from interfund loans	20,000	-	20,000
Cash used in repayment of interfund loans.	(17,100)	-	(17,100)
Net cash provided by noncapital financing activities.	2,900	-	2,900
Net change in cash and cash equivalents	13,743	(114,794)	(101,051)
Cash and cash equivalents at beginning of year . . .	14	698,455	698,469
Cash and cash equivalents at end of year	\$ 13,757	\$ 583,661	\$ 597,418
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss).	\$ 10,843	\$ (247,715)	\$ (236,872)
Changes in assets and liabilities:			
Claims payable	-	132,921	132,921
Net cash provided by (used in) operating activities	\$ 10,843	\$ (114,794)	\$ (103,951)

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<u>Employee Flex Benefits Plan Fund</u>			
Total revenues and other financing sources	\$ 125,000	\$ 151,781	\$ 26,781
Total expenses and other financing uses	<u>128,000</u>	<u>138,038</u>	<u>(10,038)</u>
Net change in fund equity	(3,000)	13,743	16,743
Fund equity at beginning of year	<u>14</u>	<u>14</u>	<u>-</u>
Fund equity at end of year	<u>\$ (2,986)</u>	<u>\$ 13,757</u>	<u>\$ 16,743</u>
<u>Health Self Insurance Fund</u>			
Total revenues and other financing sources	\$ 3,150,000	\$ 3,238,368	\$ 88,368
Total expenses and other financing uses	<u>3,362,000</u>	<u>3,353,161</u>	<u>8,839</u>
Net change in fund balance	(212,000)	(114,793)	97,207
Fund equity at beginning of year	<u>698,455</u>	<u>698,455</u>	<u>-</u>
Fund equity at end of year	<u>\$ 486,455</u>	<u>\$ 583,662</u>	<u>\$ 97,207</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<u>Endowment Trust Fund</u>			
Total revenues and other financing sources	\$ 75,000	\$ 52,284	\$ (22,716)
Total expenses and other financing uses	<u>65,219</u>	<u>45,219</u>	<u>20,000</u>
Net change in fund equity	9,781	7,065	(2,716)
Fund equity at beginning of year	3,627,931	3,627,931	-
Prior year encumbrances appropriated	<u>15,219</u>	<u>15,219</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,652,931</u>	<u>\$ 3,650,215</u>	<u>\$ (2,716)</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance June 30, 2018	Additions	Deletions	Ending Balance June 30, 2019
<u>Workers' Compensation</u>				
Assets:				
Equity in pooled cash and investments	\$ 281,951	\$ 34,268	\$ 27,288	\$ 288,931
Prepayments	28,559	28,955	28,559	28,955
Total assets	<u>\$ 310,510</u>	<u>\$ 63,223</u>	<u>\$ 55,847</u>	<u>\$ 317,886</u>
Liabilities:				
Undistributed monies	\$ 310,510	\$ 63,223	\$ 55,847	\$ 317,886
Total liabilities.	<u>\$ 310,510</u>	<u>\$ 63,223</u>	<u>\$ 55,847</u>	<u>\$ 317,886</u>
<u>Student Managed Activities</u>				
Assets:				
Equity in pooled cash and investments	\$ 36,882	\$ 54,392	\$ 55,440	\$ 35,834
Receivables Accounts.	1,025	-	1,025	-
Total assets	<u>\$ 37,907</u>	<u>\$ 54,392</u>	<u>\$ 56,465</u>	<u>\$ 35,834</u>
Liabilities:				
Accounts payable	\$ 1,892	\$ -	\$ 1,557	\$ 335
Due to students	36,015	54,392	54,908	35,499
Total liabilities.	<u>\$ 37,907</u>	<u>\$ 54,392</u>	<u>\$ 56,465</u>	<u>\$ 35,834</u>
<u>Great Lakes Regional Council of Governments</u>				
Assets:				
Receivables Accounts.	\$ 430	\$ -	\$ 430	\$ -
Total assets	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 430	\$ -	\$ 430	\$ -
Total liabilities.	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ -</u>

(Continued)

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance June 30, 2018	Additions	Deletions	Ending Balance June 30, 2019
<u>OHSAA Tournaments</u>				
Assets:				
Equity in pooled cash and investments	\$ -	\$ 9,173	\$ 7,818	\$ 1,355
Total assets	<u>\$ -</u>	<u>\$ 9,173</u>	<u>\$ 7,818</u>	<u>\$ 1,355</u>
Liabilities:				
Undistributed monies	\$ -	\$ 9,173	\$ 7,818	\$ 1,355
Total liabilities.	<u>\$ -</u>	<u>\$ 9,173</u>	<u>\$ 7,818</u>	<u>\$ 1,355</u>
<u>Totals</u>				
Assets:				
Equity in pooled cash and investments	\$ 318,833	\$ 97,833	\$ 90,546	\$ 326,120
Receivables				
Accounts.	1,455	-	1,455	-
Prepayments	28,559	28,955	28,559	28,955
Total assets	<u>\$ 348,847</u>	<u>\$ 126,788</u>	<u>\$ 120,560</u>	<u>\$ 355,075</u>
Liabilities:				
Accounts payable	\$ 2,322	\$ -	\$ 1,987	\$ 335
Due to students	36,015	54,392	54,908	35,499
Undistributed monies	310,510	72,396	63,665	319,241
Total liabilities.	<u>\$ 348,847</u>	<u>\$ 126,788</u>	<u>\$ 120,560</u>	<u>\$ 355,075</u>

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STATISTICAL SECTION



Learning to Believe & Achieve

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	132-145
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	146-150
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.	151-155
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.	156-157
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.	158-165

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

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

	<u>2019</u>	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 6,258,898	\$ 6,120,726	\$ 7,064,475	\$ 7,746,123
Restricted for:				
Capital projects	632,968	14,282	-	2,367
Debt service	3,276,227	3,080,358	3,578,965	2,840,995
Locally funded programs	740	3,994	7,380	8,510
State funded programs	-	5,929	2,423	-
Federally funded programs	10,514	119,775	14,039	21,827
Student activities	-	-	10,995	28,445
Public school support	-	-	-	-
Other purposes	-	-	-	-
Set Asides	-	-	-	-
Unrestricted (deficit)	(6,660,703)	(8,863,434)	(20,902,380)	(6,864,632)
Total governmental activities net position	<u>3,518,644</u>	<u>481,630</u>	<u>(10,224,103)</u>	<u>3,783,635</u>
Business-type activities				
Net investment in capital assets	26,323	37,695	47,527	58,061
Unrestricted (deficit)	(1,234,712)	(1,226,051)	(1,461,100)	(819,906)
Total business-type activities net position	<u>(1,208,389)</u>	<u>(1,188,356)</u>	<u>(1,413,573)</u>	<u>(761,845)</u>
Primary government				
Net investment in capital assets	6,285,221	6,158,421	7,112,002	7,804,184
Restricted for:				
Capital projects	632,968	14,282	-	2,367
Debt service	3,276,227	3,080,358	3,578,965	2,840,995
Locally funded programs	740	3,994	7,380	8,510
State funded programs	-	5,929	2,423	-
Federally funded programs	10,514	119,775	14,039	21,827
Student activities	-	-	10,995	28,445
Public school support	-	-	-	-
Other purposes	-	-	-	-
Set Asides	-	-	-	-
Unrestricted (deficit)	(7,895,415)	(10,089,485)	(22,363,480)	(7,684,538)
Total primary government net position	<u>\$ 2,310,255</u>	<u>\$ (706,726)</u>	<u>\$ (11,637,676)</u>	<u>\$ 3,021,790</u>

Source: District financial records.

- (1) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.
- (2) Net position restated for GASB Statement No. 68, which was implemented in 2015.
- (3) Net position restated for GASB Statement No. 75, which was implemented in 2018.

	2015	2014 (2)	2013 (1)	2012 (1)	2011	2010
\$	7,882,991	\$ 7,601,570	\$ 7,549,500	\$ 8,373,342	\$ 9,202,452	\$ 6,393,963
	540,935	3,429	48,029	18,167	95,693	1,261,175
	2,724,609	2,542,419	2,635,272	2,467,211	2,344,828	2,443,764
	9,300	9,351	9,352	9,938	10,985	39,180
	13,280	41,370	23,137	37,313	128,670	112,716
	50,260	118,984	214,015	25,051	171,206	54,051
	26,448	31,077	27,784	57,117	38,907	22,248
	-	-	-	-	-	65,549
	-	-	-	-	-	22,416
	-	-	-	-	-	364,682
	(9,076,564)	(10,167,556)	15,179,958	12,562,342	10,108,424	10,795,395
	<u>2,171,259</u>	<u>180,644</u>	<u>25,687,047</u>	<u>23,550,481</u>	<u>22,101,165</u>	<u>21,575,139</u>
	69,285	81,291	94,072	109,865	130,266	11,878
	(920,747)	25,496	(170,180)	(254,234)	(292,148)	(311,466)
	<u>(851,462)</u>	<u>106,787</u>	<u>(76,108)</u>	<u>(144,369)</u>	<u>(161,882)</u>	<u>(299,588)</u>
	7,952,276	7,682,861	7,643,572	8,483,207	9,332,718	6,405,841
	540,935	3,429	48,029	18,167	95,693	1,261,175
	2,724,609	2,542,419	2,635,272	2,467,211	2,344,828	2,443,764
	9,300	9,351	9,352	9,938	10,985	39,180
	13,280	41,370	23,137	37,313	128,670	112,716
	50,260	118,984	214,015	25,051	171,206	54,051
	26,448	31,077	27,784	57,117	38,907	22,248
	-	-	-	-	-	65,549
	-	-	-	-	-	22,416
	-	-	-	-	-	364,682
	(9,997,311)	(10,142,060)	15,009,778	12,308,108	9,816,276	10,483,929
\$	<u>1,319,797</u>	<u>\$ 287,431</u>	<u>\$ 25,610,939</u>	<u>\$ 23,406,112</u>	<u>\$ 21,939,283</u>	<u>\$ 21,275,551</u>

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

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

Expenses	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:				
Instruction:				
Regular	\$ 10,778,829	\$ 5,772,202	\$ 12,713,393	\$ 11,182,440
Special	3,730,179	1,983,087	3,775,162	3,274,139
Vocational	1,990	212	46,841	92,529
Other instructional	31,617	31,499	31,936	29,776
Support services:				
Pupil	1,583,370	798,083	1,557,977	1,483,200
Instructional staff	663,047	393,706	608,533	619,491
Board of education	53,384	45,446	59,093	71,643
Administration	1,638,383	719,777	1,584,574	1,627,613
Fiscal	821,670	516,257	908,432	753,854
Business	129,210	82,291	21,753	14,811
Operations and maintenance	1,660,335	1,320,479	2,027,688	2,034,114
Pupil transportation	724,459	473,019	903,762	773,702
Central	378,670	181,326	2,342,440	800,018
Operation of non-instructional services:				
Other non-instructional services	514,096	393,264	452,870	479,910
Extracurricular activities	415,092	265,689	575,895	459,121
Interest and fiscal charges	2,007,651	2,170,106	1,380,473	830,372
Bond issuance costs	-	-	-	-
Total governmental activities expenses	<u>25,131,982</u>	<u>15,146,443</u>	<u>28,990,822</u>	<u>24,526,733</u>
Business-type activities:				
Food service	517,441	448,593	441,249	374,766
Day care services	988,788	776,171	1,038,329	805,092
Total business-type activities expenses	<u>1,506,229</u>	<u>1,224,764</u>	<u>1,479,578</u>	<u>1,179,858</u>
Total primary government expenses	<u>\$ 26,638,211</u>	<u>\$ 16,371,207</u>	<u>\$ 30,470,400</u>	<u>\$ 25,706,591</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	10,613,471	\$ 10,160,176	\$ 10,159,477	\$ 10,527,461	\$ 10,442,452	\$ 10,359,053
	3,017,452	2,966,148	2,763,960	2,044,031	2,124,180	2,608,089
	85,816	119,372	101,276	101,336	88,669	172,084
	27,580	28,429	27,004	26,963	24,695	6,538
	1,388,422	1,327,486	1,372,568	1,402,845	1,261,354	1,092,469
	481,574	508,121	589,672	1,227,221	1,406,625	1,297,713
	268,722	63,735	33,499	24,499	27,523	30,939
	1,419,446	1,530,055	1,465,239	1,525,224	1,437,284	1,491,518
	594,717	821,468	682,284	808,236	857,173	868,247
	18,594	15,969	33,442	15,108	20,454	201,637
	1,761,981	2,339,963	1,767,999	1,848,672	1,952,349	2,018,495
	670,257	635,344	636,919	598,342	630,610	709,469
	605,860	317,623	271,886	703,144	602,701	585,207
	487,070	435,425	448,198	440,844	567,715	523,037
	449,449	475,581	531,641	546,593	556,263	454,972
	534,058	782,309	861,026	1,343,335	1,413,555	1,528,481
	-	79,000	304,956	-	-	-
	<u>22,424,469</u>	<u>22,606,204</u>	<u>22,051,046</u>	<u>23,183,854</u>	<u>23,413,602</u>	<u>23,947,948</u>
	378,023	407,926	431,845	409,011	385,275	415,012
	<u>717,833</u>	<u>710,406</u>	<u>728,605</u>	<u>732,200</u>	<u>677,048</u>	<u>725,270</u>
	<u>1,095,856</u>	<u>1,118,332</u>	<u>1,160,450</u>	<u>1,141,211</u>	<u>1,062,323</u>	<u>1,140,282</u>
\$	<u>23,520,325</u>	<u>23,724,536</u>	<u>23,211,496</u>	<u>24,325,065</u>	<u>24,475,925</u>	<u>25,088,230</u>

(Continued)

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

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

Program Revenues	2019	2018	2017	2016
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 269,688	\$ 259,126	\$ 284,146	\$ 388,870
Special	140,476	175,114	85,297	92,449
Other instructional	-	-	-	-
Support services:				
Instructional staff	-	-	4,546	-
Administration	-	-	-	-
Operations and maintenance	137,443	130,677	104,996	106,943
Pupil transportation	8,040	50,501	5,603	1,670
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	476	1,992	538	612
Extracurricular activities	116,883	121,031	119,805	109,506
Operating grants and contributions:				
Instruction:				
Regular	46,639	66,352	64,743	69,269
Special	1,003,238	1,114,651	996,773	856,418
Vocational	2,464	3,808	265	743
Other instructional	-	-	-	-
Support services:				
Pupil	126,743	112,271	115,201	97,004
Instructional staff	17,318	21,590	26,715	28,806
Administration	1,043	871	535	764
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	8,154	13,636	-
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	494,128	440,936	445,008	465,242
Extracurricular activities	479	14,988	7,404	4,995
Capital grants and contributions:				
Instruction:				
Regular	-	109	-	-
Support services:				
Operations and maintenance	-	2,847	-	-
Pupil transportation	-	4,679	-	-
Total governmental program revenues	2,365,058	2,529,697	2,275,211	2,223,291
Business-type activities:				
Charges for services and sales:				
Food service	231,233	248,166	242,923	204,915
Day care services	1,021,283	995,895	951,572	854,022
Operating grants and contributions:				
Food service	232,455	205,920	196,829	199,368
Total business-type activities program revenues	1,484,971	1,449,981	1,391,324	1,258,305
Total primary government program revenue	3,850,029	3,979,678	3,666,535	3,481,596
Net (Expense)/Revenue				
Governmental activities	(22,766,924)	(12,616,746)	(26,715,611)	(22,303,442)
Business-type activities	(21,258)	225,217	(88,254)	78,447
Total primary government net expense	\$ (22,788,182)	\$ (12,391,529)	\$ (26,803,865)	\$ (22,224,995)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	377,091	\$ 336,844	\$ 414,852	\$ 405,162	\$ 369,546	\$ 373,012
	29,083	38,480	33,017	11,753	-	-
	-	-	-	1,712	2,257	3,435
	-	-	-	-	479	11,063
	-	-	-	1,872	-	-
	102,301	102,164	101,970	104,119	103,635	87,782
	6,108	29,600	35,520	33,382	21,541	19,363
	-	-	1,431	-	230	307
	-	1,990	1,237	172	1,750	6,258
	116,018	101,150	103,829	96,092	117,699	99,970
	63,046	63,770	64,233	66,040	189,310	86,014
	962,436	952,668	727,450	392,629	654,196	673,625
	284	140	7,802	7,802	7,802	7,744
	-	-	784	654	290	-
	114,345	104,071	177,360	122,200	144,588	146,765
	28,204	44,373	62,143	-	77,163	101,288
	1,162	4,133	8,771	2,831	17,816	20,605
	-	25,756	26,018	9,975	18,249	14,596
	-	2,589	-	1,161	130,747	78,839
	-	-	-	37,082	-	38,444
	-	-	2,146	8,321	5,030	5,170
	457,319	448,969	430,875	438,194	519,233	527,822
	200	1,825	6,306	25,737	1,193	125
	-	-	-	-	-	-
	-	-	-	-	1,256	-
	-	-	-	-	-	-
	<u>2,257,597</u>	<u>2,258,522</u>	<u>2,205,744</u>	<u>1,766,890</u>	<u>2,384,010</u>	<u>2,302,227</u>
	184,078	228,269	232,193	199,724	179,685	193,762
	741,552	793,720	791,579	746,139	686,999	637,749
	<u>187,378</u>	<u>171,535</u>	<u>188,987</u>	<u>202,397</u>	<u>175,548</u>	<u>145,805</u>
	<u>1,113,008</u>	<u>1,193,524</u>	<u>1,212,759</u>	<u>1,148,260</u>	<u>1,042,232</u>	<u>977,316</u>
	<u>3,370,605</u>	<u>3,452,046</u>	<u>3,418,503</u>	<u>2,915,150</u>	<u>3,426,242</u>	<u>3,279,543</u>
	(20,166,872)	(20,347,682)	(19,845,302)	(21,416,964)	(21,029,592)	(21,645,721)
	<u>17,152</u>	<u>75,192</u>	<u>52,309</u>	<u>7,049</u>	<u>(20,091)</u>	<u>(162,966)</u>
\$	<u>(20,149,720)</u>	<u>(20,272,490)</u>	<u>(19,792,993)</u>	<u>(21,409,915)</u>	<u>(21,049,683)</u>	<u>(21,808,687)</u>

(Continued)

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 16,469,682	\$ 15,230,017	\$ 13,214,078	\$ 16,945,403
Debt service	2,205,805	1,930,380	1,645,228	1,776,939
Capital outlay	762,315	727,981	579,683	-
Grants and entitlements not restricted to specific programs	5,014,764	4,911,677	4,873,761	4,850,596
Investment earnings	703,684	744,644	268,157	334,013
Fair value adjustment	567,438	(227,440)	(350,762)	-
Miscellaneous	80,250	5,220	23,184	8,867
Transfers	-	-	-	-
Total governmental activities	<u>25,803,938</u>	<u>23,322,479</u>	<u>20,253,329</u>	<u>23,915,818</u>
Business-type activities:				
Miscellaneous	1,225	-	-	11,170
Transfers	-	-	-	-
Total business-type activities	<u>1,225</u>	<u>-</u>	<u>-</u>	<u>11,170</u>
Total primary government	<u>25,805,163</u>	<u>23,322,479</u>	<u>20,253,329</u>	<u>23,926,988</u>
Change in Net Position				
Governmental activities	3,037,014	10,705,733	(6,462,282)	1,612,376
Business-type activities	<u>(20,033)</u>	<u>225,217</u>	<u>(88,254)</u>	<u>89,617</u>
Total primary government	<u>\$ 3,016,981</u>	<u>\$ 10,930,950</u>	<u>\$ (6,550,536)</u>	<u>\$ 1,701,993</u>

Source: District financial records.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	15,302,280	\$ 16,876,303	\$ 15,093,080	\$ 15,697,755	\$ 14,008,337	\$ 15,773,158
	1,636,060	1,925,240	2,032,515	2,166,501	1,933,450	2,117,387
	-	-	-	-	-	-
	4,776,039	4,580,830	4,744,664	4,773,368	5,173,969	5,217,461
	94,653	135,563	31,082	118,471	127,727	223,267
	-	-	-	-	-	-
	388,455	26,392	80,527	110,185	57,879	69,464
	(40,000)	(107,000)	-	-	-	-
	<u>22,157,487</u>	<u>23,437,328</u>	<u>21,981,868</u>	<u>22,866,280</u>	<u>21,301,362</u>	<u>23,400,737</u>
	8,185	703	15,952	10,464	36,709	37,755
	40,000	107,000	-	-	-	-
	<u>48,185</u>	<u>107,703</u>	<u>15,952</u>	<u>10,464</u>	<u>36,709</u>	<u>37,755</u>
	<u>22,205,672</u>	<u>23,545,031</u>	<u>21,997,820</u>	<u>22,876,744</u>	<u>21,338,071</u>	<u>23,438,492</u>
	1,990,615	3,089,646	2,136,566	1,449,316	271,770	1,755,016
	65,337	182,895	68,261	17,513	16,618	(125,211)
\$	<u>2,055,952</u>	<u>\$ 3,272,541</u>	<u>\$ 2,204,827</u>	<u>\$ 1,466,829</u>	<u>\$ 288,388</u>	<u>\$ 1,629,805</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:				
Instruction:				
Regular	\$ 316,327	\$ 325,587	\$ 348,889	\$ 458,139
Special	1,143,714	1,289,765	1,082,070	948,867
Vocational	2,464	3,808	265	743
Other instructional	-	-	-	-
Support services:				
Pupil	126,743	112,271	115,201	97,004
Instructional staff	17,318	21,590	31,261	28,806
Administration	1,043	871	535	764
Fiscal	-	-	-	-
Operations and maintenance	137,443	133,524	104,996	106,943
Pupil transportation	8,040	63,334	19,239	1,670
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	494,604	442,928	445,546	465,854
Extracurricular activities	117,362	136,019	127,209	114,501
Total governmental activities	<u>2,365,058</u>	<u>2,529,697</u>	<u>2,275,211</u>	<u>2,223,291</u>
Business-type activities:				
Food service	463,688	454,086	439,752	404,283
Day care services	1,021,283	995,895	951,572	854,022
Total business-type activities	<u>1,484,971</u>	<u>1,449,981</u>	<u>1,391,324</u>	<u>1,258,305</u>
Total primary government	<u>\$ 3,850,029</u>	<u>\$ 3,979,678</u>	<u>\$ 3,666,535</u>	<u>\$ 3,481,596</u>

Source: District financial records.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 440,137	\$ 400,614	\$ 479,085	\$ 471,202	\$ 558,856	\$ 459,026
991,519	991,148	760,467	404,382	654,196	673,625
284	140	7,802	7,802	7,802	7,744
-	-	784	2,366	2,547	3,435
114,345	104,071	177,360	122,200	144,588	146,765
28,204	44,373	62,143	-	77,642	112,351
1,162	4,133	8,771	4,703	17,816	20,605
-	25,756	26,018	9,975	18,249	14,596
102,301	104,753	101,970	105,280	235,638	166,621
6,108	29,600	35,520	70,464	21,541	57,807
-	-	3,577	8,321	5,260	5,477
457,319	450,959	432,112	438,366	520,983	534,080
116,218	102,975	110,135	121,829	118,892	100,095
<u>2,257,597</u>	<u>2,258,522</u>	<u>2,205,744</u>	<u>1,766,890</u>	<u>2,384,010</u>	<u>2,302,227</u>
371,456	399,804	421,180	402,121	355,233	339,567
741,552	793,720	791,579	746,139	686,999	637,749
<u>1,113,008</u>	<u>1,193,524</u>	<u>1,212,759</u>	<u>1,148,260</u>	<u>1,042,232</u>	<u>977,316</u>
<u>\$ 3,370,605</u>	<u>\$ 3,452,046</u>	<u>\$ 3,418,503</u>	<u>\$ 2,915,150</u>	<u>\$ 3,426,242</u>	<u>\$ 3,279,543</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 12,501	\$ 16,278	\$ 22,707	\$ 11,453
Committed	214,426	58,789	123,506	17,356
Assigned	185,981	2,745,502	1,230,332	230,746
Unassigned	14,500,423	12,816,652	16,109,357	20,549,891
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>14,913,331</u>	<u>15,637,221</u>	<u>17,485,902</u>	<u>20,809,446</u>
All Other Governmental Funds:				
Restricted	18,669,620	35,140,587	37,826,418	3,309,884
Committed	190,131	305,766	734,522	839,531
Unassigned (deficit)	(148,845)	(243,622)	(38,682)	(103,446)
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>18,710,906</u>	<u>35,202,731</u>	<u>38,522,258</u>	<u>4,045,969</u>
Total governmental funds	<u>\$ 33,624,237</u>	<u>\$ 50,839,952</u>	<u>\$ 56,008,160</u>	<u>\$ 24,855,415</u>

Source: District financial records.

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>
\$ 61,494	\$ 10,689	\$ 10,457	\$ 7,605	\$ -	\$ -
-	-	-	10,234	178,302	-
1,550,484	313,968	223,219	294,570	326,450	-
18,007,077	17,921,642	15,341,983	13,732,862	12,512,850	-
-	-	-	-	-	2,889,744
-	-	-	-	-	9,225,324
<u>19,619,055</u>	<u>18,246,299</u>	<u>15,575,659</u>	<u>14,045,271</u>	<u>13,017,602</u>	<u>12,115,068</u>
3,596,800	2,892,863	2,822,345	2,638,222	2,652,841	-
-	273,857	374,441	111,584	299,333	-
(51,372)	-	(25,867)	(4,961)	(129)	-
-	-	-	-	-	1,120,673
-	-	-	-	-	(27,915)
-	-	-	-	-	2,122,537
-	-	-	-	-	616,222
<u>3,545,428</u>	<u>3,166,720</u>	<u>3,170,919</u>	<u>2,744,845</u>	<u>2,952,045</u>	<u>3,831,517</u>
<u>\$ 23,164,483</u>	<u>\$ 21,413,019</u>	<u>\$ 18,746,578</u>	<u>\$ 16,790,116</u>	<u>\$ 15,969,647</u>	<u>\$ 15,946,585</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues				
From local sources:				
Property taxes	\$ 19,414,142	\$ 17,910,207	\$ 15,434,566	\$ 18,653,576
Tuition	169,489	211,277	133,186	259,359
Transportation fees	8,040	17,230	-	-
Earnings on investments	721,559	745,200	298,909	338,748
Extracurricular	169,619	201,228	226,960	191,232
Classroom materials and fees	161,930	159,486	126,028	122,996
Rental income	158,733	110,438	104,996	106,943
Contributions and donations	27,898	25,248	21,307	20,573
Contract services	5,195	38,782	8,157	13,764
Other local revenues	4,692	20,781	51,563	19,171
Change in fair value on investments	567,438	(227,440)	(431,252)	-
Intergovernmental	6,850,923	6,477,788	6,527,414	6,454,356
Total revenues	<u>28,259,658</u>	<u>25,690,225</u>	<u>22,501,834</u>	<u>26,180,718</u>
Expenditures				
Current:				
Instruction:				
Regular	10,691,661	10,847,292	10,494,713	10,071,144
Special	4,149,985	4,081,533	3,490,003	3,294,387
Vocational	2,007	378	58,070	109,194
Other	11,676	11,558	12,192	11,966
Support services:				
Pupil	1,706,784	1,471,241	1,442,216	1,486,365
Instructional staff	647,254	692,700	581,746	609,876
Board of education	55,533	53,335	57,925	71,743
Administration	1,762,882	1,532,160	1,497,235	1,633,050
Fiscal	848,750	799,005	862,482	747,497
Business	145,550	159,100	21,428	14,811
Operations and maintenance	1,786,723	1,881,694	1,889,757	1,964,733
Pupil transportation	728,287	875,062	817,352	735,082
Central	294,927	243,806	2,182,297	795,281
Operation of non-instructional services:				
Other non-instructional services	501,928	441,527	440,186	485,062
Extracurricular activities	473,544	537,211	546,529	493,861
Facilities acquisition and construction	17,521,308	2,721,611	685,154	86,446
Capital outlay	-	-	-	-
Issuance costs	-	-	-	-
Debt service:				
Principal retirement	2,000,716	2,203,385	1,686,414	1,203,620
Interest and fiscal charges	1,915,202	2,079,047	803,544	675,668
Bond and certificates of participation issuance costs	-	-	457,402	-
Accretion on capital appreciation bonds	232,456	226,788	102,894	-
Total expenditures	<u>45,477,173</u>	<u>30,858,433</u>	<u>28,129,539</u>	<u>24,489,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,217,515)</u>	<u>(5,168,208)</u>	<u>(5,627,705)</u>	<u>1,690,932</u>
Other Financing Sources (Uses)				
Sale of assets	1,800	-	-	-
Transfers in	1,432,891	1,368,000	850,000	1,600,000
Transfers (out)	(1,432,891)	(1,368,000)	(1,180,000)	(1,600,000)
Capital lease transaction	-	-	1,644,518	-
General obligation bonds issued	-	-	10,750,000	-
Refunding bonds issued	-	-	-	-
Premium on certificates of participations and bonds	-	-	550,932	-
Payment refunded bond escrow agent	-	-	-	-
Certificates of participation issued	-	-	24,165,000	-
Total other financing sources (uses)	<u>1,800</u>	<u>-</u>	<u>36,780,450</u>	<u>-</u>
Net change in fund balances	<u>\$ (17,215,715)</u>	<u>\$ (5,168,208)</u>	<u>\$ 31,152,745</u>	<u>\$ 1,690,932</u>
Capital expenditures (included in expenditures above)	17,612,025	2,973,080	640,033	42,566
Debt service as a percentage of noncapital expenditures	14.89%	16.17%	9.43%	7.69%

Source: District financial records.

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

	2015	2014	2013	2012	2011	2010
\$	17,463,995	\$ 18,416,893	\$ 17,392,923	\$ 17,083,443	\$ 17,064,594	\$ 17,595,767
	208,922	222,481	306,080	266,691	195,792	207,506
	-	-	-	-	-	-
	88,514	132,284	37,413	113,069	121,957	208,581
	181,275	164,039	171,383	155,419	160,095	153,008
	107,442	79,751	76,903	96,508	136,074	135,664
	102,301	102,164	101,970	104,119	103,635	87,782
	10,671	12,069	11,378	33,545	11,041	13,469
	-	-	-	-	-	-
	36,032	72,341	101,243	155,159	79,420	104,694
	-	-	-	-	-	-
	6,407,102	6,368,137	5,994,215	6,084,947	6,736,014	6,835,178
	<u>24,606,254</u>	<u>25,570,159</u>	<u>24,193,508</u>	<u>24,092,900</u>	<u>24,608,622</u>	<u>25,341,649</u>
	9,520,195	8,947,016	9,049,519	9,472,929	9,292,770	9,406,536
	3,063,183	2,969,311	2,749,086	2,054,128	2,127,551	2,723,835
	104,218	131,726	112,285	101,336	88,669	172,084
	12,029	14,478	14,650	15,954	24,695	6,538
	1,411,112	1,315,830	1,391,035	1,418,673	1,253,749	1,121,925
	450,574	454,886	543,701	1,191,611	1,382,636	1,304,854
	268,996	63,735	33,499	24,499	27,523	30,939
	1,461,397	1,514,324	1,446,104	1,525,693	1,434,797	1,557,313
	611,516	816,874	683,382	807,897	852,313	861,725
	18,594	15,969	33,442	15,108	37,798	184,293
	1,810,888	1,695,749	1,708,857	1,714,845	1,809,114	2,014,311
	729,462	697,314	693,156	714,197	535,905	736,858
	788,137	301,018	259,559	586,819	598,003	576,868
	488,433	434,108	446,655	440,733	562,698	519,876
	460,659	473,027	531,056	545,067	554,880	454,972
	100,095	821,181	409,514	263,660	1,573,926	1,263,770
	-	446,648	-	-	-	-
	-	79,000	304,956	-	-	-
	1,203,893	1,365,000	1,280,000	1,210,000	1,265,000	1,185,000
	702,849	729,413	854,092	1,174,282	1,197,228	1,268,888
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>23,206,230</u>	<u>23,286,607</u>	<u>22,544,548</u>	<u>23,277,431</u>	<u>24,619,255</u>	<u>25,390,585</u>
	<u>1,400,024</u>	<u>2,283,552</u>	<u>1,648,960</u>	<u>815,469</u>	<u>(10,633)</u>	<u>(48,936)</u>
	431,440	-	-	5,000	-	-
	899,000	1,019,132	1,064,010	452,500	1,126,578	2,546,391
	(979,000)	(1,162,156)	(1,064,010)	(452,500)	(1,092,883)	(2,546,391)
	-	446,648	-	-	-	-
	-	-	-	-	-	-
	-	6,901,000	16,539,980	-	-	-
	-	490,730	2,350,698	-	-	-
	-	(7,312,465)	(18,583,176)	-	-	-
	-	-	-	-	-	-
	<u>351,440</u>	<u>382,889</u>	<u>307,502</u>	<u>5,000</u>	<u>33,695</u>	<u>-</u>
\$	<u>1,751,464</u>	<u>2,666,441</u>	<u>1,956,462</u>	<u>820,469</u>	<u>23,062</u>	<u>(48,936)</u>
	383,049	692,418	453,102	263,660	1,573,926	1,263,770
	8.35%	9.27%	9.66%	10.35%	10.63%	10.22%

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

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

Collection Year	Tangible Personal Property					
	Real Property		Public Utility		General Business	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2019	\$ 402,409,130	\$ 1,149,740,371	\$ 5,625,260	\$ 6,392,341	\$ -	\$ -
2018	354,857,500	1,013,878,571	5,332,130	6,059,239	-	-
2017	354,231,570	1,012,090,200	4,984,210	5,663,875	-	-
2016	361,371,420	1,032,489,771	4,705,490	5,347,148	-	-
2015	334,796,640	956,561,829	4,598,810	5,225,920	-	-
2014	340,827,800	973,793,714	4,394,500	4,993,750	-	-
2013	336,463,920	961,325,486	4,011,650	4,558,693	-	-
2012	350,580,950	1,001,659,857	3,709,930	4,215,830	-	-
2011	356,225,970	1,017,788,486	3,580,770	4,069,057	-	-
2010	355,779,330	1,016,512,371	3,498,100	3,975,114	566,680	-

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

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

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

Source: Office of the Fiscal Officer, Cuyahoga County

Total			
Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate (1)
\$ 408,034,390	\$ 1,156,132,712	35.29%	\$ 98.72
360,189,630	1,019,937,810	35.31%	98.72
359,215,780	1,017,754,075	35.29%	98.62
366,076,910	1,037,836,919	35.27%	96.17
339,395,450	961,787,749	35.29%	96.47
345,222,300	978,787,464	35.27%	96.47
340,475,570	965,884,179	35.25%	97.70
354,290,880	1,005,875,687	35.22%	97.60
359,806,740	1,021,857,543	35.21%	97.27
359,844,110	1,020,487,485	35.26%	97.27

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

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

Tax Year/ Collection Year	Direct Tax Rates					Overlapping Tax Rates				
	Voted			Unvoted	Total Direct	Cuyahoga County	City of Fairview Park	Other Levies (1)	Total Levy	
	General	Bond	Permanent Improvement							
2018/2019	\$ 85.80	\$ 6.20	\$ 2.15	\$ 4.57	\$ 98.72	\$ 14.05	\$ 11.80	\$ 12.97	\$ 137.54	
2017/2018	85.80	6.20	2.15	4.57	98.72	14.05	11.80	12.97	137.54	
2016/2017	85.70	6.20	2.15	4.57	98.62	14.05	11.80	12.47	136.94	
2015/2016	86.30	5.30	-	4.57	96.17	14.05	11.80	12.08	134.10	
2014/2015	86.30	5.60	-	4.57	96.47	14.05	11.80	11.78	134.10	
2013/2014	86.30	5.60	-	4.57	96.47	14.05	11.80	10.88	133.20	
2012/2013	86.10	7.03	-	4.57	97.70	13.22	11.80	9.98	132.70	
2011/2012	86.00	7.03	-	4.57	97.60	13.22	11.80	10.08	132.70	
2010/2011	85.77	6.93	-	4.57	97.27	13.22	11.80	7.38	129.67	
2009/2010	85.77	6.93	-	4.57	97.27	13.22	11.80	7.38	129.67	

Source: Cuyahoga County Fiscal Officer's Office - Data is presented on a calendar year basis consistent with the County Fiscal Officer's method of maintaining the information. Composite Reduction Factor (DTE515) report.

(1) Note: Other levies consists of Polaris JVSD, Cuyahoga County Library, Cuyahoga Community College and Cuyahoga County Port Authority.

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

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN YEARS

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collection</u>	<u>Total Collection As a Percent of Total Levy</u>
2019	\$ 21,999,067	\$ 21,587,950	98.13%	\$ 325,249	\$ 21,913,199	99.61%
2018	21,130,672	20,779,310	98.34%	371,336	21,150,646	100.09%
2017	21,030,238	20,598,397	97.95%	400,537	20,998,934	99.85%
2016	19,764,698	19,472,336	98.52%	280,719	19,753,055	99.94%
2015	19,772,724	19,361,912	97.92%	390,321	19,752,233	99.90%
2014	19,798,918	19,285,908	97.41%	461,947	19,747,855	99.74%
2013	20,507,201	19,663,016	95.88%	384,089	20,047,105	97.76%
2012	20,373,581	19,710,953	96.75%	548,602	20,259,555	99.44%
2011	20,793,529	19,732,467	94.90%	504,382	20,236,849	97.32%
2010	20,610,274	19,681,628	95.49%	523,827	20,205,455	98.04%

Source: Office of the Fiscal Officer, Cuyahoga County.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) The County does not identify delinquent tax collections by tax year.

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2018 AND DECEMBER 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Z & Sons Limited	\$ 6,560,510	1	1.61%
Fairview Retail, LLC	3,714,040	2	0.91%
Cleveland Electric Illuminating Company	3,699,420	3	0.91%
Lawn Village Inc.	2,996,220	4	0.73%
200 West Apartments	1,973,580	5	0.48%
West Valley Medical	1,717,560	6	0.42%
Fairview Office Land Holdings, LLC	1,266,170	7	0.31%
American Transmission System	1,091,350	8	0.27%
Stallard-Schrier Fam Ltd PA	888,230	9	0.22%
East Ohio Gas Company	834,490	10	0.20%
Totals	\$ 24,741,570		6.06%
Toal Assessed Valuation	\$ 408,034,390		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Z & Sons Limited Partnership	\$ 5,950,000	1	1.65%
Board of Education of Fairview Park	5,836,010	2	1.62%
Fairview Shopping Center Corporation	4,138,690	3	1.15%
Cleveland Electrical Illuminating	2,717,140	4	0.76%
Lawn Village, Inc.	2,439,220	5	0.68%
200 West Apartments	1,855,000	6	0.52%
Fairview Land Office	1,136,250	7	0.31%
Positive Education	1,018,820	8	0.28%
Fairview Park Senior Apartments	866,530	9	0.24%
Stallard-Schrier Fam Ltd Par	805,000	10	0.22%
Totals	\$ 26,762,660		7.44%
Toal Assessed Valuation	\$ 359,844,110		

Source: Office of the Fiscal Officer, Cuyahoga County

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

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
ATTRIBUTABLE TO GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt Debt
Overlapping debt:			
City of Fairview Park	\$ 18,265,000	91.57%	\$ 16,725,261
Cuyahoga County	188,010,000	1.34%	2,519,334
Regional Transit Authority	<u>212,260,000</u>	1.34%	<u>2,844,284</u>
Total overlapping debt	418,535,000		22,088,879
Direct debt	<u>55,554,093</u>	100.00%	<u>55,554,093</u>
Total direct and overlapping debt	<u>\$ 474,089,093</u>		<u>\$ 77,642,972</u>

Source: Office of the Fiscal Officer, Cuyahoga County

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the District by the total assessed valuation of the government.

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total	Percentage of Total Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases			
2019	\$ 32,569,093	\$ 22,985,000	\$ -	\$ 55,554,093	10.32%	\$ 3,412
2018	33,729,443	23,465,000	548,172	57,742,615	10.72%	3,544
2017	34,859,389	24,165,000	1,096,345	60,120,734	11.26%	3,573
2016	24,708,615	-	149,135	24,857,750	4.78%	1,477
2015	25,664,301	-	295,755	25,960,056	5.22%	1,543
2014	26,842,945	-	446,648	27,289,593	5.49%	1,647
2013	28,536,131	-	-	28,536,131	5.74%	1,696
2012	27,604,200	-	-	27,604,200	5.55%	1,641
2011	28,683,343	-	-	28,683,343	5.77%	1,705
2010	29,758,438	-	-	29,758,438	6.44%	1,694

Source: District financial records.

(1) Includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) See "Demographic and Economic Statistics" for population and personal income information.

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

RATIO OF DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	(2) Estimated Actual Value of Taxable Property	General Bonded Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Capita
			General Bonded Debt Outstanding (4)	Resources Available to Pay Principal (3)	Net General Bonded Debt			
2019	16,284	\$ 1,156,132,712	\$ 32,569,093	\$ 3,276,227	\$ 29,292,866	2.53%	1,799	
2018	16,292	1,019,937,810	33,729,443	3,080,358	30,649,085	3.00%	1,881	
2017	16,826	1,017,754,075	34,859,389	3,578,965	31,280,424	3.07%	1,859	
2016	16,826	1,037,836,919	24,708,615	2,840,995	21,867,620	2.11%	1,300	
2015	16,826	961,787,749	25,664,301	2,724,609	22,939,692	2.39%	1,363	
2014	16,571	978,787,464	26,842,945	2,542,419	24,300,526	2.48%	1,466	
2013	16,826	965,884,179	28,536,131	2,635,272	25,900,859	2.68%	1,538	
2012	16,826	1,005,875,687	27,604,200	2,467,211	25,136,989	2.50%	1,494	
2011	16,826	1,021,857,543	28,683,343	2,344,828	26,338,515	2.58%	1,565	
2010	17,572	1,020,487,485	29,758,438	2,443,764	27,314,674	2.68%	1,554	

Source: District financial records.

- (1) See "Demographic and Economic Statistics" for population information.
- (2) See "Assessed Valuation and estimated Actual Value of Taxable Property" for estimated actual value of taxable property information.
- (3) Represents the amount restricted for debt service on the statement of net position. Portion specific to principal and interest cannot be determined. Entire balance may be applied to principal.
- (4) Includes unamortized premiums and accreted interest on capital appreciation bonds.

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

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Voted</u>				
Assessed Valuation	\$ 408,034,390	\$ 360,189,630	\$ 359,215,780	\$ 366,076,910
Debt Limit - 9% of assessed value	\$ 36,723,095	\$ 32,417,067	\$ 32,329,420	\$ 32,946,922
Amount of debt applicable to debt limit:				
General obligation bonds (1)	52,873,157	54,325,701	55,980,913	22,055,019
Less amount available in debt service	<u>(3,727,674)</u>	<u>(3,542,241)</u>	<u>(3,709,916)</u>	<u>(3,257,314)</u>
Total	<u>49,145,483</u>	<u>50,783,460</u>	<u>52,270,997</u>	<u>18,797,705</u>
Overall debt margin	<u>\$ (12,422,388)</u>	<u>\$ (18,366,393)</u>	<u>\$ (19,941,577)</u>	<u>\$ 14,149,217</u>
Total net debt applicable to limit as a percentage of debt limit	133.83%	156.66%	161.68%	57.05%
<u>Unvoted</u>				
Debt margin - .10% of assessed value	\$ 408,034	\$ 360,190	\$ 359,216	\$ 366,077
Amount of debt applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted debt margin	<u>\$ 408,034</u>	<u>\$ 360,190</u>	<u>\$ 359,216</u>	<u>\$ 366,077</u>

Source: District financial records.

(1) Excludes unamortized premiums and accreted interest on capital appreciation bonds.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>\$ 339,395,450</u>	<u>\$ 345,222,300</u>	<u>\$ 340,475,570</u>	<u>\$ 354,290,880</u>	<u>\$ 359,806,740</u>	<u>\$ 359,844,110</u>
<u>\$ 30,545,591</u>	<u>\$ 31,070,007</u>	<u>\$ 30,642,801</u>	<u>\$ 31,886,179</u>	<u>\$ 32,382,607</u>	<u>\$ 32,385,970</u>
23,019,717	23,991,516	25,304,980	25,980,773	26,624,993	27,659,992
<u>(2,970,985)</u>	<u>(2,771,555)</u>	<u>(25,801,935)</u>	<u>(25,132,427)</u>	<u>(26,225,757)</u>	<u>(27,316,122)</u>
<u>20,048,732</u>	<u>21,219,961</u>	<u>(496,955)</u>	<u>848,346</u>	<u>399,236</u>	<u>343,870</u>
<u>\$ 10,496,859</u>	<u>\$ 9,850,046</u>	<u>\$ 31,139,756</u>	<u>\$ 31,037,833</u>	<u>\$ 31,983,371</u>	<u>\$ 32,042,100</u>
65.64%	68.30%	-1.62%	2.66%	1.23%	1.06%
<u>\$ 339,395</u>	<u>\$ 345,222</u>	<u>\$ 340,476</u>	<u>\$ 354,291</u>	<u>\$ 359,807</u>	<u>\$ 359,844</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 339,395</u>	<u>\$ 345,222</u>	<u>\$ 340,476</u>	<u>\$ 354,291</u>	<u>\$ 359,807</u>	<u>\$ 359,844</u>

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Fairview Park Population (1)	Average Personal Income (1)	Per Capita Personal Income (1)	Cuyahoga County Unemployment Rate (2)
2019	16,284	\$ 538,267,620	\$ 33,055	4.9%
2018	16,292	538,532,060	33,055	6.4%
2017	16,826	534,023,588	31,738	4.8%
2016	16,826	519,973,878	30,903	4.0%
2015	16,826	497,477,516	30,503	6.4%
2014	16,571	497,477,516	32,144	7.0%
2013	16,826	497,477,516	29,566	7.3%
2012	16,826	497,477,516	29,566	6.9%
2011	16,826	497,477,516	29,566	7.9%
2010	17,572	462,258,972	26,307	9.7%

(1) U. S. Census Bureau website

(2) Ohio Department of Job and Family Services

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

		2018	
Employer	Nature of Business	Number of Employees	Percentage of Total Employment
Fairview Park City School District	School District	368	4.21%
Target Corporation	Retail	344	3.94%
Kohls Department Stores, Inc.	Retail	329	3.77%
Cleveland Metroparks	Metroparks System	268	3.07%
City of Fairview Park	City Government	237	2.71%
Education Service Center, Inc.	School District Resources	204	2.33%
Cuyahoga County Auditor Payroll	County Government	167	1.91%
Riser Foods Co.	Retail Grocery	134	1.53%
McGowan & Company Inc.	Insurance Agency	118	1.35%
Reverves Network, Inc.	Staffing Agency	70	0.80%
Total		<u>2,239</u>	<u>25.63%</u>
Total employment within the District		<u>8,737</u>	

		2009	
Employer	Nature of Business	Number of Employees	Percentage of Total Employment
Fairview Park CSD	School District	413	4.59%
Target Corporation	Retail	323	3.59%
U.S. Department of Interior	Federal	232	2.58%
Cleveland Metroparks System	Metroparks System	229	2.54%
Cuyahoga County Auditor	County Government	201	2.23%
Analex Corporation	Information Technology	152	1.69%
ASRC Areospace Corporation	Engineering and Information Technology	139	1.54%
McGowan & Company	Health Care Services	92	1.02%
Cleveland Clinic Foundation	Health Care	61	0.68%
Westside Cardiology	Hospital & Health Services (Consulting)	51	0.57%
Total		<u>1,893</u>	<u>21.02%</u>
Total employment within the District (2)		<u>9,004</u>	

Source: Number of employees obtained from the W2's from RITA.

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

**BUILDING STATISTICS BY FUNCTION/PROGRAM
CURRENT FISCAL YEAR**

Parkview Early Education Learning Center

Constructed in 1952, 1959, 1966
Total Building Square Footage 40,086
Enrollment Grades - Preschool, Day Care, Kindergarten
Student Capacity - 500
Regular Instruction Classrooms - 7
Regular Instruction Teachers - 6
Special Instruction Teachers - 6

Fairview High School

Constructed in 1929, 1948, 1952, 1954
1960, 1968, 1970, 1978
Total Building Square Footage 160,559
Enrollment Grades - 9-12
Student Capacity - 850
Regular Instruction Classrooms - 35
Regular Instruction Teachers - 22
Special Instruction Teachers - 10

Lewis F. Mayer Middle School

Constructed in 1954, 1960, 1968
Total Building Square Footage 30,790
Enrollment Grades - 6 - 8
Student Capacity - 450
Regular Instruction Classrooms - 23
Regular Instruction Teachers - 18
Special Instruction Teachers - 10

Gilles-Sweet Elementary School

Constructed in 2007
Total Building Square Footage 104,987
Enrollment Grades - 1 - 5
Student Capacity - 882
Regular Instruction Classrooms - 30
Regular Instruction Teachers - 30
Special Instruction Teachers - 8

Source: District records.

Latest information available

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

PER PUPIL COST
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities Expenses	Enrollment (1)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2019	\$ 25,131,982	1,706	14,732	74.49%	127.00	13.4
2018	15,146,443	1,794	8,443	-47.38%	125.00	14.4
2017	28,990,822	1,807	16,044	20.69%	123.00	14.7
2016	24,526,733	1,845	13,294	5.82%	115.00	16.0
2015	22,424,469	1,785	12,563	-0.25%	118.33	15.1
2014	22,606,204	1,795	12,594	2.80%	105.00	17.1
2013	22,051,046	1,800	12,251	-9.17%	111.00	16.2
2012	23,413,602	1,736	13,487	2.39%	112.00	15.5
2011	23,183,854	1,760	13,173	-3.03%	111.82	15.7
2010	23,949,398	1,763	13,584	6.19%	112.97	15.6

Source: District records.

(1) Based upon EMIS information provided to the Ohio Department of Education.

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

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Elementary Schools (1)	Middle School Enrollment	High School	Totals
2019	791	396	519	1,706
2018	837	414	543	1,794
2017	830	405	572	1,807
2016	854	415	576	1,845
2015	815	394	573	1,782
2014	799	424	572	1,795
2013	943	277	580	1,800
2012	907	243	586	1,736
2011	915	244	601	1,760
2010	898	261	604	1,763

Source: Ohio Department of Education.

(1) Includes Kindergarten enrollment.

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

**FULL-TIME EQUIVALENT SCHOOL DISTRICT TEACHERS BY EDUCATION
LAST TEN FISCAL YEARS (1)**

Fiscal Year	Bachelor's Degree	Bachelor + 18	Bachelor + 30	Master's Degree	Master + 18	Master + 30	PhD/EDS	Total
2019	17.00	9.00	13.00	56.00	10.00	16.00	6.00	127.00
2018	18.00	5.00	17.00	54.00	11.00	14.00	6.00	125.00
2017	10.00	10.00	19.00	60.00	7.00	13.00	4.00	123.00
2016	13.00	9.00	18.00	53.00	6.00	12.00	4.00	115.00
2015	19.00	8.00	18.33	50.00	9.00	10.00	4.00	118.33
2014	6.00	5.00	20.00	55.00	3.00	12.00	4.00	105.00
2013	7.00	6.00	24.00	49.00	4.00	17.00	4.00	111.00
2012	4.00	8.50	17.50	49.00	4.00	24.00	5.00	112.00
2011	7.50	5.00	22.50	44.56	4.00	24.26	4.00	111.82
2010	10.75	5.42	25.00	32.80	4.00	31.00	4.00	112.97

Source: District records.

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

ATTENDANCE AND GRADUATION RATES
LAST TEN FISCAL YEARS

Fiscal Year	Fairview Park Attendance Rate	State Average	Fairview Park Graduation Rate	State Average
2019	95.4%	(1)	92.2%	85.3%
2018	93.3%	(1)	94.3%	84.1%
2017	94.9%	(1)	93.1%	(1)
2016	95.4%	(1)	90.1%	78.7%
2015	(1)	(1)	(1)	(1)
2014	95.1%	94.3%	90.8%	82.2%
2013	94.8%	94.2%	92.0%	81.3%
2012	(1)	(1)	(1)	(1)
2011	95.6%	94.5%	98.6%	84.3%
2010	95.3%	95.3%	97.9%	83.0%

Source: Ohio Department of Education Local Report Cards.

(1) Information for fiscal year 2012, 2015, 2016, 2017, 2018 and 2019 not available.

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

ACT COMPOSITE SCORES
LAST TEN SCHOOL YEARS

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Fairview Park Composite	Ohio Composite	National Composite
2018-2019	124	131	95%	20.0	20.0	20.7
2017-2018	145	145	96%	21.2	20.3	20.8
2016-2017	94	94	67%	22.5	22.0	21.0
2015-2016	98	98	68%	22.7	22.0	20.8
2014-2015	97	97	70%	21.9	22.0	21.0
2013-2014	104	104	18%	22.1	22.0	21.0
2012-2013	96	68	16%	22.1	21.8	20.9
2011-2012	103	95	70%	22.5	21.8	21.0
2010-2011	96	93	65%	21.2	21.8	21.1
2009-2010	122	109	89%	21.9	21.8	21.0

Source: High School Guidance Office.

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

**SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Type	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Regular instruction:										
Elementary classroom teachers	41	40.4	38.5	38.5	43.7	35.5	36.5	38.6	39.9	43.4
Middle school classroom teachers	22.8	22.5	22.0	19.0	20.0	13.4	12.0	11.0	13.5	18.2
High School classroom teachers	24.5	26	31.5	27.0	26.5	25.5	24.6	24.8	27.7	30.3
Special instruction:										
Elementary classroom teachers	12.0	11.0	9.0	8.0	7.9	6.5	6.5	10.6	10.6	10.0
Gifted education teachers	1.0	1.0	1.0	1.0	1.0	1.4	1.4	1.0	1.0	2.0
Middle school classroom teachers	4.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.4
High school classroom teachers	5.0	5.0	4.5	4.0	4.0	3.0	3.0	4.5	4.5	4.9
Vocational instruction:										
High school classroom teachers	0.0	0.0	1.0	1.0	1.0	1.8	1.8	1.5	1.5	2.2
Pupil support services:										
Guidance counselors	4.0	4.0	4.0	4.0	4.0	4.0	3.9	5.0	5.0	5.0
Librarians	2.0	1.0	0.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Library Aids	3	4	3.5	3.5	3.4	3.5	2.5	2.7	2.7	4.0
Psychologists	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Speech and language pathologists	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-teaching support staff central	1.0	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.2
Instructional Support Service:										
Non-teaching support staff elementary	22	21	20.5	20.0	20.3	21.9	23.3	22.6	22.6	18.6
Non-teaching support staff middle	6.5	6.5	4.8	4.8	4.9	10.0	10.0	10.0	10.0	6.0
Non-teaching support staff high	9	10.5	9	10.0	9.0	10.8	11.0	10.8	11.9	9.9
Non-teaching support staff central	1.5	2.8	2.8	1.8	1.8	2.9	2.9	2.9	3.0	3.0
Administration:										
Elementary	3.0	3.0	3.0	3.0	2.2	3.0	3.0	3.0	3.0	2.0
Middle school	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
High school	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.5	2.5	2.0
Central	3.00	5.00	5.00	5.0	3.8	3.2	3.2	3.3	4.3	0.0
Business:										
Central	1	1	-	-	-	0.5	0.5	0.5	0.5	0.9
Fiscal:										
Treasurer department	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Operation of plant:										
Custodial department	13	10.5	12.5	13.5	14.1	13.1	14.8	15.7	17.0	19.3
Maintenance department	2.0	2.0	2.0	2.0	2.0	2.0	1.8	1.8	2.0	2.0
Pupil transportation:										
Bus drivers	6.0	6.9	7.0	6.5	6.5	6.4	5.4	5.6	5.1	5.5
Bus aides	-	-	-	-	-	-	-	0.0	0.0	0.0
Mechanics	-	-	-	-	-	-	-	0.0	0.0	0.0
Transportation support staff	0.5	0.5	0.5	0.5	0.5	-	-	0.0	0.0	0.0
Central:										
Community relations	1.0	1.0	1.0	1.0	1.0	1.0	0.2	1.0	1.0	1.0
Technology	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Personnel	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Extracurricular:										
Athletic department	0.5	0.5	1.0	1.0	1.0	17.0	17.5	17.5	17.5	17.5
Food service program:										
Elementary	4	3.9	3.5	3.3	3.3	3.0	3.5	3.5	3.1	4.0
Middle school	0.75	0.75	0.6	0.6	-	-	-	0.0	0.0	0.0
High school cooks	0.75	0.75	0.6	0.6	1.2	1.8	2.4	2.4	2.4	2.4
Central	-	-	-	-	-	-	-	0.0	0.0	0.0
Adult education/community service:										
Preschool	5.5	5.2	2.5	2.5	2.0	1.0	2.0	2.0	2.0	1.5
Extended care	17.0	16.0	12.0	12.0	11.1	10.0	10.0	14.0	14.0	10.0
Total	228.8	228.6	220.7	213.0	215.0	219.8	222.0	234.8	244.3	242.2

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

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

FREE OR REDUCED LUNCH PROGRAM PERCENTAGES
LAST TEN FISCAL YEARS

Fiscal Year	Students	Students Applicable for Free Lunch	Percentage of Applicable Students for the Free Lunch Program	Students Applicable for Reduced Lunch	Percentage of Applicable Students for the Reduced Lunch Program	Total Students Applicable for the Free and Reduced Lunch Programs	Total Percentage of Applicable Students for the Free and Reduced Programs
2019	1,706	413	24.21%	84	4.92%	497	29.13%
2018	1,794	451	25.14%	95	5.30%	546	30.43%
2017	1,807	419	23.19%	110	6.09%	529	29.28%
2016	1,845	447	24.23%	105	5.69%	552	29.92%
2015	1,785	434	24.31%	75	4.20%	509	28.52%
2014	1,795	376	20.95%	95	5.29%	471	26.24%
2013	1,800	407	22.61%	107	5.94%	514	28.55%
2012	1,736	385	22.18%	102	5.88%	487	28.06%
2011	1,760	361	20.51%	114	6.48%	475	26.99%
2010	1,763	324	18.38%	109	6.18%	433	24.56%

Source: "Lunch MR 81 Report for October" obtained from the Ohio Department of Education.

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OHIO AUDITOR OF STATE KEITH FABER



FAIRVIEW PARK CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 13, 2020**