



**Auditor of State
Betty Montgomery**

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

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

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**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$21,088	\$0	\$21,088
National School Lunch Program	N/A	10.555	34,153	0	34,153	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>34,153</u>	<u>21,088</u>	<u>34,153</u>	<u>21,088</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	6B-SF-02P	84.027	56,496	0	60,873	0
Special Education Grants to States	6B-SF-03P	84.027	199,830	0	184,609	0
Special Education - Preschool Grant	PG-S1-02P	84.173	0	0	4,567	0
Special Education - Preschool Grant	PG-S1-03P	84.173	15,858	0	14,182	0
Total Special Education Cluster			<u>272,184</u>	<u>0</u>	<u>264,231</u>	<u>0</u>
Title I - Grants to Local Educational Agencies	C1-S1-02	84.010	(216)	0	24,252	0
Title I - Grants to Local Educational Agencies	C1-S1-03	84.010	122,482	0	120,575	0
Total Title I - Grants to Local Educational Agencies			<u>122,266</u>	<u>0</u>	<u>144,827</u>	<u>0</u>
Safe and Drug-Free Schools Grant	DR-S1-01	84.186	0	0	240	0
Safe and Drug-Free Schools Grant	DR-S1-02	84.186	5,132	0	8,469	0
Safe and Drug-Free Schools Grant	DR-S1-03	84.186	10,008	0	9,958	0
Total Safe and Drug-Free Schools Grant			<u>15,140</u>	<u>0</u>	<u>18,667</u>	<u>0</u>
Eisenhower Professional Development Grant	MS-S1-01	84.281	0	0	6,845	0
Eisenhower Professional Development Grant	MS-S1-02	84.281	882	0	8,343	0
Total Eisenhower Professional Development Grant			<u>882</u>	<u>0</u>	<u>15,188</u>	<u>0</u>
Innovative Education Program Strategies Grant	C2-S1-01	84.298	0	0	5,297	0
Innovative Education Program Strategies Grant	C2-S1-02	84.298	9,329	0	9,492	0
Innovative Education Program Strategies Grant	C2-S1-03	84.298	7,907	0	6,375	0
Total Innovative Education Program Strategies Grant			<u>17,236</u>	<u>0</u>	<u>21,164</u>	<u>0</u>
Class Size Reduction	CR-S1-01	84.340	0	0	1	0
Class Size Reduction	CR-S1-02	84.340	(4,171)	0	4,931	0
Total Class Size Reduction			<u>(4,171)</u>	<u>0</u>	<u>4,932</u>	<u>0</u>
Improving Teacher Quality State Grant	TR-S1-03	84.367	55,923	0	54,267	0
Technology Literacy Challenge Grant	TJ-S1-03	84.318	3,686	0	2,929	0
School Renovation Grants	AT-S3-02	84.352	16,743	0	16,284	0
English Language Acquisition Grant	T3-S1-03	84.365	23,316	0	23,253	0
Title III, Part B - Grants for Supportive Services and Senior Centers	N/A	93.044	2,150	0	2,150	0
National Family Caregiver Support	N/A	93.052	2,350	0	2,350	0
Total U.S. Department of Education			<u>527,705</u>	<u>0</u>	<u>570,242</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$561,858</u>	<u>\$21,088</u>	<u>\$604,395</u>	<u>\$21,088</u>

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

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
FISCAL YEAR ENDED JUNE 30, 2003**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C – FEDERAL TRANSFERS

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2002 grant year to the 2003 grant year for two separate grants. These amounts are shown as negative receipts for the 2002 grant year and positive receipts in the 2003 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated November 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 21, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 21, 2003.

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

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

Betty Montgomery
Auditor of State

November 21, 2003



Auditor of State Betty Montgomery

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

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

Compliance

We have audited the compliance of the Orange City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated November 21, 2003.

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated November 21, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

November 21, 2003

ORANGE CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003

SCHEDULE OF FINDINGS
 OMB CIRCULAR A -133 §.505

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**ORANGE CITY
SCHOOL DISTRICT**

CUYAHOGA COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2003***

***Issued By:
Treasurer's Office
L. Gregory Slemons
Treasurer/Director of Budget Services***

Orange City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	iv
List of Principal Officials	xv
Administrative Position Chart	xvi
GFOA Certificate of Achievement	xvii
ASBO Certificate	xviii
II. Financial Section	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund	24
Statement of Fund Net Assets – Proprietary Fund	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund	26
Statement of Cash Flows – Proprietary Fund	27
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to the Basic Financial Statements	30

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds.....	57
Combining Balance Sheet - Nonmajor Governmental Funds.....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	60
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	65
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	70

Combining Statements – Fiduciary Funds:

Description of Funds.....	71
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	72

Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in
Fund Balance/Fund Equity-Budget (Non-GAAP Basis) and Actual:

Major Funds:	
General Fund.....	74
Bond Retirement Fund.....	78
Recreation Fund.....	79
NonMajor Funds:	
Public School Support Fund.....	80
Miscellaneous Grants Fund.....	81
District Managed Activity Fund.....	82
Auxiliary Services Fund.....	83
Local Professional Development Block Grant Fund.....	84
Children’s Trust Fund.....	85
Educational Management Information Systems Fund.....	86
OneNet Connect Subsidy Fund.....	87
SchoolNet Professional Development Fund.....	88
Interactive Video Distance Learning Fund.....	89
Miscellaneous State Grants Fund.....	90
Eisenhower Grant Fund.....	91
Title VI-B Fund.....	92
Title III Fund.....	93
Title I Fund.....	94
Title VI Fund.....	95
Drug Free Schools Grant Fund.....	96
Preschool Disability Fund.....	97
Title VI-R Fund.....	98
Miscellaneous Federal Grants Fund.....	99

Food Service Fund.....	100
Memorial Fund.....	101
Uniform School Supplies Fund.....	102
Permanent Improvements Fund.....	103
Building Improvements Fund.....	104
SchoolNet Plus Fund.....	105
Telecommunity Fund.....	106
Scholarship Fund.....	107

III. Statistical Section

General Fund Revenues by Source and Other Financing Sources And Expenditures by Function and Other Financing Uses - Last Ten Fiscal Years.....	109
Property Tax Levies and Collections--Last Ten Years.....	111
Assessed and Estimated Actual Value of Taxable Property--Last Ten Years.....	113
Property Tax Rates--Direct and Overlapping Governments--Last Ten Years.....	115
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita--Last Ten Years.....	116
Computation of Legal Debt Margin.....	117
Computation of Direct and Overlapping General Obligation Bonded Debt.....	118
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Fund Expenditures-- Last Ten Fiscal Years.....	119
Demographic Statistics – Last Ten Years.....	120
Property Value, Industrial Employment And Financial Institution Deposits--Last Ten Years.....	121
Principal Taxpayers: Real Estate Tax.....	122
Tangible Personal Property Tax.....	123
Public Utilities Tax.....	124
Per Pupil Cost--Last Ten Fiscal Years.....	125
Teacher Education and Experience.....	126
Demographic Statistics – Last Ten Years.....	127



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November 21, 2003

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

We are pleased to submit to you the Orange City School District's Comprehensive Annual Financial Report (CAFR). This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 2003. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles as applicable to governmental entities.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Orange City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the local villages and cities comprising the School District, the Cuyahoga County Public Library, major taxpayers, financial rating services, and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District, GFOA Certificate of Achievement and ASBO Certificate of Excellence.
2. The Financial Section, which begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Orange City School District.

The School District

History

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

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

Since 1939, Orange has been a member of the North Central Association of Colleges and Secondary Schools. It has continuously held a high rating among schools certified by the State Board of Education.

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange School District. In 1994, the school was inducted into the Blue Ribbon Hall of Fame as a Hall of Fame School by the Ohio Association of Elementary School Administrators. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school.

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

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

Ballard Brady Middle School opened in 1965. It was named for Dr. Ballard Brady, superintendent from 1951 to 1967. Brady Middle School educated children in grades 5-7 during the 2000/2001 school year. For the 2001/2002 school year, the school was reconfigured to educate children in grades 6 - 8. Grade 5 children attended the new Moreland Hills Elementary School in the 2001/2002 school year.

Orange High School was remodeled and expanded many times with the last two renovations taking place in 1973 and 2001. In the 1990-91 school year, Orange High School was recognized as a Blue Ribbon School of Excellence by the United States Department of Education. Throughout the Orange City School Districts' history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

Present

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

The School District's 2,376 students are bused daily to the campus consisting of four main school buildings and an administration building. The original Moreland Hills Elementary School was replaced by the new Moreland Hills Elementary School (grades K-5 for 2003). The other two buildings include Brady Middle School, and Orange High School (grades 9-12 for 2003). The Orange School District also manages the Orange Community Education and Recreation Department, which includes preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. The recreation department utilizes all School District facilities in concert with the school system. The Orange City School District includes 83 students who attend the Gund School, which adjoins the School District's campus and serves as a residential facility for students with special needs.

The population within the School District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 27 percent of the student population in the School District. Orange parents are generally college-educated and involved in professional careers. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their

first or second choice. More than 94 percent of Orange graduates pursue higher education. Over the past 20 years, residents have passed all school operating levies placed on the ballot for their approval. The last general operating levy of 9.5 mills, which was on the ballot in November 2000, was approved by 59 percent of the voters. In addition, a \$36.5 million-dollar bond issue was approved in November 1998 by 68 percent of the voters and a 1 mill permanent improvement levy was approved in November 2003 by 66 percent of the voters. The Orange School District is fortunate to have residents who believe in, and are willing to support with tax dollars, a high quality of education for all children.

Organizational Structure

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

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

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

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

The School District has implemented various aspects of Site Based Management with the building principals for the reason of providing site leadership while the central office directors strive to provide the highest quality services in order to fulfill the educational needs of the schools. Each director has a new and revised job description that includes an additional service aspect involving instruction, students, business, and budgeting.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Orange City School District (the primary government) and its potential component units.

The School District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include the Lakeshore Northeast Ohio Computer Association (LNOCA), the Ohio Schools Council, the Ohio School Plan and the Suburban Health Consortium. These organizations are presented in Notes 15 and 16 to the basic financial statements.

Major Initiatives

Focus on Authentically Engaged Students

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

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

The educational plan for the School District consists of the following:

1. Educational Programs. In order to develop students who will think critically to solve problems, acquire and apply knowledge, communicate effectively, utilize new technologies and are civic-minded, the Orange School District will:
 - Focus all energies on the core business of schools, which is to design engaging work for students.
 - Encourage and design professional development for both certified and non-certified staff which focuses on designing engaging and satisfying work for students. This includes, but is not limited to Teachers' Academy, staff development days and Standard Bearer efforts.
 - Create an environment that supports the work of the district in designing work for students that engages them in learning that which we know they need to learn in order to be well educated.
 - Design the schedule in each building to maximize available instructional time and to enhance student achievement.
 - Incorporate at each grade level curricular experiences that involve students and teachers in using instructional technology.
 - Maintain, improve, and create programs that involve students from all grade levels in citizenship and school/community service programs.

- Encourage student selection of electives, co-curricular and extra-curricular offerings that will contribute to the development of a well-qualified and well-rounded graduate.
 - Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
 - Value the contributions of all employees while establishing an atmosphere that enhances continuous improvement of both the individual and the system.
 - Establish a complementary and/or extended curriculum through courses offered by the Orange Community Education and Recreation Department.
 - Analyze, plan, implement and evaluate strategies which demonstrate a commitment to excellence as measured by student test scores, college admissions, artistic and athletic accomplishments and other indicators of success.
 - Encourage all parents to participate in the continuous improvement process.
 - Plan and articulate a curriculum which is consistent and sequential.
 - Improve the current parent/teacher communication process regarding student welfare.
2. Fiscal Management. To enhance the efficiency of the business/finance operations, the School District will:
- Improve communications and efficiencies regarding financial operations through detailed spending and revenue plans, financial forecasts, strong internal controls, useful and timely financial reporting in accordance with recognized standards and the use of available technology.
 - Pursue appropriate non-traditional school funding sources.
 - Provide a clear accounting of the revenues and expenditures from school operation, capital improvement and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act prior to July 1 of each fiscal year.
3. Community Relations. To improve interaction with the community, the School District will:
- Periodically survey residents to determine where further communication is necessary and evaluate the perceptions and the extent of satisfaction or dissatisfaction with the School District.
 - Keep the community well-informed by frequently and routinely providing news about the District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondences, District web site, local media and letters to the community

- Identify and communicate with Orange Alumni.
4. Business Services. To maintain and improve buildings and facilities, transportation and food service, the School District will:
- Work with the staff to analyze cost effectiveness of present programs and offer recommendations.
 - Involve support staff in continuous improvement opportunities.
 - Work with representative groups to formulate a plan and recommend solutions to issues of space, programming, and maintenance.
5. Board of Education Operations. To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education will:
- Maintain a long-range strategic plan including financial, programmatic, personnel and facility components.
 - Develop an appropriate plan to increase the Board of Education's visibility and knowledge.
 - Explain with more regularity and intensity the realities of Ohio school finance in general and the finances of the Orange Schools in particular.
 - Re-design the system by which the Board of Education sets agendas, tracks issues and completes its annual evaluation.
 - Increase public attendance at Board of Education meetings.

Major Initiatives for School Year 2002 - 2003

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

During fiscal year 2003, the Board of Education, Treasurer and other key members of the School District's administration finalized a plan that would enable the School District to place a 1 mill continuous permanent improvement levy on the ballot in November of 2003. This levy was a "no new taxes" levy since the School District promised to reduce its debt service millage by 1 mill upon approval of the 1 mill continuous permanent improvement levy. This scenario was made possible because the School District, as part of the \$36.5 million dollar bond issue passed in 1998, planned to restructure a portion of the debt from this issue from a series of one-year notes to long-term bonds sometime in the future. Based on the financial condition of the School District and the interest rate environment that exists today, the Board of Education and management felt the time to propose the 1 mill continuous permanent improvement levy and debt restructuring was now. The 1 mill continuous permanent improvement levy issue was then passed by the voters in November of 2003, which is a show of confidence that they believed in the Board's and management's plan. The new stream of income generated by this new levy will enable to School District to adequately maintain and improve its capital resources for the foreseeable future.

Future Projects

The Board of Education engaged and retained the firm of the Albert M. Higley Company to assist the District in preparing a complete facility analysis in order to anticipate future physical plant replacement and maintenance needs. This plan is the starting point for the District's ongoing assessment of plant and

operational needs in order to provide the Orange City Schools' students with the best possible environment in which to learn. During fiscal year 2004 the District will continue with several small capital improvement projects, including regular scheduled maintenance of the District's new facilities. Many of these projects will be paid from the District's Permanent Improvement Fund, which is legally restricted for these types of expenditures. With the recent passage of a 1 mill continuing permanent improvement levy, the School District will now have a reliable revenue stream of approximately \$900,000 annually to be used for capital improvement purposes.

The District will continue with a district-wide improvement process by continuing its participation with the Center for Leadership and School Reform (CLSR). The Board of Education and District Administration believe that this process will enable the District to evolve into a Standard Bearer School District, which will greatly enhance the students' learning process. This District is currently in year three of a process that is expected to take approximately three years to complete. Successful completion of this project will require the cooperation of all employees, including administrators, building principals, teachers and support staff.

Student Accomplishments and Achievements

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

- 1) A graduation rate of 99 percent with 94 percent of graduates continuing their education at an institution of higher learning.
- 2) Four hundred twenty five advanced placement exams taken with 90 percent of all scores being a 3 or better, placing Orange students in the top one percent of all test takers in the Country.
- 3) Sixty-Three students at OHS have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations. This number represents 36 percent of students taking advanced placement exams.
- 4) Seventeen national merit scholarship winners, six finalists, eleven commended students, representing nine percent of the graduating class.
- 5) Orange High School students who took the SAT exam in the 2002 - 2003 school year scored an average of 558 on the verbal section and 574 on the math section. This was well above the national average of 507 verbal and 519 math.

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

Economic Outlook

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

Seventy nine percent of the School District's valuation is comprised of residential property, which proves the School District is an ideal suburban setting. The property valuation has approximately doubled since fiscal year 1988. The homes in the School District continue to increase in market value. During the same period of time, the industrial base has increased approximately 50 percent. The current economic trend in the nation of keeping and attracting businesses has had its effect on the School District through some local tax abatement for businesses. In addition, legislative changes in Ohio have resulted in revenue from the personal property tax on inventory

Property taxes and related state entitlements made up approximately 77 percent of the School District's total revenue in fiscal year 2003. This shows that the School District relies heavily upon the continued support of its residents through the passage of tax levies.

The School Districts' enrollment has increased along with the growth of the five municipalities. The 2002/2003 enrollment of 2,361 compared with the 1985/1986 enrollment of 1,886 reflects an increase of 475 students, or 25 percent, over the 17 year period. Enrollment is projected to increase slightly over the next five years.

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

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

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

The School District passed a 9.5 mill general operating levy and a .95 mill recreation levy in November 2000. These levies generate approximately \$7.2 million annually for the general fund and \$724,000 for the recreation program. These levies are projected to provide the funds needed to maintain current program levels through fiscal year 2004. These issues passed with a 59 percent vote of confidence. A \$36.5 million-dollar bond issue was passed with a 68 percent vote of confidence back in November 1998. In addition, a 1 mill continuing permanent improvement levy was passed in November of 2003 with a 66 percent vote of confidence.

Financial Information

Internal Accounting and Budgetary Control

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

proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, a permanent appropriation measure must be adopted upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates, which is usually within three months after the start of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled by the Board of Education at the fund level. Within the School District's accounting system, a more stringent management budget is controlled at the object level within a function and fund. All purchase order requests must be approved by the Building Principal and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

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

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

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

Financial Reporting

For the fiscal year ending June 30, 2003, the School District continued to report in accordance with the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This pronouncement significantly changes the way the School District reports its financial condition and results of operations as compared to previous years. The basic financial statements for reporting on the School District's financial activities are as follows:

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

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

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

As part of this reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion appears after the Independent Accountants' Report in the financial section of this report. The Management Discussion and Analysis provides an assessment of the School District's finances for 2003.

Cash Management

The Board of Education has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash that is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government and STAR Ohio in addition to corporate commercial paper and other investments allowed by state law and the School District's own investment policy. The School District retained the services of Productive Portfolios, Inc., a registered investment advisory firm, during fiscal year 2003 to assist the School District in its investing strategy and to obtain even greater returns on investments while adhering to the principals of principal preservation and liquidity. The School District also engaged the services of Seasongood Asset Management, LLC during fiscal year 2003 to actively manage a portion of the School District's investment portfolio in accordance with the School District's investment policy and Ohio law. The total amount of interest earned on investments was \$501,916 for the fiscal year ended June 30, 2003, with \$352,375 being credited directly to the general fund.

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

Risk Management

All employees of the Orange City School District are covered by a blanket bond while certain positions in decision/policy making roles are covered by separate, higher bond coverage.

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

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA. In addition, the School District will submit its CAFR to the Association of School Business Officials International.

ASBO Certificate - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2002, to the Orange City School District. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that the Comprehensive Annual Financial Report for fiscal year ended June 30, 2003, will conform to ASBO's principles and standards.

Independent Audit

State statutes require the School District to be subjected to an annual audit by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2003. 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 governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for 1981.

Acknowledgments

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

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

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

Respectfully submitted,



Dr. Daniel W. Lukich
Superintendent



L. Greg Slemons, CPA
Treasurer/Director of Budget Services

**Orange City School District
List of Principal Officials
As of June 30, 2003**

Board of Education

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

Treasurer/Director of Budget Services

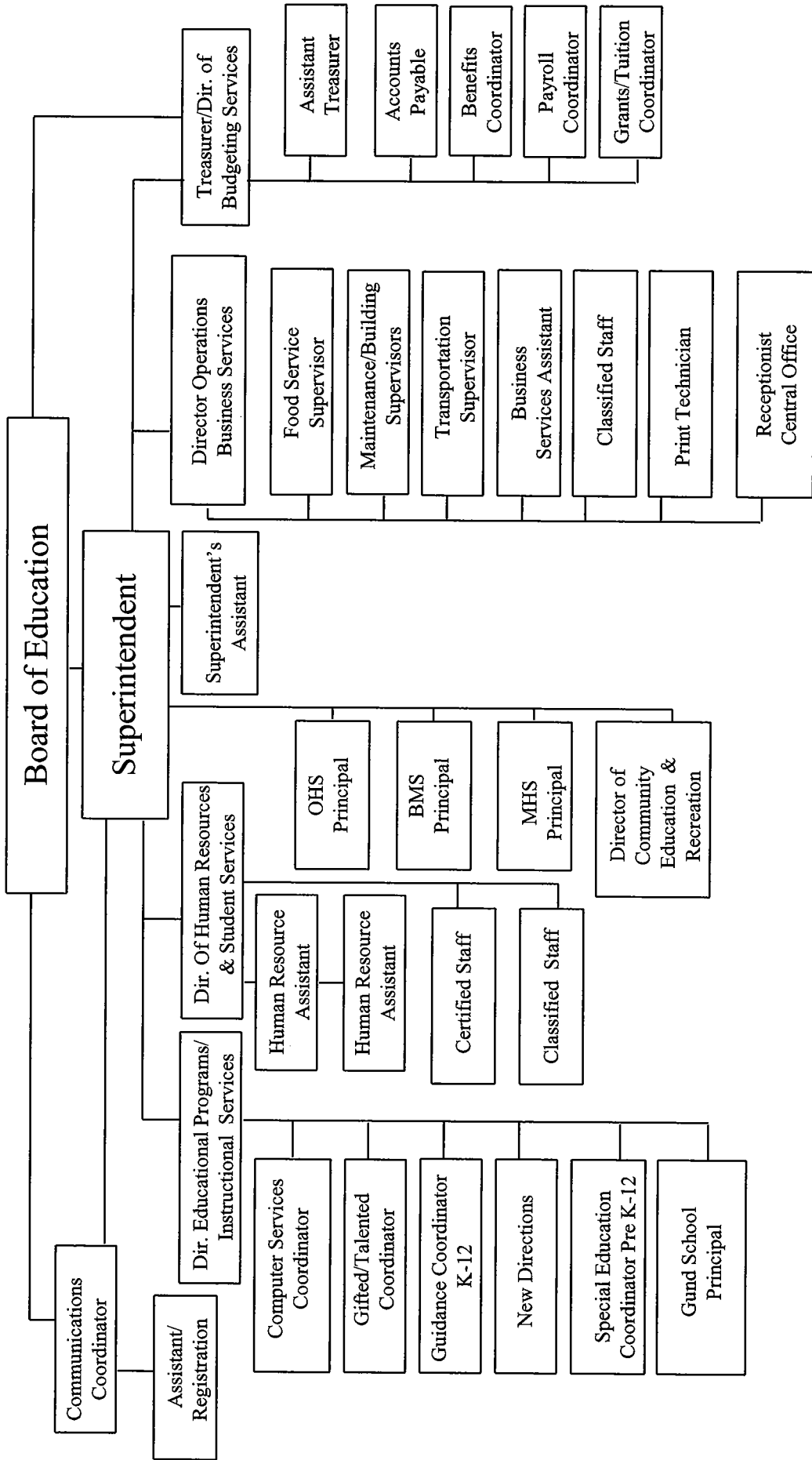
Mr. L. Greg Slemons, CPA

Administration

Dr. Daniel W. Lukich	Superintendent
Dr. Joe Webb	Director of Human Resources/Student Services
Dr. Nancy Wingenbach	Director of Educational Programs and Instructional Services
Ms. April Siegel-Green	Coordinator of Special Education
Mr. Lou DeVincentis	Coordinator of Communications
Ms. Laura Guentner	Director of Recreation
Mr. Kurt Bernardo	Coordinator of Computer Services
Mr. Greg Markus, CPA	Assistant Treasurer
Ms. Nancy Belle-Gordon	Supervisor of Transportation Services
Ms. Sharlyne Berger	Supervisor of Food Services
Mr. Phil Dickinson	Director of Operations and Business Services
Mr. Jim Taylor	Campus Supervisor

Orange Schools Administrative Position Chart

2002-2003



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Orange City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



A handwritten signature in black ink, appearing to read "Edward Haney".

President

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

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ORANGE CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

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

President

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Orange City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

November 21, 2003

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2003 UNAUDITED

The discussion and analysis of Orange City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. 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, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets increased \$2,929,338. Net assets of governmental activities increased \$2,695,605, which represents a 9.47% increase from 2002. Net assets of business-type activities increased \$233,733 or 4.53% from 2002.
- General revenues accounted for \$36,800,137 in revenue or 85.22% of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,384,166 or 14.78% of total governmental revenues of \$43,184,303.
- The District had \$40,488,698 in expenses related to governmental activities; only \$6,384,166 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,800,137 were adequate to provide for these programs.
- One of the District's major governmental funds is the general fund. The general fund had \$38,031,704 in revenues and other financing sources and \$36,346,723 in expenditures and other financing uses. The general fund's fund balance increased \$1,684,981 from \$12,772,516 to \$14,457,497.
- The District's other major governmental fund is the bond retirement fund. The bond retirement fund had \$7,960,128 in revenues and other financing sources and \$8,093,251 in expenditures and other financing uses. The bond retirement fund's fund balance decreases \$133,123 from \$1,644,340 to \$1,511,217.
- Net assets for the District's enterprise fund increased \$233,733 or 4.54%. The recreation fund's net assets increased from \$5,153,384 to \$5,387,117 on revenues (both operating and nonoperating) of \$2,251,333 versus expenses of \$2,017,600.

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.

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

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2003 UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the following question: How did we do financially during 2003? The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 10 and the analysis of the District's enterprise fund begins on page 10. 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 bond retirement fund.

Governmental Funds

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

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

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.

Reporting the District's Fiduciary Responsibilities

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

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2003 and 2002.

	Net Assets			
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Assets</u>				
Current assets	\$ 56,503,433	\$ 51,963,794	\$ 3,133,211	\$ 3,500,446
Capital assets, net	<u>43,835,515</u>	<u>43,933,132</u>	<u>2,615,782</u>	<u>1,892,421</u>
Total assets	<u>100,338,948</u>	<u>95,896,926</u>	<u>5,748,993</u>	<u>5,392,867</u>
<u>Liabilities</u>				
Current liabilities	34,480,048	31,294,377	345,908	235,541
Long-term liabilities	<u>34,706,487</u>	<u>36,145,741</u>	<u>15,968</u>	<u>3,942</u>
Total liabilities	<u>69,186,535</u>	<u>67,440,118</u>	<u>361,876</u>	<u>239,483</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	12,602,070	11,202,586	2,615,782	1,892,421
Restricted	3,633,497	4,351,769	-	-
Unrestricted	<u>14,916,846</u>	<u>12,902,453</u>	<u>2,771,335</u>	<u>3,260,963</u>
Total net assets	<u>\$ 31,152,413</u>	<u>\$ 28,456,808</u>	<u>\$ 5,387,117</u>	<u>\$ 5,153,384</u>

Total governmental assets increased by \$4,442,022 while total governmental liabilities increased by \$1,746,417 resulting in an increase to net assets of \$2,695,605. Total assets of business-type activities increased \$356,126 while total liabilities of business-type activities increased by \$122,393 resulting in an increase to net assets of \$233,733.

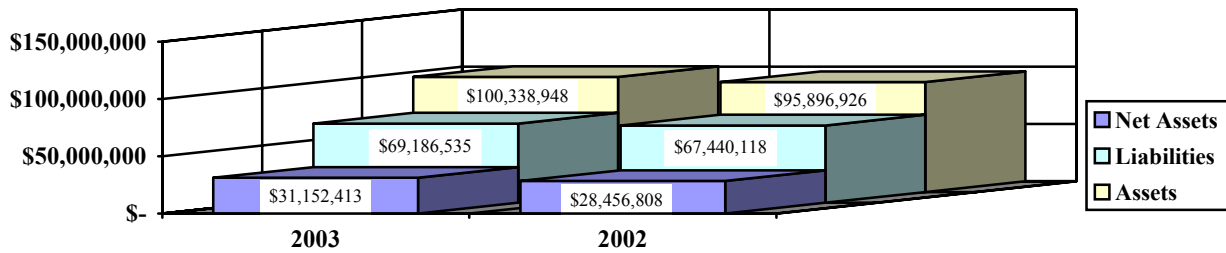
ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

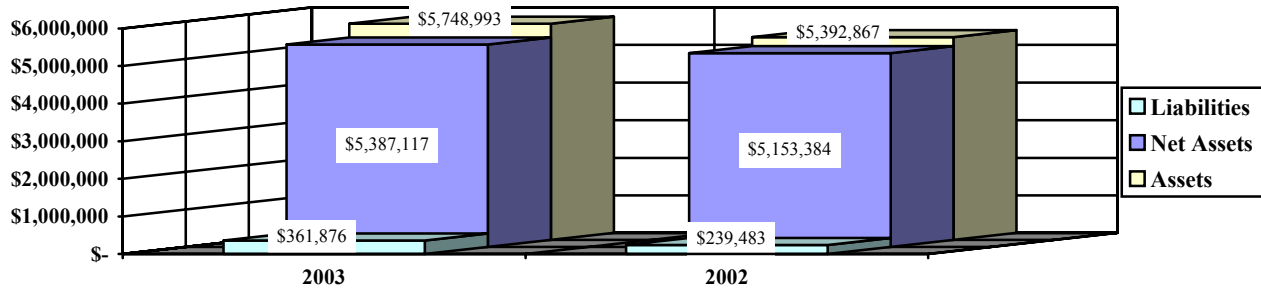
Taxes receivable contributed to 34.26 percent or \$36,354,065 of total assets. Of this amount \$30,184,078 is offset as deferred revenue, revenue to be used in future periods. In November of 2000 a 9.5 mill levy was passed yielding \$7.25 million annually, with full collection not occurring until fiscal year 2002. Liabilities for governmental activities totaled \$69,186,535; of this amount \$34,706,487 or 50.16 percent is long-term liabilities. By comparing assets and liabilities, one can see the overall position of the District is good. The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$37,598,673 or 82.75 percent of total revenue. The most significant portion of the general revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equaled to \$7,836,963 or 17.25 percent of total revenue.

The graphs below present the District's governmental and business type net assets for fiscal years 2003 and 2002.

Governmental - Net Assets



Business-Type - Net Assets



ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

The table below shows the changes in net assets for governmental activities and business-type activities for fiscal year 2003 and 2002.

	Change in Net Assets		Business-Type Activities	
	Governmental Activities			
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<u>Revenues</u>				
Program revenues:				
Charges for services and sales	\$ 5,280,109	\$ 5,189,739	\$ 1,365,066	\$ 1,184,354
Operating grants and contributions	999,474	732,912	87,731	151,672
Capital grants and contributions	<u>104,583</u>	<u>27,880</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>6,384,166</u>	<u>5,950,531</u>	<u>1,452,797</u>	<u>1,336,026</u>
General revenues:				
Property taxes	30,301,514	38,727,621	660,894	651,353
Grants and entitlements, not restricted	5,975,363	5,717,812	-	-
Investment earnings	440,002	543,836	61,914	53,226
Other	<u>83,258</u>	<u>78,756</u>	<u>75,728</u>	<u>44,846</u>
Total general revenues	<u>36,800,137</u>	<u>45,068,025</u>	<u>798,536</u>	<u>749,425</u>
Total revenues	<u>43,184,303</u>	<u>51,018,556</u>	<u>2,251,333</u>	<u>2,085,451</u>
<u>Expenses</u>				
Program expenses:				
Instruction:				
Regular	14,545,778	14,568,032	-	-
Special	6,017,671	6,402,994	-	-
Vocational	241,796	230,331	-	-
Other	<u>11,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services:				
Pupil	2,210,058	2,179,425	-	-
Instructional staff	1,480,216	1,460,404	-	-
Board of Education	89,482	55,562	-	-
Administration	2,291,678	2,398,794	-	-
Fiscal	1,032,334	1,024,004	-	-
Business	396,839	385,116	-	-
Operations and maintenance of plant	4,213,242	3,763,576	-	-
Pupil transportation	3,028,156	2,733,130	-	-
Central	1,073,794	721,406	-	-
Operation of non-instructional services	39,822	243,162	-	-
Food service	589,708	484,331	-	-
Intergovernmental pass through	423,977	-	-	-
Extracurricular activities	1,464,133	1,360,754	-	-
Interest and fiscal charges	1,338,239	1,435,275	-	-
Recreation	<u>-</u>	<u>-</u>	<u>2,017,600</u>	<u>1,785,160</u>
Total expenses	<u>40,488,698</u>	<u>39,446,296</u>	<u>2,017,600</u>	<u>1,785,160</u>
Changes in net assets	<u>\$ 2,695,605</u>	<u>\$ 11,572,260</u>	<u>\$ 233,733</u>	<u>\$ 300,291</u>

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2003 UNAUDITED

Governmental Activities

Net assets of the District's governmental activities increased by \$2,695,605. Total governmental expenses of \$40,488,698 were offset by program revenues of \$6,384,166 and general revenues of \$36,800,137. Program revenues supported 15.77% of the total governmental expenses.

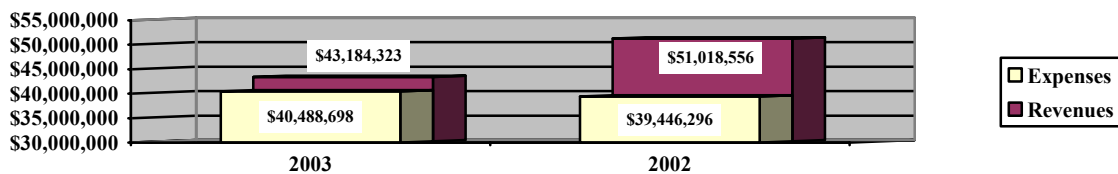
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 84.00% of total governmental revenue. The District has carefully projected the financial future by forecasting revenues and expenditures for a five-year period. Over the past twenty-five years, residents of the District have, without exception, supported all operating levies placed on the ballot. In November of 2000, the District successfully passed a 9.5 mill-operating levy that generates \$7.25 million in revenue per year. Collections on this new levy began the second half of fiscal year 2001 will full collection of this levy realized in fiscal year 2002. The additional income was dedicated to fund the day-to-day operations of the District (e.g., salaries, utilities, textbooks, transportation) and is expected to cover four years of operation. Ohio H.B. 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This state law, enacted in 1976, also eliminates any growth from local revenue, therefore school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

Approximately 51.41% of the District's budget is used for instructional expenses. Supporting services for pupils, staff and business operations account for an additional 28.66%. The remaining amount of program expenses, roughly 19.93%, is budgeted to facilitate other obligations of the District such as interest and fiscal charges, food service operations and extracurricular activities.

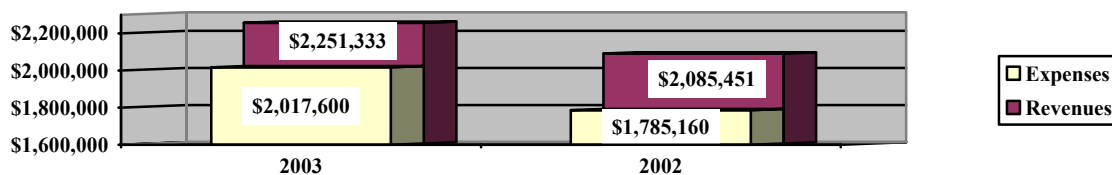
Actual expenses were consistent with annual budget expectations and the District even reflected an increase of net assets in 2003 of \$2,695,605. The increase was primarily due to a full year collection of the 9.5 mill levy that was passed by the Orange City School voters in November 2000.

The graphs below present the District's governmental and business-type activities revenue and expenses for fiscal years 2003 and 2002.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2003. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Program expenses:				
Instruction:				
Regular	\$ 14,545,778	\$ 14,568,032	\$ 9,992,258	\$ 9,860,895
Special	6,017,671	6,402,994	5,784,156	6,240,685
Vocational	241,796	230,331	241,796	229,930
Other	11,775	-	11,775	-
Support services:				
Pupil	2,210,058	2,179,425	2,045,188	2,075,228
Instructional staff	1,480,216	1,460,404	1,450,934	1,442,243
Board of Education	89,482	55,562	89,482	55,562
Administration	2,291,678	2,398,794	2,286,317	2,389,058
Fiscal	1,032,334	1,024,004	1,032,334	1,024,004
Business	396,839	385,116	396,839	385,116
Operations and maintenance of plant	4,213,242	3,763,576	4,096,205	3,759,018
Pupil transportation	3,028,156	2,733,130	3,028,156	2,705,250
Central	1,073,794	721,406	1,054,720	712,627
Operation of non-instructional services	39,822	243,162	26,358	(23,328)
Food service operations	589,708	484,331	86,552	30,427
Intergovernmental pass through	423,977	-	29,762	-
Extracurricular activities	1,464,133	1,360,754	1,113,461	1,173,775
Interest and fiscal charges	<u>1,338,239</u>	<u>1,435,275</u>	<u>1,338,239</u>	<u>1,435,275</u>
Total expenses	<u>\$ 40,488,698</u>	<u>\$ 39,446,296</u>	<u>\$ 34,104,532</u>	<u>\$ 33,495,765</u>

The dependence upon tax revenues during fiscal year 2003 for governmental activities is apparent, as 77.00% of 2003 instruction activities are supported through taxes and other general revenues. For governmental activities, general revenue support is 90.88% of total expenses in 2003. The District's taxpayers, as a whole, are by far the primary support for District's students.

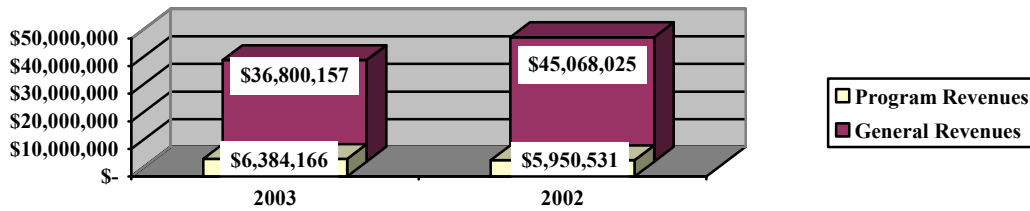
<p>The communities of Huntington Valley, Orange, Pepper Pike, Moreland Hills, Woodmere, and parts of Solon, Warrensville Heights, and Bedford Heights are the greatest source of financial support for the students of Orange City Schools.</p>
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ORANGE CITY SCHOOL DISTRICT

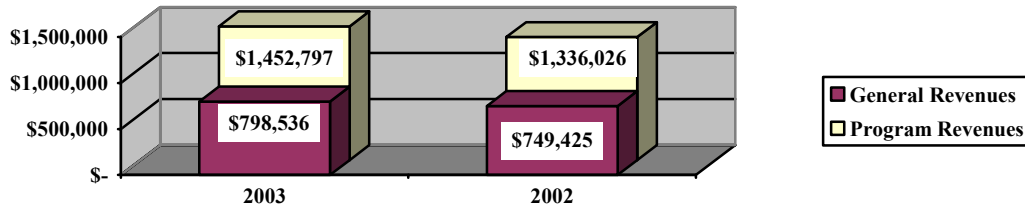
*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

The graphs below present the District's governmental and business-type activities revenue for fiscal years 2003 and 2002.

Governmental Activities - General and Program Revenues



Business-Type Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the recreation operation. This program had revenues of \$2,251,333 and expenses of \$2,017,600 for fiscal year 2003. During fiscal year 2003, the District's business activities received \$660,894 in support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a combined fund balance of \$18,273,712, which is above last year's total of \$17,526,122. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2003 and 2002.

	<u>Fund Balance</u> <u>June 30, 2003</u>	<u>Fund Balance</u> <u>June 30, 2002</u>	<u>Increase/</u> <u>(Decrease)</u>
General	\$ 14,457,497	\$ 12,772,516	\$ 1,684,981
Bond retirement	1,511,217	1,644,340	(133,123)
Other Governmental	<u>2,304,998</u>	<u>3,109,266</u>	<u>(804,268)</u>
Total	<u>\$ 18,273,712</u>	<u>\$ 17,526,122</u>	<u>\$ 747,590</u>

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

General Fund

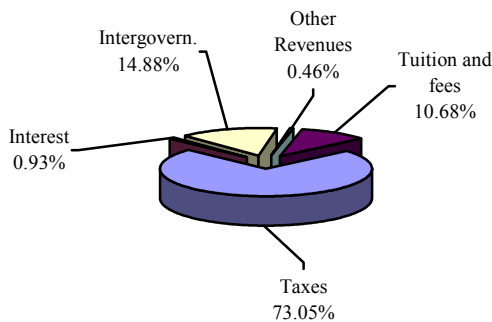
The District's general fund is by far the District's most significant fund. Fund balance of the general fund increased by \$1,684,981. The table that follows assists in illustrating the revenues of the general fund.

	<u>2003</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 27,660,630	\$ 34,951,676	(20.86)%
Tuition and fees	4,043,241	4,362,668	(7.32)%
Interest earnings	352,375	234,129	50.50%
Intergovernmental	5,633,094	5,508,836	2.26%
Other revenues	<u>172,644</u>	<u>216,599</u>	(20.29)%
Total	<u>\$ 37,861,984</u>	<u>\$ 45,273,908</u>	(16.37)%

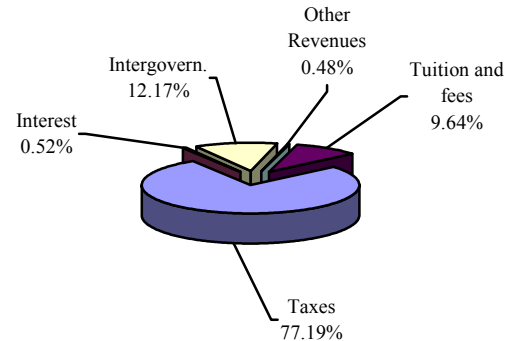
Tax revenue decreased \$7,291,046 or 20.86% from the prior year. This is the result of a dramatic decrease in the amount of taxes collected by the Cuyahoga County Auditor and available to the District as an advance at fiscal year end. These amounts vary depending upon when the tax bills are sent. The decrease in tax revenue is caused by the application of GAAP in the requirement to record tax revenue for amounts collected by the County Auditor at June 30 and available to the District as an advance. These amounts are reserved on the fund financial statements as tax advance unavailable for appropriation. On a cash basis, fiscal 2003 tax revenue actually decreased \$269,291 or 0.89% from fiscal 2002.

Intergovernmental revenue increased \$124,258 or 2.26% from the prior year. This increase is attributed to an increase in the number of grants the District received in 2003. The increase in investment income is due to more effective and structured management of the District's investment portfolio. All other revenue remained comparable to 2002.

Revenues – Fiscal Year 2003



Revenues – Fiscal Year 2002



ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

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

	<u>2003</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 19,639,519	\$ 19,396,098	1.25%
Support services	14,794,853	13,638,169	8.48%
Operation of non-instructional services	13,848	2,538	445.63%
Extracurricular activities	935,290	947,162	(1.25%)
Capital outlay	169,374	29,000	484.05%
Debt service	<u>59,839</u>	<u>14,836</u>	303.33%
Total	<u>\$ 35,612,723</u>	<u>\$ 34,027,803</u>	4.66%

The most significant increase was in the area of capital outlay. This increase is due to recording of capital leases entered into during the year for copiers and mowing equipment. Instruction expenditures remained consistent with 2002. Debt service increased due to payments for the capital lease obligations being shown as debt service expenditures rather than as function expenditures. The District entered into three new capital lease agreements in fiscal 2003. All other expenditure line items showed immaterial amounts or were consistent with 2002.

General Fund Budgeting Highlights

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

During the course of fiscal 2003, the District amended its general fund budget only twice, none significant. The District uses a modified site-based style of budgeting that has in place systems designed to tightly control expenses, but provide flexibility for site based decision-making by management.

The general fund's, final budgeted revenues totaled \$39,276,521, this was above original budget estimates of \$38,565,692. Actual budget basis revenue of \$40,232,118 exceeded final budgeted revenue by \$955,597. The final budgeted expenditures totaled \$37,112,929 compared to original estimates of \$37,146,460. Actual budget basis expenditures of \$35,401,135 were \$1,711,794 lower than the final budgeted expenditures.

The District's ending unencumbered cash balance totaled \$14,400,320, which was higher than that originally budgeted.

ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

Capital Assets and Debt Administration

Capital Assets

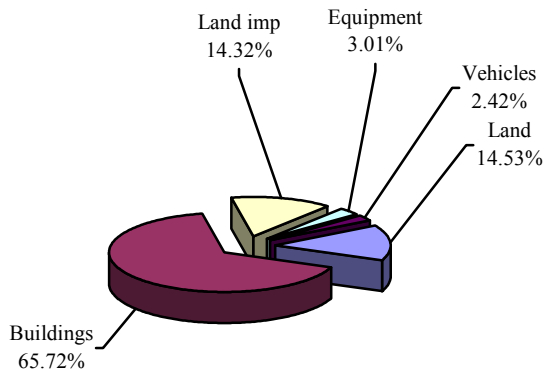
At the end of fiscal 2003, the District had \$46,451,297 invested in land, land improvements, buildings, equipment and vehicles. Of this total, \$43,835,515 was reported in governmental activities and \$2,615,782 was reported in business-type activities. The following table shows fiscal 2003 balances compared to 2002:

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

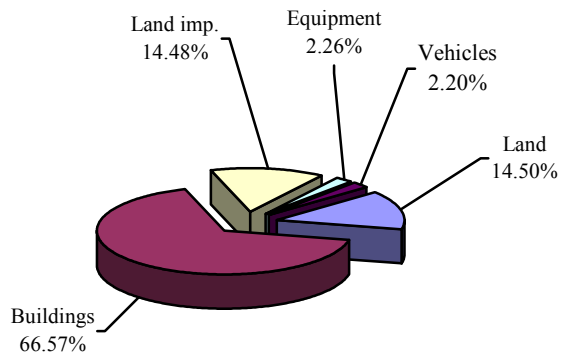
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$ 6,370,150	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150	\$ 6,370,150
Land improvements	6,278,642	6,360,172	39,256	17,146	6,317,898	6,377,318
Building	28,807,005	29,246,102	2,488,485	1,797,673	31,295,490	31,043,775
Equipment	1,319,572	991,639	45,416	29,962	1,364,988	1,021,601
Vehicles	1,060,146	965,069	42,625	47,640	1,102,771	1,012,709
Total	\$43,835,515	\$43,933,132	\$ 2,615,782	\$ 1,892,421	\$ 46,451,297	\$ 45,825,553

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2003 and 2002.

**Capital Assets - Governmental Activities
2003**



**Capital Assets - Governmental Activities
2002**

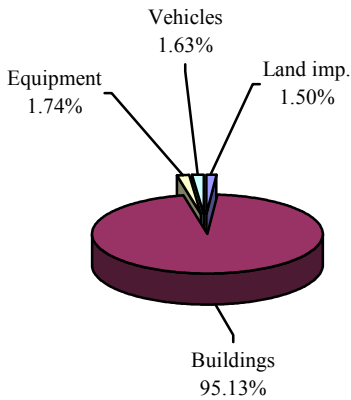


Note: The sum of the percentages noted in the above graphs may exceed 100% due to rounding.

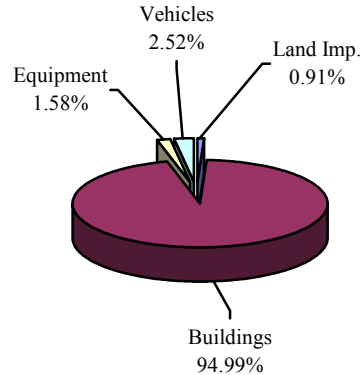
ORANGE CITY SCHOOL DISTRICT

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED*

**Capital Assets - Business-Type Activities
2003**



**Capital Assets - Business-Type Activities
2002**



Debt Administration

At June 30, 2003 the District had \$25,888,221 in general obligation bonds outstanding and \$5,150,000 in notes outstanding. The following table summarizes the bonds and loan outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2003	Governmental Activities 2002
General obligation bonds	\$ 25,888,221	\$ 26,843,221
Capital Lease Obligations	195,224	137,325
Notes payable	<u>5,150,000</u>	<u>5,750,000</u>
Total	<u>\$ 31,233,445</u>	<u>\$ 32,730,546</u>

In an election held on November 3, 1998 the electors of the District approved the issuing of bonds for the purpose of acquiring improved and additional educational technology, installing computer stations in school buildings, renovating school libraries (media centers), reconstructing and equipping of science and technology laboratories, constructing, furnishing and equipping a new elementary school, and renovating, remodeling, adding to, furnishing, equipping and otherwise improving school facilities and their sites. These bonds will be fully repaid in calendar year 2023.

During fiscal 2003, the District entered into \$169,374 in new capital lease obligations and made \$111,475 in principal payments on capital lease obligations. The Balance of the capital lease obligations at June 30, 2003 was \$195,224. The capital lease obligations run through fiscal year 2007.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2003 UNAUDITED

At June 30, 2003 the District's overall legal debt margin was \$51,224,714 with an unvoted debt margin of \$897,241. The District maintains an Aa-1 bond rating.

District Outlook

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

The District has a strong financial outlook. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the district continues to perform at the highest level determined by the State of Ohio, which is measured by a defined set of proficiency criteria. Our most recent state report card shows the District's students achieving a perfect 27 out of 27.

As the preceding information shows, the District heavily depends on its property taxpayers. Our communities' support was recently measured by three most outstanding accomplishments. In November of 1998 the community passed a \$36.5 million bond issue; in November of 2000 they passed a 9.5-mill operating levy; and in November of 2003 they passed a 1-mill permanent improvement levy. The support of these three issues demonstrate the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

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

In March 1997, the Ohio Supreme Court found the State of Ohio to be operating an unconstitutional educational system; one that was neither "adequate" nor "equitable." Since 1997, the State has directed additional revenue growth toward the support of Districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not "equitable" nor "adequate." The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In September 2001, the Ohio Supreme Court issued another opinion regarding the State's school funding plan. That decision identified aspects of the current plan that require modification if the plan is to be considered constitutional. The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that change be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. In March 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the state's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". Further, on May 16, 2003, the Ohio Supreme Court rejected a motion from the plaintiffs requesting that they enforce a remedy for the December 11 decision.

ORANGE CITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2003 UNAUDITED

Following this decision, the plaintiffs filed a writ of certiorari with the United States Supreme Court to have the high court consider enforcement of a remedy in this case. On October 20, 2003, the United States Supreme Court informed the plaintiffs that they had declined to hear their petition, effectively ending the school funding litigation. In response to the school funding issue, the Governor of the State of Ohio has assembled a "Blue Ribbon Task Force on Financing Student Successes" to offer recommendations on how the State can better fund education. This task force is currently in the process of forming their recommendations to the Governor. The District is currently unable to determine what effect, if any, these decisions will have on its future state funding and its financial operations.

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

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. L. Greg Slemons, CPA, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974. You may also request information by email at LGSlemons@orange.k12.oh.us.

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF NET ASSETS
JUNE 30, 2003*

	Governmental Activities	Business-Type Activity	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 18,263,993	\$ 2,416,604	\$ 20,680,597
Accounts receivable	5,650	-	5,650
Accrued interest receivable	62,146	9,291	71,437
Intergovernmental receivable	2,132,001	-	2,132,001
Inventory held for resale	35,020	-	35,020
Materials and supplies inventory	283,531	4,743	288,274
Prepaid items	69,147	453	69,600
Taxes receivable	35,651,945	702,120	36,354,065
Nondepreciable capital assets	6,370,150	-	6,370,150
Depreciable capital assets, net	37,465,365	2,615,782	40,081,147
<i>Total assets</i>	<u>100,338,948</u>	<u>5,748,993</u>	<u>106,087,941</u>
Liabilities:			
Accounts payable	304,388	16,460	320,848
Contracts payable	17,309	32,394	49,703
Accrued wages payable	2,865,193	123,449	2,988,642
Intergovernmental payable	87,445	2,791	90,236
Pension obligation payable	762,600	170,814	933,414
Deferred revenue	30,184,078	-	30,184,078
Undistributed monies	5,487	-	5,487
Accrued interest payable	195,848	-	195,848
Claims and judgements payable	57,700	-	57,700
Long-term liabilities:			
Due within one year	1,351,484	4,871	1,356,355
Due in more than one year	33,355,003	11,097	33,366,100
<i>Total liabilities</i>	<u>69,186,535</u>	<u>361,876</u>	<u>69,548,411</u>
Net Assets:			
Invested in capital assets, net of related debt	12,602,070	2,615,782	15,217,852
Restricted for:			
Capital projects	1,956,137	-	1,956,137
Debt service	1,478,998	-	1,478,998
Set-asides	162,370	-	162,370
Other purposes	35,992	-	35,992
Unrestricted	14,916,846	2,771,335	17,688,181
<i>Total net assets</i>	<u>\$ 31,152,413</u>	<u>\$ 5,387,117</u>	<u>\$ 36,539,530</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 14,545,778	\$ 4,444,894	\$ 108,626	\$ -
Special	6,017,671	2,199	231,316	-
Vocational	241,796	-	-	-
Other	11,775	-	-	-
Support services:				
Pupil	2,210,058	37,704	127,166	-
Instructional staff	1,480,216	874	28,408	-
Board of education	89,482	-	-	-
Administration	2,291,678	-	5,361	-
Fiscal	1,032,334	-	-	-
Business	396,839	-	-	-
Operations and maintenance of plant	4,213,242	8,243	4,211	104,583
Pupil transportation	3,028,156	-	-	-
Central	1,073,794	-	19,074	-
Operation of non-instructional services	39,822	-	13,464	-
Food service operations	589,708	435,523	67,633	-
Intergovernmental pass through	423,977	-	394,215	-
Extracurricular activities	1,464,133	350,672	-	-
Interest and fiscal charges	1,338,239	-	-	-
<i>Total governmental activities</i>	<u>40,488,698</u>	<u>5,280,109</u>	<u>999,474</u>	<u>104,583</u>
Business-Type activity:				
Recreation	2,017,600	1,365,066	87,731	-
<i>Totals</i>	<u>\$ 42,506,298</u>	<u>\$ 6,645,175</u>	<u>\$ 1,087,205</u>	<u>\$ 104,583</u>

General Revenues:

Property taxes levied for:	
General purposes	
Debt service	
Recreation	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Miscellaneous	
<i>Total general revenues</i>	
Change in net assets	
<i>Net assets at beginning of year</i>	
<i>Net assets at end of year</i>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activity	Total
\$ (9,992,258)	\$ -	\$ (9,992,258)
(5,784,156)	-	(5,784,156)
(241,796)	-	(241,796)
(11,775)	-	(11,775)
(2,045,188)	-	(2,045,188)
(1,450,934)	-	(1,450,934)
(89,482)	-	(89,482)
(2,286,317)	-	(2,286,317)
(1,032,334)	-	(1,032,334)
(396,839)	-	(396,839)
(4,096,205)	-	(4,096,205)
(3,028,156)	-	(3,028,156)
(1,054,720)	-	(1,054,720)
(26,358)	-	(26,358)
(86,552)	-	(86,552)
(29,762)	-	(29,762)
(1,113,461)	-	(1,113,461)
(1,338,239)	-	(1,338,239)
(34,104,532)	-	(34,104,532)
-	(564,803)	(564,803)
(34,104,532)	(564,803)	(34,669,335)
27,843,273	-	27,843,273
2,458,241	-	2,458,241
-	660,894	660,894
5,975,363	-	5,975,363
440,002	61,914	501,916
83,258	75,728	158,986
36,800,137	798,536	37,598,673
2,695,605	233,733	2,929,338
28,456,808	5,153,384	33,610,192
\$ 31,152,413	\$ 5,387,117	\$ 36,539,530

ORANGE CITY SCHOOL DISTRICT

*BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 14,546,394	\$ 1,222,526	\$ 2,332,703	\$ 18,101,623
Restricted assets:				
Equity in pooled cash and cash equivalents	162,370	-	-	162,370
Accounts receivable	5,569	-	81	5,650
Accrued interest receivable	49,530	4,703	7,913	62,146
Intergovernmental receivable	2,084,652	-	47,349	2,132,001
Interfund loan receivable	252	-	-	252
Prepaid items	69,147	-	-	69,147
Taxes receivable	32,719,889	2,932,056	-	35,651,945
Inventory held for resale	-	-	28,152	28,152
Materials and supplies inventory	281,485	-	2,046	283,531
<i>Total assets</i>	<u>\$ 49,919,288</u>	<u>\$ 4,159,285</u>	<u>\$ 2,418,244</u>	<u>\$ 56,496,817</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 304,388	\$ -	\$ -	\$ 304,388
Contracts payable	-	-	17,309	17,309
Accrued wages payable	2,806,053	-	59,140	2,865,193
Claims and judgements payable	57,700	-	-	57,700
Interfund loan payable	-	-	252	252
Compensated absences payable	149,293	-	-	149,293
Pension obligation payable	461,504	-	8,848	470,352
Intergovernmental payable	85,759	-	1,686	87,445
Deferred revenue	31,597,094	2,648,068	20,524	34,265,686
Undistributed monies	-	-	5,487	5,487
<i>Total liabilities</i>	<u>35,461,791</u>	<u>2,648,068</u>	<u>113,246</u>	<u>38,223,105</u>
Fund Balances:				
Reserved for encumbrances	272,856	-	341,225	614,081
Reserved for property taxes	3,137,323	281,393	-	3,418,716
Reserved for debt service	-	1,229,824	-	1,229,824
Reserved for budget stabilization	162,370	-	-	162,370
Unreserved:				
Undesignated, reported in:				
General fund	10,884,948	-	-	10,884,948
Special revenue funds	-	-	331,835	331,835
Capital projects funds	-	-	1,631,938	1,631,938
<i>Total fund balances</i>	<u>14,457,497</u>	<u>1,511,217</u>	<u>2,304,998</u>	<u>18,273,712</u>
<i>Total liabilities and fund balances</i>	<u>\$ 49,919,288</u>	<u>\$ 4,159,285</u>	<u>\$ 2,418,244</u>	<u>\$ 56,496,817</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003*

Total governmental fund balances		\$ 18,273,712
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,835,515
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 1,987,968	
Intergovernmental	<u>2,093,640</u>	
Total		4,081,608
Certain contractually required pension contributions are not paid with expendable available financial resources and therefore are not reported in the funds.		(292,248)
Federally donated commodities are not reported in the funds.		6,868
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(195,848)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	25,888,221	
Compensated absences	2,938,694	
Notes payable	5,150,000	
Capital lease obligation	195,224	
Arbitrage payable	<u>385,055</u>	
Total		<u>(34,557,194)</u>
<i>Net assets of governmental activities</i>		<u><u>\$ 31,152,413</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and other local taxes	\$ 27,660,630	\$ 2,436,087	\$ -	\$ 30,096,717
Intergovernmental	5,633,094	342,269	985,642	6,961,005
Interest	352,375	31,772	55,855	440,002
Tuition and fees	4,043,241	-	-	4,043,241
Extracurricular activities	-	-	391,449	391,449
Contributions and donations	-	-	68,421	68,421
Charges for services	36,404	-	521,455	557,859
Rentals	8,243	-	-	8,243
Miscellaneous	127,997	-	65,727	193,724
<i>Total revenue</i>	<u>37,861,984</u>	<u>2,810,128</u>	<u>2,088,549</u>	<u>42,760,661</u>
Expenditures:				
Current:				
Instruction:				
Regular	13,797,714	-	279,945	14,077,659
Special	5,612,972	-	247,999	5,860,971
Vocational	217,058	-	1,500	218,558
Other	11,775	-	-	11,775
Support Services:				
Pupil	1,938,675	-	194,516	2,133,191
Instructional staff	1,379,500	-	50,686	1,430,186
Board of education	90,263	-	-	90,263
Administration	2,204,129	-	7,874	2,212,003
Fiscal	1,028,319	-	143	1,028,462
Business	375,221	-	-	375,221
Operations and maintenance of plant	3,986,585	-	7,376	3,993,961
Pupil transportation	2,863,664	-	-	2,863,664
Central	928,497	-	57,833	986,330
Operation of non-instructional services	13,848	-	16,934	30,782
Food service operations	-	-	496,404	496,404
Extracurricular activities	935,290	-	472,975	1,408,265
Capital outlay	169,374	-	-	169,374
Facilities acquisition and construction	-	-	1,304,673	1,304,673
Intergovernmental pass through	-	-	421,377	421,377
Debt service:				
Principal retirement	47,812	6,705,000	63,663	6,816,475
Interest and fiscal charges	12,027	1,388,251	4,754	1,405,032
<i>Total expenditures</i>	<u>35,612,723</u>	<u>8,093,251</u>	<u>3,628,652</u>	<u>47,334,626</u>
<i>Excess of revenues over (under) expenditures</i>	<u>2,249,261</u>	<u>(5,283,123)</u>	<u>(1,540,103)</u>	<u>(4,573,965)</u>
Other financing sources (uses):				
Transfers in	-	-	734,000	734,000
Transfers out	(734,000)	-	-	(734,000)
Proceeds from sale of notes	-	5,150,000	-	5,150,000
Proceeds from capital lease transaction	169,374	-	-	169,374
Proceeds from sale of capital assets	346	-	1,835	2,181
<i>Total other financing sources (uses)</i>	<u>(564,280)</u>	<u>5,150,000</u>	<u>735,835</u>	<u>5,321,555</u>
<i>Net change in fund balances</i>	1,684,981	(133,123)	(804,268)	747,590
<i>Fund balances at beginning of year</i>	12,772,516	1,644,340	3,109,266	17,526,122
<i>Fund balances at end of year</i>	<u>\$ 14,457,497</u>	<u>\$ 1,511,217</u>	<u>\$ 2,304,998</u>	<u>\$ 18,273,712</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

Net change in fund balances - total governmental funds	\$ 747,590
 <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. This is the amount by which capital outlays exceeds depreciation expense in the current period.	(94,782)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(2,835)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	66,793
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	391,094
Donated commodities received and the related expense in not recorded in the funds.	6,868
Repayment of bond, loan and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	6,816,475
Other financing sources in the governmental funds, such as notes and capital leases, increase liabilities in the statement of net assets.	(5,319,374)
Some expenses reported in the statement of activities, such as compensated absences, future retirement obligations, and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	83,776
	<hr/>
<i>Change in net assets of governmental activities</i>	\$ 2,695,605
	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT IN REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 30,415,346	\$ 30,415,346	\$ 30,031,710	\$ (383,636)
Intergovernmental	5,027,746	5,737,575	5,745,743	8,168
Interest	325,000	325,000	340,428	15,428
Tuition and fees	2,752,600	2,752,600	4,031,705	1,279,105
Charges for services	32,000	32,000	36,404	4,404
Rentals	10,000	10,000	8,242	(1,758)
Miscellaneous	3,000	4,000	37,886	33,886
<i>Total revenue</i>	<u>38,565,692</u>	<u>39,276,521</u>	<u>40,232,118</u>	<u>955,597</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,080,103	14,059,022	13,685,844	373,178
Special	5,956,053	5,960,521	5,812,575	147,946
Vocational	284,766	284,766	256,440	28,326
Other	100,000	100,000	31,450	68,550
Support Services:				
Pupil	2,062,649	2,055,273	2,014,870	40,403
Instructional staff	1,425,617	1,434,733	1,384,584	50,149
Board of education	103,982	102,182	97,813	4,369
Administration	2,207,524	2,414,709	2,344,881	69,828
Fiscal	996,579	1,011,329	1,005,034	6,295
Business	398,006	404,851	379,034	25,817
Operations and maintenance of plant	4,715,075	4,469,575	3,697,069	772,506
Pupil transportation	2,770,614	2,770,614	2,827,873	(57,259)
Central	1,041,916	1,041,916	932,267	109,649
Operation of non-instructional services	18,760	18,760	1,756	17,004
Extracurricular activities	984,816	984,678	929,645	55,033
<i>Total expenditures</i>	<u>37,146,460</u>	<u>37,112,929</u>	<u>35,401,135</u>	<u>1,711,794</u>
<i>Excess of revenues over (under) expenditures</i>	<u>1,419,232</u>	<u>2,163,592</u>	<u>4,830,983</u>	<u>2,667,391</u>
Other financing sources (uses):				
Refund of prior year expenditure	1,000	-	85,827	85,827
Refund of prior year receipts	-	-	(300)	(300)
Transfers out	(735,000)	(735,000)	(734,000)	1,000
Advances in	1,000	1,000	3,000	2,000
Advances out	-	-	(2,000)	(2,000)
Proceeds from sale of capital assets	-	-	346	346
Contingencies	(350,000)	(150,000)	-	150,000
<i>Total other financing sources (uses)</i>	<u>(1,083,000)</u>	<u>(884,000)</u>	<u>(647,127)</u>	<u>236,873</u>
<i>Net change in fund balance</i>	336,232	1,279,592	4,183,856	2,904,264
<i>Fund balance at beginning of year</i>	9,757,759	9,757,759	9,757,759	-
Prior year encumbrances appropriated	458,705	458,705	458,705	-
<i>Fund balance at end of year</i>	<u>\$ 10,552,696</u>	<u>\$ 11,496,056</u>	<u>\$ 14,400,320</u>	<u>\$ 2,904,264</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2003*

	<u>Recreation</u>
Assets:	
<i>Current assets:</i>	
Equity in pooled cash and cash equivalents	\$ 2,416,604
Accrued interest receivable	9,291
Taxes receivable	702,120
Prepaid items	453
Materials and supplies inventory	<u>4,743</u>
<i>Total current assets.</i>	<u>3,133,211</u>
<i>Noncurrent assets:</i>	
Capital assets, net	<u>2,615,782</u>
<i>Total assets.</i>	<u>5,748,993</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts payable	16,460
Contracts payable	32,394
Accrued wages payable	123,449
Pension obligation payable	170,814
Intergovernmental payable.	<u>2,791</u>
<i>Total current liabilities</i>	<u>345,908</u>
<i>Long-term liabilities:</i>	
Compensated absences payable	<u>15,968</u>
<i>Total liabilities</i>	<u>361,876</u>
Net assets:	
Invested in capital assets.	2,615,782
Unrestricted	<u>2,771,335</u>
<i>Total net assets</i>	<u>\$ 5,387,117</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	<u>Recreation</u>
Operating revenues:	
Tuition and fees	\$ 1,231,041
Sales/charges for services	134,025
Other	<u>75,728</u>
<i>Total operating revenues</i>	<u>1,440,794</u>
Operating expenses:	
Salaries	927,517
Fringe benefits	456,936
Purchased services	400,942
Materials and supplies	124,784
Depreciation	94,488
Other	<u>12,933</u>
<i>Total operating expenses</i>	<u>2,017,600</u>
<i>Operating loss</i>	<u>(576,806)</u>
Nonoperating revenues:	
Interest	61,914
Property taxes	660,894
Grants and subsidies	<u>87,731</u>
<i>Total nonoperating revenues</i>	<u>810,539</u>
<i>Change in net assets</i>	233,733
<i>Net assets at beginning of year</i>	<u>5,153,384</u>
<i>Net assets at end of year</i>	<u><u>\$ 5,387,117</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	<u>Recreation</u>
<i>Increase (decrease) in cash and cash equivalents</i>	
Cash flows from operating activities:	
Cash received from customers	\$ 1,365,066
Cash received from other operating revenues	75,728
Cash payments to suppliers for goods and services	(385,402)
Cash payments to employees for services	(1,000,941)
Cash payments for employee benefits	(309,836)
Cash payments for materials and supplies	(119,844)
Cash payments for other operating expenses	<u>(12,466)</u>
<i>Net cash used for operating activities</i>	<u>(387,695)</u>
Cash flows from noncapital financing activities:	
Property taxes	655,273
Grants and subsidies	<u>87,731</u>
<i>Net cash provided by noncapital financing activities.</i>	<u>743,004</u>
Cash flows from capital and related financing activities:	
Payments for capital acquisitions.	<u>(785,455)</u>
<i>Net cash used in capital and related financing activities.</i>	<u>(785,455)</u>
Cash flows from investing activities:	
Interest on investments.	<u>62,766</u>
<i>Net cash provided by investing activities</i>	<u>62,766</u>
<i>Net decrease in cash and cash equivalents</i>	(367,380)
<i>Cash and cash equivalents at beginning of year</i>	<u>2,783,984</u>
<i>Cash and cash equivalents at end of year.</i>	<u><u>\$ 2,416,604</u></u>
Reconciliation of operating loss to net cash used for operating activities:	
<i>Operating loss</i>	\$ (576,806)
<i>Adjustments:</i>	
Depreciation	94,488
<i>Changes in assets and liabilities:</i>	
Decrease in materials and supplies inventory.	5,077
Increase in prepaid items	(453)
Increase in accounts payable	16,323
Increase in accrued wages and benefits.	61,862
Increase in compensated absences payable.	12,026
Decrease in intergovernmental payable	(171,026)
Increase in pension obligation payable.	<u>170,814</u>
<i>Net cash used for operating activities.</i>	<u><u>\$ (387,695)</u></u>

Non-cash Transactions:

At June 30, 2003, the Recreation fund purchased \$32,394 in capital assets on account. At June 30, 2002, the Recreation fund purchased no capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003*

	Private Purpose Trust	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 75,544	\$ 86,206
Accrued interest receivable	219	-
<i>Total assets</i>	<u>75,763</u>	<u>86,206</u>
Liabilities:		
Undistributed monies	-	11,027
Due to students	-	75,179
<i>Total liabilities</i>	<u>-</u>	<u>\$ 86,206</u>
Net Assets:		
Held in trust for scholarships.	<u>\$ 75,763</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Private Purpose Trust
	<u>Scholarship</u>
Additions:	
Interest	\$ 1,810
Contributions and donations	<u>1,100</u>
<i>Total additions.</i>	<u>2,910</u>
Deductions:	
Scholarships awarded	<u>2,500</u>
<i>Total deductions.</i>	<u>2,500</u>
<i>Change in net assets.</i>	410
<i>Net assets at beginning of year.</i>	<u>75,353</u>
<i>Net assets at end of year.</i>	<u><u>\$ 75,763</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ORANGE CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The District provides educational services as mandated by State and federal agencies. The Board of Education controls the District's three instructional support facilities staffed by 179 classified employees, 229 certified teaching personnel, and 30 administrators/supervisors who provide services to 2,376 students and other community members.

The District is located in Pepper Pike, Ohio, Cuyahoga County. The District operates one elementary school (K-5), one middle school (6-8) and a high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The District participates in certain organizations, which are defined as jointly governed organizations and public entity risk pools. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Plan and the Suburban Health Consortium. These organizations are discussed in Notes 15 and 16 to the basic financial statements.

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

B. Basis of Presentation

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

ORANGE CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2003

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

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

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

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

C. Fund Accounting

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

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

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

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

ORANGE CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2003

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

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

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

Enterprise 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 major enterprise fund is:

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

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

D. Measurement Focus

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

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

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

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

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

E. Basis of Accounting

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

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

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

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

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of activities as an expense with a like amount reported as intergovernmental revenue. On the statement of activities, donated commodities are reported as intergovernmental revenue.

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

F. Budgetary Data

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

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

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

G. Cash and Cash Equivalents

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

During fiscal year 2003, investments were limited to federal agency securities, repurchase agreements, nonnegotiable certificates of deposit, U.S. Government money market mutual funds, and STAR Ohio, the State Treasurer's Investment Pool.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2003.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2003 amounted to \$352,375 which includes \$23,949 assigned from other District funds.

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

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

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

J. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by state statute to be set-aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

K. Capital Assets

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

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

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

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

L. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. At June 30, 2003, the District had \$252 in interfund loans receivable/payable in the governmental fund financial statements. These amounts were eliminated for government-wide reporting.

M. Compensated Absences

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

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

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

N. Accrued Liabilities and Long-term Obligations

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

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

O. Net Assets

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

P. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under GAAP but not available for appropriations under state statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are tuition for classes and sales. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

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

R. 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 the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Estimates

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Changes in Accounting Principles and Restatement of Fund Balance

For fiscal year 2003, the District has implemented GASB Statement No. 41, "Budgetary Comparison Schedule - Perspective Differences". At June 30, 2002, there was no effect on net assets as a result of implementing GASB Statement 41.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparison for the general and each major special revenue fund.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ 4,183,856
Net adjustment for revenue accruals	(2,370,134)
Net adjustment for expenditure accruals	(520,421)
Net adjustment for other financing sources/(uses)	82,847
Adjustment for encumbrances	<u>308,833</u>
GAAP basis	<u>\$ 1,684,981</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Cash on Hand: At year-end, the District had \$4,150 in undeposited cash on hand which is included on the balance sheet of the District as part of Equity in Pooled Cash and Cash Equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$10,361,767 and the bank balance was \$11,140,625. These balances include \$4,000,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$413,706 of the bank balance was covered by depository insurance; and

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

2. \$10,726,919 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State 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.

Investments: GASB Statement No. 3 requires the District's investments to be categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAR Ohio and U.S. Government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 3</u>	<u>Fair Value</u>
Repurchase agreement	\$ 454,779	\$ 454,779
Federal agency securities	<u>9,032,429</u>	9,032,429
Total	<u>\$ 9,487,208</u>	
Investments in STAR Ohio		943,226
U.S. Government money market mutual funds		<u>45,996</u>
Total investments		<u>\$10,476,430</u>

The classification of cash and cash equivalents, and investments on the combined basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 20,842,347	\$ -
Investments of the cash management pool:		
Investment in STAR Ohio	(943,226)	943,226
Federal agency securities	(9,032,429)	9,032,429
Repurchase agreement	(454,779)	454,779
U.S. Government money market mutual funds	(45,996)	45,996
Cash on hand	<u>(4,150)</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 10,361,767</u>	<u>\$ 10,476,430</u>

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) are for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value listed as of the prior January 1, 2003, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003 and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2003, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value, with the exception of inventories, which are currently assessed at 23% of true value.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 827,980,640	94.15	\$ 846,280,460	94.32
Public utility personal	8,213,920	0.93	10,255,830	1.14
Tangible personal property	<u>43,236,393</u>	<u>4.92</u>	<u>40,705,019</u>	<u>4.54</u>
Total	<u>\$ 879,430,953</u>	<u>100.00</u>	<u>\$ 897,241,309</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$	81.10	\$	81.10

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30. This year, the June 2003 tangible personal property tax settlement was not received until July of 2003.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, personal property and public utility taxes which became measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal year operations. The late settlement of tangible personal property taxes and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2003, was \$3,418,716 and is recognized as revenue. \$3,137,323 was available to the general fund and \$281,393 was available to the bond retirement debt service fund. The amount available as an advance for governmental funds at June 30, 2002 was \$5,865,162. \$5,399,825 was available to the general fund and \$425,337 was available to the bond retirement fund. The decrease was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out later in the month of June than in the past year. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities

Taxes	\$ 35,651,945
Accounts	5,650
Intergovernmental	2,132,001
Accrued interest	62,146

Business-type Activities

Taxes	702,120
Accrued interest	<u>9,291</u>

Total receivables	<u>\$ 38,563,153</u>
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Receivables have been disaggregated on the face of the basic finance statements. All receivables are expected to be collected within the subsequent year.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	<u>Balance</u> <u>6/30/2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2003</u>
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,370,150	\$ -	\$ -	\$ 6,370,150
Total capital assets, not being depreciated	<u>6,370,150</u>	<u>-</u>	<u>-</u>	<u>6,370,150</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	7,687,475	446,699	-	8,134,174
Buildings	37,619,162	229,978	-	37,849,140
Equipment	2,520,293	625,478	(3,150)	3,142,621
Vehicles	<u>2,817,328</u>	<u>260,202</u>	<u>(96,318)</u>	<u>2,981,212</u>
Total capital assets, being depreciated	<u>50,644,258</u>	<u>1,562,357</u>	<u>(99,468)</u>	<u>52,107,147</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,327,303)	(528,229)	-	(1,855,532)
Buildings	(8,373,060)	(669,075)	-	(9,042,135)
Equipment	(1,528,654)	(294,710)	315	(1,823,049)
Vehicles	<u>(1,852,259)</u>	<u>(165,125)</u>	<u>96,318</u>	<u>(1,921,066)</u>
Total accumulated depreciation	<u>(13,081,276)</u>	<u>(1,657,139)</u>	<u>96,633</u>	<u>(14,641,782)</u>
Total capital assets, being depreciated	<u>37,562,982</u>	<u>(94,782)</u>	<u>(2,835)</u>	<u>37,465,365</u>
Governmental activities capital assets, net	<u>\$ 43,933,132</u>	<u>\$ (94,782)</u>	<u>\$ (2,835)</u>	<u>\$ 43,835,515</u>

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 8 - CAPITAL ASSETS - (Continued)

	<u>Balance</u> <u>06/30/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/03</u>
Business-Type Activities:				
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 115,596	\$ 25,400	\$ -	\$ 140,996
Buildings	2,453,178	769,449	-	3,222,627
Equipment	139,778	23,000	-	162,778
Vehicles	50,147	-	-	50,147
	<u>2,758,699</u>	<u>817,849</u>	<u>-</u>	<u>3,576,548</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(98,450)	(3,290)	-	(101,740)
Buildings	(655,505)	(78,637)	-	(734,142)
Equipment	(109,816)	(7,546)	-	(117,362)
Vehicles	(2,507)	(5,015)	-	(7,522)
	<u>(866,278)</u>	<u>(94,488)</u>	<u>-</u>	<u>(960,766)</u>
Business-type activities capital assets, net	<u>\$ 1,892,421</u>	<u>\$ 723,361</u>	<u>\$ -</u>	<u>\$ 2,615,782</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 651,985
Special	145,678
Vocational	22,309

Support Services:

Pupil	58,623
Instructional staff	50,356
Administration	86,256
Fiscal	1,661
Business	14,629
Operations and maintenance	229,576
Central	78,005
Pupil transportation	168,947
Noninstructional operations	9,040
Extracurricular activities	83,297
Intergovernmental pass through	1,696
Food service operations	<u>55,081</u>

Total depreciation expense \$ 1,657,139

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the District maintained comprehensive insurance coverage with private carriers for liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90% coinsured. The following is a description of the District's insurance coverage:

Indiana Insurance:

Building and Contents - Replacement Cost	\$60,672,317
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Hartford Insurance:

Automobile Liability	1,000,000
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General Liability:

Per occurrence	1,000,000
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Total per year	3,000,000
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Employer's Liability	1,000,000
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Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

The District obtains Workers' Compensation coverage directly through the State of Ohio Bureau of Workers' Compensation. In fiscal year 2003, the District contracted with the firm of Sheakley Uniserve, Inc. to process and assist in claims filed. The District paid administration fees in the amount of \$11,200 for these services.

C. Employee Health Benefits

The District participates in the Suburban Health Consortium, a shared risk pool (Note 16 B.) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The District pays a monthly contribution that is placed in a common fund from which the claim payments are made for all participating districts. The District's Board of Education pays the entire cost of a monthly premium.

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn twelve to twenty-two days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators employed to work 225 days per year receive 22 days of vacation annually. Classified employees and administrators who receive vacation are not paid for accumulated unused vacation time upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit as to the amount of sick leave that may be accumulated. Upon retirement, employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 280 days for classified and up to 320 days for administrators and certified employees.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company sponsored by Medical Mutual of Ohio, in the amount of \$100,000 for all certified and union exempt employees, \$200,000 for all administrators, the treasurer and the superintendent, \$50,000 for all bus drivers and hourly employees and \$50,000 for non-certified support staff employees. Non-union classified employees receive insurance that is double their salary, not to exceed \$100,000.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$600,590, \$371,036, and \$260,448, respectively; 47.94% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$312,669, represents the unpaid contribution for fiscal year 2003.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 11 - DEFINED BENEFIT PENSION PLAN - (Continued)

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

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

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 9.5% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,099,683, \$1,467,600, and \$1,407,593, respectively; 83.51% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal 2003 were \$15,602 made by the District and \$38,437 made by plan members.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 11 - DEFINED BENEFIT PENSION PLAN - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2003, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$161,514 during fiscal 2003.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$3.011 billion at June 30, 2002 (the latest information available). For the fiscal year ended June 30, 2002 (the latest information available), net health care costs paid by STRS were \$354.697 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 were \$204.931 million and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$518,557 during the 2003 fiscal year.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during the year consist of the following:

	Balance Outstanding <u>6/30/2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>6/30/2003</u>	Amounts Due in <u>One Year</u>
Governmental Activities:					
1999 general obligation bonds					
\$29,500,000 3.30 - 5.10%	\$ 26,843,221	\$ -	\$ (955,000)	\$ 25,888,221	\$ 995,000
Notes payable	5,750,000	5,150,000	(5,750,000)	5,150,000	-
Compensated absences	3,030,140	279,599	(221,752)	3,087,987	260,482
Capital lease obligations	137,325	169,374	(111,475)	195,224	96,002
Arbitrage	<u>385,055</u>	<u>-</u>	<u>-</u>	<u>385,055</u>	<u>-</u>
Total governmental activities long-term obligations	<u>36,145,741</u>	<u>5,598,973</u>	<u>(7,038,227)</u>	<u>34,706,487</u>	<u>1,351,484</u>
Business-Type Activity:					
Compensated absences	<u>3,942</u>	<u>15,968</u>	<u>(3,942)</u>	<u>15,968</u>	<u>4,871</u>
Total long-term obligations	<u>\$ 36,149,683</u>	<u>\$ 5,614,941</u>	<u>\$ (7,042,169)</u>	<u>\$ 34,722,455</u>	<u>\$ 1,356,355</u>

The general obligation bonds will be paid with property tax revenue from the debt service fund. Compensated absences will be paid from the general fund, food service, auxiliary services, management information systems, Title VI-B, Title VI-R and Title I special revenue funds, and the recreation enterprise fund. Capital lease obligations were paid from the general and building improvement funds because they utilize the assets. The building improvements will pay the arbitrage liability.

The \$5,750,000 school improvement note issued at 2.89 percent and outstanding at June 30, 2002 was rolled over into the \$5,150,000 school improvement 1.95 percent note. This note is backed by the full faith and credit of the District.

If debt proceeds are retained by the District beyond the scheduled deadlines, the District is required to pay the federal government a portion of the interest earnings. For the 1999 general obligation bonds, the District has not met the expenditure deadlines. The arbitrage liability is an estimate as of June 30, 2003, with respect to the bonds. The due date of the first rebate payment with respect to the bonds is July 19, 2004. The accrued liability will increase or decrease depending on whether remaining bond proceeds are invested at a yield that is higher or lower than the bond yield.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The District's overall debt margin was \$51,224,714 with an unvoted debt margin of \$897,241 at June 30, 2003. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2003 are as follows:

Fiscal <u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 995,000	\$ 1,184,990	\$ 2,179,990
2005	1,030,000	1,144,988	2,174,988
2006	610,000	1,111,883	1,721,883
2007	685,000	1,084,993	1,769,993
2008	735,000	1,054,989	1,789,989
2009 - 2013	4,167,160	5,508,043	9,675,203
2014 - 2018	381,061	5,202,314	5,583,375
2019 - 2023	7,425,000	2,139,875	9,564,875
2024	<u>9,860,000</u>	<u>189,337</u>	<u>10,049,337</u>
Total	<u>\$ 25,888,221</u>	<u>\$ 18,621,412</u>	<u>\$ 44,509,633</u>

NOTE 14 - CAPITALIZED LEASE

During fiscal year 2003, the District entered into capitalized leases for a mower and copiers. In a prior year, the District entered into capitalized leases for a phone system and a backhoe. All leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$397,278, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2003 was \$65,769, leaving a current book value of \$331,509.

A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in the 2003 fiscal year totaled \$111,475 and \$16,781, respectively. These amounts are reported as debt service payments of the general fund and building fund.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 14 - CAPITALIZED LEASE

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2003.

<u>Fiscal Year</u>	<u>Amount</u>
2004	\$ 106,207
2005	45,004
2006	32,936
2007	<u>32,935</u>
 Total minimum lease payments	 217,082
 Less: amount representing interest	 <u>(21,858)</u>
 Present value of minimum lease payments	 <u>\$ 195,224</u>

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among eleven Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LNOCA based on a per pupil charge. The District contributed \$48,248 to LNOCA during fiscal year 2003. LNOCA is governed by a Board of Directors consisting of a superintendent or designated representative from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Board of Education, who serves as the fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003, the District paid \$2,529 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

ORANGE CITY SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2001. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

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

NOTE 16 - PUBLIC ENTITY RISK POOLS

A. Insurance Purchasing Pool

The District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district's superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

B. Risk Sharing Pool

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 17 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2003.

B. Litigation

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

NOTE 18 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2003, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 252

The interfund loan was necessitated due to the timing of receiving of donations. This interfund loan will be repaid once the anticipated donations are received.

- B.** Interfund transfers for the year ended June 30, 2003, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	\$ 734,000

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.

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 19 - SET-ASIDES

The District is required by state statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the District was also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers' compensation refunds continue to be a set-aside.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2002	\$ (234,676)	\$ -	\$ 162,370
Current year set-aside requirement	328,376	328,376	-
Qualifying disbursements	<u>(446,637)</u>	<u>(2,061,010)</u>	<u>-</u>
Total	<u>\$ (352,937)</u>	<u>\$ (1,732,634)</u>	<u>\$ 162,370</u>
Balance carried forward to FY 2004	<u>\$ (352,937)</u>	<u>\$ -</u>	<u>\$ 162,370</u>

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

ORANGE CITY SCHOOL DISTRICT

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

NOTE 20 - CONTRACTUAL COMMITMENTS

As of June 30, 2003, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Kronos Inc.	Timekeeper Central System	\$ 12,350
32 Ford Mercury	Purchase of cargo van	15,000
Playground World	Playground equipment	12,000
Phillip Berardinelli Inc.	Concrete and asphalt work	42,600
Ullman Oil Company, Inc.	5,000 gallon dual wall tank	11,000
ABV Corporation	Extension and repair of storm sewer	29,900
Thor Guard, Inc.	Severe weather warning system	18,000
Dave York Sports Inc.	Installation of new press box	35,500
R.J. Martin Electrical Contracting, Inc.	Electrical wiring work	20,000
Fanning Howey Associates	Architect fees	18,000
Key Municipal Finance	Voice/Video/Data equipment capital lease	51,744
The Illuminating Company	Electrical wiring work	13,170
Envirocom Construction Inc.	Construction of outdoor pool facility	74,567
City Architecture, Inc.	Architect fees	11,294
Lake Business Products Leasing	Capital lease for eight copiers	80,496
Textron Financial Corporation	Capital lease for riding mower	24,135
American Financial Resources	Capital lease for five copiers	61,029
ComDoc	Operating lease for copier	<u>29,160</u>
 Total		 <u>\$ 559,945</u>

NOTE 21 - STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the state's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future state funding and its financial operations.

NOTE 22 - SUBSEQUENT EVENT

On July 17, 2003, the District issued school improvement notes in the amount of \$4,500,000, at a rate of 1.38 percent, with a maturity date of July 15, 2004 and retired school improvement notes in the amount of \$5,150,000.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Public School Support Fund

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

Miscellaneous Grants Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Local Professional Development Block Grant Fund

A fund provided to account for monies received to promote community involvement and to support activities between the school and the community.

Children's Trust Fund

A fund provided to account for monies used for a child abuse prevention grant.

Education Management Information System Fund

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

OneNet Connect Subsidy Fund

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

SchoolNet Professional Development Fund

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

Interactive Video Distance Learning Fund

A fund used to account for State monies received for learning and technology services.

Miscellaneous State Grants

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

Eisenhower Grant Fund

A fund provided to account for federal monies strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B Fund

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

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Title III Fund

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

Title I Fund

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

Title VI Fund

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

Drug Free Schools Grant Fund

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

Preschool Disability Fund

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

Title VI-R Fund

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

Miscellaneous Federal Grants

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

Food Service Fund

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

Memorial Fund

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

Uniform School Supplies Fund

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

Nonmajor Capital Projects Funds

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

Permanent Improvements Fund

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

Building Improvement Fund

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

SchoolNet Plus Fund

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

Telecommunity Fund

A fund provided to account for donations and grant monies used for consultation and teacher reimbursement for secondary education development using telecommunication.

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ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 366,650	\$ 1,966,053	\$ 2,332,703
Accounts receivable	81	-	81
Accrued interest receivable.	520	7,393	7,913
Intergovernmental receivable.	47,349	-	47,349
Inventory held for resale	28,152	-	28,152
Materials and supplies inventory	2,046	-	2,046
	<u> </u>	<u> </u>	<u> </u>
<i>Total assets.</i>	<u>\$ 444,798</u>	<u>\$ 1,973,446</u>	<u>\$ 2,418,244</u>
 Liabilities and Fund Balances			
Liabilities:			
Contracts payable.	\$ -	\$ 17,309	\$ 17,309
Accrued wages payable.	59,140	-	59,140
Pension obligation payable.	8,848	-	8,848
Interfund payable.	252	-	252
Intergovernmental payable	1,686	-	1,686
Undistributed monies.	5,487	-	5,487
Deferred revenue	20,524	-	20,524
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities.</i>	<u>95,937</u>	<u>17,309</u>	<u>113,246</u>
 Fund Balances:			
Reserved for encumbrances	17,026	324,199	341,225
Unreserved, undesignated, reported in:			
Special revenue funds	331,835	-	331,835
Capital projects funds	-	1,631,938	1,631,938
	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balances</i>	<u>348,861</u>	<u>1,956,137</u>	<u>2,304,998</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities and fund balances.</i>	<u>\$ 444,798</u>	<u>\$ 1,973,446</u>	<u>\$ 2,418,244</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ 949,480	\$ 36,162	\$ 985,642
Interest	4,526	51,329	55,855
Extracurricular activities	391,449	-	391,449
Contributions and donations	-	68,421	68,421
Charges for services	521,455	-	521,455
Miscellaneous	53,727	12,000	65,727
	<u> </u>	<u> </u>	<u> </u>
<i>Total revenue</i>	<u>1,920,637</u>	<u>167,912</u>	<u>2,088,549</u>
Expenditures:			
Current:			
Instruction:			
Regular	279,945	-	279,945
Special	247,999	-	247,999
Vocational	1,500	-	1,500
Support services:			
Pupil	194,516	-	194,516
Instructional staff	50,686	-	50,686
Administration	7,874	-	7,874
Fiscal	-	143	143
Operations and maintenance of plant	7,376	-	7,376
Central	21,857	35,976	57,833
Operation of non-instructional services	16,934	-	16,934
Food service operations	496,404	-	496,404
Extracurricular activities	472,975	-	472,975
Facilities acquisition and construction	-	1,304,673	1,304,673
Intergovernmental pass-through	421,377	-	421,377
Debt service:			
Principal retirement	-	63,663	63,663
Interest and fiscal charges	-	4,754	4,754
	<u> </u>	<u> </u>	<u> </u>
<i>Total expenditures</i>	<u>2,219,443</u>	<u>1,409,209</u>	<u>3,628,652</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(298,806)</u>	<u>(1,241,297)</u>	<u>(1,540,103)</u>
Other financing sources:			
Proceeds from sale of assets	1,835	-	1,835
Transfers in	134,000	600,000	734,000
	<u> </u>	<u> </u>	<u> </u>
<i>Total other financing sources</i>	<u>135,835</u>	<u>600,000</u>	<u>735,835</u>
<i>Net change in fund balances</i>	(162,971)	(641,297)	(804,268)
<i>Fund balances at beginning of year</i>	<u>511,832</u>	<u>2,597,434</u>	<u>3,109,266</u>
<i>Fund balances at end of year</i>	<u>\$ 348,861</u>	<u>\$ 1,956,137</u>	<u>\$ 2,304,998</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003*

	<u>Public School Support</u>	<u>Miscellaneous Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Local Professional Development Block Grant</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 43,823	\$ 7,812	\$ 38,386	\$ 31,116	\$ -
Accounts receivable	-	-	-	81	-
Accrued interest receivable.	-	-	-	-	-
Intergovernmental receivable.	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
<i>Total assets.</i>	<u>\$ 43,823</u>	<u>\$ 7,812</u>	<u>\$ 38,386</u>	<u>\$ 31,197</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities:					
Accrued wages payable.	\$ -	\$ -	\$ -	\$ 24,678	\$ -
Pension obligation payable.	-	-	412	3,060	-
Interfund payable.	-	-	-	-	-
Intergovernmental payable	-	-	16	360	-
Undistributed monies.	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<i>Total liabilities.</i>	<u>-</u>	<u>-</u>	<u>428</u>	<u>28,098</u>	<u>-</u>
Fund Balances:					
Reserved for encumbrances	-	-	-	6,760	-
Unreserved, undesignated	43,823	7,812	37,958	(3,661)	-
<i>Total fund balances</i>	<u>43,823</u>	<u>7,812</u>	<u>37,958</u>	<u>3,099</u>	<u>-</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 43,823</u>	<u>\$ 7,812</u>	<u>\$ 38,386</u>	<u>\$ 31,197</u>	<u>\$ -</u>

Children's Trust	Educational Management Information Systems	OneNet Connect Subsidy	SchoolNet Professional Development	Interactive Video Distance Learning	Miscellaneous State Grants	Eisenhower Grant
\$ -	\$ 10,590	\$ 10,500	\$ 2,956	\$ 1,200	\$ 3,523	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 10,590</u>	<u>\$ 10,500</u>	<u>\$ 2,956</u>	<u>\$ 1,200</u>	<u>\$ 3,523</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	5	-	3	-	7	-
-	-	-	-	-	-	-
-	5	-	3	-	7	-
-	-	-	-	1,200	-	-
-	10,585	10,500	2,953	-	3,516	-
-	10,585	10,500	2,953	1,200	3,516	-
<u>\$ -</u>	<u>\$ 10,590</u>	<u>\$ 10,500</u>	<u>\$ 2,956</u>	<u>\$ 1,200</u>	<u>\$ 3,523</u>	<u>\$ -</u>

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ORANGE CITY SCHOOL DISTRICT

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2003*

	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 15,221	\$ 63	\$ 1,907	\$ 1,532	\$ 50
Accounts receivable	-	-	-	-	-
Accrued interest receivable.	-	-	-	-	-
Intergovernmental receivable.	-	-	27,350	9,168	-
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
<i>Total assets.</i>	<u>\$ 15,221</u>	<u>\$ 63</u>	<u>\$ 29,257</u>	<u>\$ 10,700</u>	<u>\$ 50</u>
Liabilities and Fund Balances					
Liabilities:					
Accrued wages payable.	\$ 4,208	\$ -	\$ 15,700	\$ -	\$ -
Pension obligation payable.	704	-	2,198	-	-
Interfund payable.	-	-	-	-	-
Intergovernmental payable	106	10	222	-	-
Undistributed monies.	-	-	-	-	-
Deferred revenue	-	-	8,867	7,460	-
<i>Total liabilities.</i>	<u>5,018</u>	<u>10</u>	<u>26,987</u>	<u>7,460</u>	<u>-</u>
Fund Balances:					
Reserved for encumbrances	6,243	-	150	1,000	-
Unreserved, undesignated	3,960	53	2,120	2,240	50
<i>Total fund balances</i>	<u>10,203</u>	<u>53</u>	<u>2,270</u>	<u>3,240</u>	<u>50</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 15,221</u>	<u>\$ 63</u>	<u>\$ 29,257</u>	<u>\$ 10,700</u>	<u>\$ 50</u>

Preschool Disability	Title VI-R	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 1,676	\$ 1,656	\$ 1,216	\$ 96,771	\$ 42,668	\$ 53,984	\$ 366,650
-	-	-	-	-	-	81
-	-	-	372	148	-	520
-	10,421	410	-	-	-	47,349
-	-	-	2,318	-	25,834	28,152
-	-	-	2,046	-	-	2,046
<u>\$ 1,676</u>	<u>\$ 12,077</u>	<u>\$ 1,626</u>	<u>\$ 101,507</u>	<u>\$ 42,816</u>	<u>\$ 79,818</u>	<u>\$ 444,798</u>
\$ -	\$ 5,299	\$ 564	\$ 8,691	\$ -	\$ -	\$ 59,140
-	742	-	1,732	-	-	8,848
-	-	-	-	252	-	252
-	125	555	277	-	-	1,686
-	-	-	-	5,487	-	5,487
-	3,787	410	-	-	-	20,524
-	9,953	1,529	10,700	5,739	-	95,937
1,673	-	-	-	-	-	17,026
3	2,124	97	90,807	37,077	79,818	331,835
<u>1,676</u>	<u>2,124</u>	<u>97</u>	<u>90,807</u>	<u>37,077</u>	<u>79,818</u>	<u>348,861</u>
<u>\$ 1,676</u>	<u>\$ 12,077</u>	<u>\$ 1,626</u>	<u>\$ 101,507</u>	<u>\$ 42,816</u>	<u>\$ 79,818</u>	<u>\$ 444,798</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003*

	<u>Public School Support</u>	<u>Miscellaneous Grants</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Local Professional Development Block Grant</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 394,215	\$ -
Interest	-	-	-	1,040	-
Extracurricular activities	161,608	-	229,841	-	-
Charges for services	-	-	-	-	-
Miscellaneous	<u>16,117</u>	<u>15,139</u>	<u>17,532</u>	<u>-</u>	<u>-</u>
<i>Total revenue</i>	<u>177,725</u>	<u>15,139</u>	<u>247,373</u>	<u>395,255</u>	<u>-</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	108,209	-	-	-
Special	2,241	600	-	-	-
Vocational	-	1,500	-	-	-
Support services:					
Pupil	38,421	-	-	-	-
Instructional staff	891	150	-	-	3,562
Administration	-	1,500	-	-	-
Operations and maintenance of plant	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Food service operations	-	-	-	-	-
Extracurricular activities	123,130	1,449	348,396	-	-
Intergovernmental pass-through	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,377</u>	<u>-</u>
<i>Total expenditures</i>	<u>164,683</u>	<u>113,408</u>	<u>348,396</u>	<u>421,377</u>	<u>3,562</u>
<i>Excess of revenues over (under) expenditures</i>	<u>13,042</u>	<u>(98,269)</u>	<u>(101,023)</u>	<u>(26,122)</u>	<u>(3,562)</u>
Other financing sources:					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>109,000</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>109,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	13,042	(98,269)	7,977	(26,122)	(3,562)
<i>Fund balances (deficit) at beginning of year</i>	<u>30,781</u>	<u>106,081</u>	<u>29,981</u>	<u>29,221</u>	<u>3,562</u>
<i>Fund balances at end of year</i>	<u>\$ 43,823</u>	<u>\$ 7,812</u>	<u>\$ 37,958</u>	<u>\$ 3,099</u>	<u>\$ -</u>

Children's Trust	Educational Management Information Systems	OneNet Connect Subsidy	SchoolNet Professional Development	Interactive Video Distance Learning	Miscellaneous State Grants	Eisenhower Grant
\$ -	\$ 8,574	\$ 10,500	\$ 4,128	\$ -	\$ 8,376	\$ 882
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,574	10,500	4,128	-	8,376	882
-	-	-	8,300	-	7,296	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
275	-	-	-	-	-	-
-	-	-	5	-	-	14,732
-	-	-	-	-	-	-
-	-	-	-	-	7,376	-
-	7,857	14,000	-	-	-	-
-	-	-	-	-	-	456
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
275	7,857	14,000	8,305	-	14,672	15,188
(275)	717	(3,500)	(4,177)	-	(6,296)	(14,306)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(275)	717	(3,500)	(4,177)	-	(6,296)	(14,306)
275	9,868	14,000	7,130	1,200	9,812	14,306
\$ -	\$ 10,585	\$ 10,500	\$ 2,953	\$ 1,200	\$ 3,516	\$ -

-- Continued

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2003*

	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>
Revenues:					
Intergovernmental	\$ 199,830	\$ 23,316	\$ 140,748	\$ 14,560	\$ 15,141
Interest	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenue</i>	<u>199,830</u>	<u>23,316</u>	<u>140,748</u>	<u>14,560</u>	<u>15,141</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	18,565	-	14,432	-
Special	109,880	-	122,343	-	-
Vocational	-	-	-	-	-
Support services:					
Pupil	117,687	-	-	-	17,700
Instructional staff	4,430	4,524	20,678	-	-
Administration	5,583	174	-	617	-
Operations and maintenance of plant	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services	-	-	-	5,115	967
Food service operations	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Intergovernmental pass-through	-	-	-	-	-
<i>Total expenditures</i>	<u>237,580</u>	<u>23,263</u>	<u>143,021</u>	<u>20,164</u>	<u>18,667</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(37,750)</u>	<u>53</u>	<u>(2,273)</u>	<u>(5,604)</u>	<u>(3,526)</u>
Other financing sources:					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(37,750)</u>	<u>53</u>	<u>(2,273)</u>	<u>(5,604)</u>	<u>(3,526)</u>
<i>Fund balances (deficit) at beginning of year</i>	<u>47,953</u>	<u>-</u>	<u>4,543</u>	<u>8,844</u>	<u>3,576</u>
<i>Fund balances at end of year</i>	<u>\$ 10,203</u>	<u>\$ 53</u>	<u>\$ 2,270</u>	<u>\$ 3,240</u>	<u>\$ 50</u>

Preschool Disability	Title VI-R	Miscellaneous Federal Grants	Food Service	Memorial	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$ 15,858	\$ 58,387	\$ 19,880	\$ 35,085	\$ -	\$ -	\$ 949,480
-	-	-	2,813	673	-	4,526
-	-	-	-	-	-	391,449
-	-	-	435,523	-	85,932	521,455
-	-	-	-	4,939	-	53,727
<u>15,858</u>	<u>58,387</u>	<u>19,880</u>	<u>473,421</u>	<u>5,612</u>	<u>85,932</u>	<u>1,920,637</u>
-	38,522	19,729	-	-	64,892	279,945
12,935	-	-	-	-	-	247,999
-	-	-	-	-	-	1,500
5,199	15,234	-	-	-	-	194,516
615	-	-	-	1,099	-	50,686
-	-	-	-	-	-	7,874
-	-	-	-	-	-	7,376
-	-	-	-	-	-	21,857
-	10,396	-	-	-	-	16,934
-	-	-	496,404	-	-	496,404
-	-	-	-	-	-	472,975
-	-	-	-	-	-	421,377
<u>18,749</u>	<u>64,152</u>	<u>19,729</u>	<u>496,404</u>	<u>1,099</u>	<u>64,892</u>	<u>2,219,443</u>
<u>(2,891)</u>	<u>(5,765)</u>	<u>151</u>	<u>(22,983)</u>	<u>4,513</u>	<u>21,040</u>	<u>(298,806)</u>
-	-	-	1,835	-	-	1,835
-	-	-	25,000	-	-	134,000
-	-	-	26,835	-	-	135,835
(2,891)	(5,765)	151	3,852	4,513	21,040	(162,971)
<u>4,567</u>	<u>7,889</u>	<u>(54)</u>	<u>86,955</u>	<u>32,564</u>	<u>58,778</u>	<u>511,832</u>
<u>\$ 1,676</u>	<u>\$ 2,124</u>	<u>\$ 97</u>	<u>\$ 90,807</u>	<u>\$ 37,077</u>	<u>\$ 79,818</u>	<u>\$ 348,861</u>

ORANGE CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2003

	Permanent Improvements	Building Improvement	SchoolNet Plus	Telecommunity	Total Nonmajor Capital Projects Funds
Assets:					
Equity in pooled cash and cash equivalents.	\$ 1,208,862	\$ 738,892	\$ 186	\$ 18,113	\$ 1,966,053
Accrued interest receivable.	4,648	2,745	-	-	7,393
<i>Total assets.</i>	<u>\$ 1,213,510</u>	<u>\$ 741,637</u>	<u>\$ 186</u>	<u>\$ 18,113</u>	<u>\$ 1,973,446</u>
Liabilities and Fund Balances					
Liabilities:					
Contracts payable.	\$ 17,309	\$ -	\$ -	\$ -	\$ 17,309
<i>Total liabilities.</i>	<u>17,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,309</u>
Fund Balances:					
Reserved for encumbrances	172,341	151,858	-	-	324,199
Unreserved, undesignated	1,023,860	589,779	186	18,113	1,631,938
<i>Total fund balances</i>	<u>1,196,201</u>	<u>741,637</u>	<u>186</u>	<u>18,113</u>	<u>1,956,137</u>
<i>Total liabilities and fund balances.</i>	<u>\$ 1,213,510</u>	<u>\$ 741,637</u>	<u>\$ 186</u>	<u>\$ 18,113</u>	<u>\$ 1,973,446</u>

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Permanent Improvements	Building Improvement	SchoolNet Plus	Telecommunity	Total Nonmajor Capital Projects Funds
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 36,162	\$ -	\$ 36,162
Interest	35,075	16,254	-	-	51,329
Contributions and donations	52,500	-	-	15,921	68,421
Miscellaneous	-	12,000	-	-	12,000
<i>Total revenue</i>	<u>87,575</u>	<u>28,254</u>	<u>36,162</u>	<u>15,921</u>	<u>167,912</u>
Expenditures:					
Current:					
Support services:					
Fiscal	-	143	-	-	143
Central	-	-	35,976	-	35,976
Facilities acquisition and construction	714,853	589,820	-	-	1,304,673
Debt service:					
Principal retirement	-	63,663	-	-	63,663
Interest and fiscal charges	-	4,754	-	-	4,754
<i>Total expenditures</i>	<u>714,853</u>	<u>658,380</u>	<u>35,976</u>	<u>-</u>	<u>1,409,209</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(627,278)	(630,126)	186	15,921	(1,241,297)
Other financing sources:					
Transfers in	600,000	-	-	-	600,000
<i>Net change in fund balances</i>	(27,278)	(630,126)	186	15,921	(641,297)
<i>Fund balances at beginning of year</i>	1,223,479	1,371,763	-	2,192	2,597,434
<i>Fund balances at end of year</i>	<u>\$ 1,196,201</u>	<u>\$ 741,637</u>	<u>\$ 186</u>	<u>\$ 18,113</u>	<u>\$ 1,956,137</u>

ORANGE CITY SCHOOL DISTRICT

COMBINING STATEMENTS - FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

PRIVATE-PURPOSE TRUST FUND

Scholarship Fund

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

AGENCY FUNDS

District Agency Fund

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

Employee Benefits Fund

This fund accounts for monies withheld from employees' paychecks for future childcare and health services purchased by the employee.

Student Managed Activities Fund

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

ORANGE CITY SCHOOL DISTRICT

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	<u>Beginning Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2003</u>
District Agency				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 22,741</u>	<u>\$ 6,875</u>	<u>\$ 26,890</u>	<u>\$ 2,726</u>
Liabilities:				
Undistributed monies.	<u>\$ 22,741</u>	<u>\$ 6,875</u>	<u>\$ 26,890</u>	<u>\$ 2,726</u>
 Employee Benefits				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 8,875</u>	<u>\$ 30,831</u>	<u>\$ 31,405</u>	<u>\$ 8,301</u>
Liabilities:				
Undistributed monies.	<u>\$ 8,875</u>	<u>\$ 30,831</u>	<u>\$ 31,405</u>	<u>\$ 8,301</u>
 Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 74,192</u>	<u>\$ 121,452</u>	<u>\$ 120,465</u>	<u>\$ 75,179</u>
Liabilities:				
Due to students	<u>\$ 74,192</u>	<u>\$ 121,452</u>	<u>\$ 120,465</u>	<u>\$ 75,179</u>
 Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	<u>\$ 105,808</u>	<u>\$ 159,158</u>	<u>\$ 178,760</u>	<u>\$ 86,206</u>
Liabilities:				
Undistributed monies.	<u>\$ 31,616</u>	<u>\$ 37,706</u>	<u>\$ 58,295</u>	<u>\$ 11,027</u>
Due to students	<u>74,192</u>	<u>121,452</u>	<u>120,465</u>	<u>75,179</u>
<i>Total liabilities.</i>	<u>\$ 105,808</u>	<u>\$ 159,158</u>	<u>\$ 178,760</u>	<u>\$ 86,206</u>

INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN FUND BALANCE/FUND EQUITY -
BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 30,415,346	\$ 30,415,346	\$ 30,031,710	\$ (383,636)
Intergovernmental.	5,027,746	5,737,575	5,745,743	8,168
Interest.	325,000	325,000	340,428	15,428
Tuition and fees	2,752,600	2,752,600	4,031,705	1,279,105
Charges for services.	32,000	32,000	36,404	4,404
Rentals	10,000	10,000	8,242	(1,758)
Miscellaneous.	3,000	4,000	37,886	33,886
<i>Total revenues.</i>	<u>38,565,692</u>	<u>39,276,521</u>	<u>40,232,118</u>	<u>955,597</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	10,221,750	10,205,750	10,032,335	173,415
Fringe benefits	2,885,559	2,885,559	2,862,099	23,460
Purchased services	133,260	130,846	103,347	27,499
Materials and supplies.	533,617	501,915	429,218	72,697
Capital outlay	305,917	334,952	258,845	76,107
Total instruction-regular.	<u>14,080,103</u>	<u>14,059,022</u>	<u>13,685,844</u>	<u>373,178</u>
Instruction-special:				
Salaries and wages	3,739,115	3,738,515	3,644,365	94,150
Fringe benefits	1,231,123	1,231,123	1,192,243	38,880
Purchased services	927,340	931,062	930,979	83
Materials and supplies.	40,150	43,218	30,785	12,433
Capital outlay	18,325	16,603	14,203	2,400
Total instruction-special	<u>5,956,053</u>	<u>5,960,521</u>	<u>5,812,575</u>	<u>147,946</u>
Instruction-vocational:				
Salaries and wages	75,500	75,500	75,184	316
Fringe benefits	16,966	16,966	17,073	(107)
Purchased services	188,200	188,200	160,184	28,016
Materials and supplies.	4,100	4,100	3,999	101
Total instruction-vocational	<u>284,766</u>	<u>284,766</u>	<u>256,440</u>	<u>28,326</u>
Instruction-other:				
Purchased services	100,000	100,000	31,450	68,550
Total instruction-other	<u>100,000</u>	<u>100,000</u>	<u>31,450</u>	<u>68,550</u>
Support services-pupil:				
Salaries and wages	1,523,900	1,523,900	1,510,209	13,691
Fringe benefits	472,793	472,793	466,444	6,349
Purchased services	30,300	31,630	15,193	16,437
Materials and supplies.	35,656	26,950	23,024	3,926
Total support services-pupil.	<u>2,062,649</u>	<u>2,055,273</u>	<u>2,014,870</u>	<u>40,403</u>

-- Continued

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-instructional staff:				
Salaries and wages	\$ 898,750	\$ 898,750	\$ 872,254	\$ 26,496
Fringe benefits	335,435	335,435	322,892	12,543
Purchased services	109,292	120,046	116,534	3,512
Materials and supplies.	62,350	57,438	51,459	5,979
Capital outlay	19,790	23,064	21,445	1,619
Total support services-instructional staff	<u>1,425,617</u>	<u>1,434,733</u>	<u>1,384,584</u>	<u>50,149</u>
Support services-board of education:				
Salaries and wages	9,600	9,600	7,680	1,920
Fringe benefits	1,507	1,507	1,090	417
Purchased services	21,500	21,500	18,237	3,263
Other	71,375	69,575	70,806	(1,231)
Total support services-board of education	<u>103,982</u>	<u>102,182</u>	<u>97,813</u>	<u>4,369</u>
Support services-administration:				
Salaries and wages	1,318,950	1,318,950	1,291,254	27,696
Fringe benefits	507,549	495,199	499,185	(3,986)
Purchased services	305,675	526,475	496,089	30,386
Materials and supplies.	42,425	43,335	37,239	6,096
Capital outlay	5,500	3,325	2,495	830
Other	27,425	27,425	18,619	8,806
Total support services-administration.	<u>2,207,524</u>	<u>2,414,709</u>	<u>2,344,881</u>	<u>69,828</u>
Support services-fiscal:				
Salaries and wages	288,700	288,700	285,544	3,156
Fringe benefits	129,184	129,184	127,789	1,395
Purchased services	38,700	57,500	60,664	(3,164)
Materials and supplies.	10,995	8,195	7,212	983
Capital outlay	13,300	9,310	9,230	80
Other	515,700	518,440	514,595	3,845
Total support services-fiscal	<u>996,579</u>	<u>1,011,329</u>	<u>1,005,034</u>	<u>6,295</u>
Support services-business:				
Salaries and wages	178,000	178,000	179,066	(1,066)
Fringe benefits	65,456	65,456	64,463	993
Purchased services	80,625	84,825	79,494	5,331
Materials and supplies.	46,700	41,700	27,547	14,153
Capital outlay	24,800	32,445	26,401	6,044
Other	2,425	2,425	2,063	362
Total support services-business	<u>398,006</u>	<u>404,851</u>	<u>379,034</u>	<u>25,817</u>

-- Continued

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance:				
Salaries and wages	\$ 1,518,000	\$ 1,500,000	\$ 1,383,844	\$ 116,156
Fringe benefits	521,810	521,810	532,387	(10,577)
Purchased services	2,320,665	2,075,165	1,451,005	624,160
Materials and supplies.	257,250	263,250	237,259	25,991
Capital outlay	72,350	84,350	81,836	2,514
Other	<u>25,000</u>	<u>25,000</u>	<u>10,738</u>	<u>14,262</u>
Total support services-operations and maintenance	<u>4,715,075</u>	<u>4,469,575</u>	<u>3,697,069</u>	<u>772,506</u>
Support services-pupil transportation:				
Salaries and wages	1,498,000	1,498,000	1,552,763	(54,763)
Fringe benefits	610,351	610,351	661,881	(51,530)
Purchased services	195,210	157,655	134,670	22,985
Materials and supplies.	168,765	204,070	184,020	20,050
Capital outlay	<u>298,288</u>	<u>300,538</u>	<u>294,539</u>	<u>5,999</u>
Total support services-pupil transportation	<u>2,770,614</u>	<u>2,770,614</u>	<u>2,827,873</u>	<u>(57,259)</u>
Support services-central:				
Salaries and wages	345,500	345,500	369,882	(24,382)
Fringe benefits	442,987	442,987	349,766	93,221
Purchased services	173,730	173,730	137,093	36,637
Materials and supplies.	60,989	60,989	58,235	2,754
Capital outlay	<u>18,710</u>	<u>18,710</u>	<u>17,291</u>	<u>1,419</u>
Total support services-central	<u>1,041,916</u>	<u>1,041,916</u>	<u>932,267</u>	<u>109,649</u>
Operation of non-instructional services:				
Fringe benefits	15,760	15,760	1,019	14,741
Materials and supplies.	<u>3,000</u>	<u>3,000</u>	<u>737</u>	<u>2,263</u>
Total operation of non-instructional services	<u>18,760</u>	<u>18,760</u>	<u>1,756</u>	<u>17,004</u>
Extracurricular activities:				
Salaries and wages	828,400	828,400	772,396	56,004
Fringe benefits	156,116	156,116	157,087	(971)
Purchased services	<u>300</u>	<u>162</u>	<u>162</u>	<u>-</u>
Total extracurricular activities.	<u>984,816</u>	<u>984,678</u>	<u>929,645</u>	<u>55,033</u>
Total expenditures	<u>37,146,460</u>	<u>37,112,929</u>	<u>35,401,135</u>	<u>1,711,794</u>

-- Continued

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues over expenditures</i>	<u>1,419,232</u>	<u>2,163,592</u>	<u>4,830,983</u>	<u>2,667,391</u>
Other financing sources (uses):				
Refund of prior year's expenditures	1,000	-	85,827	85,827
Refund of prior year's receipts	-	-	(300)	(300)
Transfers out	(735,000)	(735,000)	(734,000)	1,000
Advances in	451,000	451,000	453,000	2,000
Advances out.	-	-	(452,000)	(452,000)
Proceeds from the sale of capital assets	-	-	346	346
Contingencies	<u>(350,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
<i>Total other financing sources (uses)</i>	<u>(633,000)</u>	<u>(434,000)</u>	<u>(647,127)</u>	<u>(213,127)</u>
<i>Net change in fund balance</i>	786,232	1,729,592	4,183,856	2,454,264
<i>Fund balance at beginning of year</i>	9,757,759	9,757,759	9,757,759	-
<i>Prior year encumbrances appropriated.</i>	458,705	458,705	458,705	-
<i>Fund balance at end of year.</i>	<u>\$ 11,002,696</u>	<u>\$ 11,946,056</u>	<u>\$ 14,400,320</u>	<u>\$ 2,454,264</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property and other local taxes	\$ 2,662,233	\$ 2,662,233	\$ 2,624,840	\$ (37,393)
Intergovernmental.	320,220	320,220	342,269	22,049
Interest.	30,000	30,000	29,001	(999)
<i>Total revenues.</i>	<u>3,012,453</u>	<u>3,012,453</u>	<u>2,996,110</u>	<u>(16,343)</u>
Expenditures:				
Debt service:				
Principal retirement.	6,705,000	6,705,000	6,705,000	-
Interest and fiscal charges	1,388,713	1,388,713	1,388,250	463
Total debt service	<u>8,093,713</u>	<u>8,093,713</u>	<u>8,093,250</u>	<u>463</u>
<i>Total expenditures</i>	<u>8,093,713</u>	<u>8,093,713</u>	<u>8,093,250</u>	<u>463</u>
<i>Excess of revenues under expenditures</i>	<u>(5,081,260)</u>	<u>(5,081,260)</u>	<u>(5,097,140)</u>	<u>(15,880)</u>
Other financing sources:				
Proceeds from the sale of notes.	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,150,000</u>	<u>(100,000)</u>
<i>Total other financing sources</i>	<u>5,250,000</u>	<u>5,250,000</u>	<u>5,150,000</u>	<u>(100,000)</u>
<i>Net change in fund balance</i>	168,740	168,740	52,860	(115,880)
<i>Fund balance at beginning of year</i>	<u>1,167,345</u>	<u>1,167,345</u>	<u>1,167,345</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,336,085</u>	<u>\$ 1,336,085</u>	<u>\$ 1,220,205</u>	<u>\$ (115,880)</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RECREATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Property taxes	\$ 676,557	\$ 676,557	\$ 655,273	\$ (21,284)
Tuition and fees	1,468,004	1,468,004	1,267,124	(200,880)
Interest	30,500	30,005	58,182	28,177
Extracurricular activities	60,889	60,889	79,995	19,106
Sales	19,700	19,700	24,646	4,946
Rentals	8,500	8,500	26,203	17,703
Contributions and donations	24,403	49,403	39,245	(10,158)
Miscellaneous	5,909	5,909	3,181	(2,728)
<i>Total operating revenues</i>	<u>2,294,462</u>	<u>2,318,967</u>	<u>2,153,849</u>	<u>(165,118)</u>
Operating expenses:				
Salaries and wages	1,086,853	1,085,866	1,000,941	84,925
Fringe benefits	329,727	329,727	309,836	19,891
Purchased services	667,794	696,281	392,352	303,929
Materials and supplies	147,485	149,185	100,091	49,094
Capital outlay	49,840	923,677	895,363	28,314
Other operating expenses	14,200	14,200	12,466	1,734
<i>Total operating expenses</i>	<u>2,295,899</u>	<u>3,198,936</u>	<u>2,711,049</u>	<u>487,887</u>
<i>Operating loss</i>	<u>(1,437)</u>	<u>(879,969)</u>	<u>(557,200)</u>	<u>322,769</u>
Nonoperating revenues:				
Operating grants	73,184	73,184	87,731	14,547
Refund of prior year's expense	-	-	400	400
<i>Total nonoperating revenues</i>	<u>73,184</u>	<u>73,184</u>	<u>88,131</u>	<u>14,947</u>
<i>Net income (loss) before transfers</i>	<u>71,747</u>	<u>(806,785)</u>	<u>(469,069)</u>	<u>337,716</u>
Transfers:				
Transfers in	49,000	24,500	3,091	(21,409)
Transfers out	(24,500)	-	(3,091)	(3,091)
<i>Total transfers</i>	<u>24,500</u>	<u>24,500</u>	<u>-</u>	<u>(24,500)</u>
<i>Net change in fund balance</i>	<u>96,247</u>	<u>(782,285)</u>	<u>(469,069)</u>	<u>313,216</u>
<i>Fund balance at beginning of year</i>	<u>2,782,072</u>	<u>2,782,072</u>	<u>2,782,072</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i>	<u>1,912</u>	<u>1,912</u>	<u>1,912</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 2,880,231</u>	<u>\$ 2,001,699</u>	<u>\$ 2,314,915</u>	<u>\$ 313,216</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 118,800	\$ 148,000	\$ 142,498	\$ (5,502)
Miscellaneous	21,810	33,210	16,117	(17,093)
<i>Total revenues</i>	<u>140,610</u>	<u>181,210</u>	<u>158,615</u>	<u>(22,595)</u>
Expenditures:				
Current:				
Instruction-special:				
Purchased services	3,960	3,960	883	3,077
Materials and supplies	1,800	1,800	1,358	442
Total instruction-special	<u>5,760</u>	<u>5,760</u>	<u>2,241</u>	<u>3,519</u>
Support services-pupil:				
Materials and supplies	-	30,600	32,346	(1,746)
Capital outlay	-	7,500	6,071	1,429
Total support services-pupil	<u>-</u>	<u>38,100</u>	<u>38,417</u>	<u>(317)</u>
Support services-instructional staff:				
Purchased services	-	4,000	-	4,000
Materials and supplies	-	8,500	891	7,609
Capital outlay	-	3,119	-	3,119
Total support services-instructional staff	<u>-</u>	<u>15,619</u>	<u>891</u>	<u>14,728</u>
Extracurricular activities:				
Purchased services	114,641	114,415	98,796	15,619
Materials and supplies	22,400	22,626	22,162	464
Capital outlay	7,800	7,800	2,231	5,569
Total extracurricular activities	<u>144,841</u>	<u>144,841</u>	<u>123,189</u>	<u>21,652</u>
<i>Total expenditures</i>	<u>150,601</u>	<u>204,320</u>	<u>164,738</u>	<u>39,582</u>
<i>Excess of revenues under expenditures</i>	<u>(9,991)</u>	<u>(23,110)</u>	<u>(6,123)</u>	<u>16,987</u>
Other financing sources:				
Transfers in	-	19,110	19,110	-
<i>Total other financing sources</i>	<u>-</u>	<u>19,110</u>	<u>19,110</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(9,991)</u>	<u>(4,000)</u>	<u>12,987</u>	<u>16,987</u>
<i>Fund balance at beginning of year</i>	<u>30,836</u>	<u>30,836</u>	<u>30,836</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 20,845</u>	<u>\$ 26,836</u>	<u>\$ 43,823</u>	<u>\$ 16,987</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 150	\$ 15,289	\$ 15,139	\$ (150)
<i>Total revenues.</i>	<u>150</u>	<u>15,289</u>	<u>15,139</u>	<u>(150)</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	740	1,683	682	1,001
Materials and supplies.	2,138	3,212	2,308	904
Capital outlay	97,853	108,220	105,219	3,001
<i>Total instruction-regular.</i>	<u>100,731</u>	<u>113,115</u>	<u>108,209</u>	<u>4,906</u>
Instruction-special:				
Materials and supplies.	-	583	600	(17)
<i>Total instruction-special</i>	<u>-</u>	<u>583</u>	<u>600</u>	<u>(17)</u>
Instruction-vocational:				
Capital outlay	1,500	1,500	1,500	-
<i>Total instruction-vocational</i>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Support services-instructional staff:				
Purchased services	1,000	1,350	150	1,200
<i>Total support services-instructional staff</i>	<u>1,000</u>	<u>1,350</u>	<u>150</u>	<u>1,200</u>
Support services-administration:				
Materials and supplies.	-	160	-	160
Capital outlay	1,500	3,000	1,500	1,500
<i>Total support services-administration.</i>	<u>1,500</u>	<u>3,160</u>	<u>1,500</u>	<u>1,660</u>
Extracurricular activities:				
Purchased services	1,500	1,500	1,449	51
Materials and supplies.	-	162	-	162
<i>Total extracurricular activities.</i>	<u>1,500</u>	<u>1,662</u>	<u>1,449</u>	<u>213</u>
<i>Total expenditures</i>	<u>106,231</u>	<u>121,370</u>	<u>113,408</u>	<u>7,962</u>
<i>Net change in fund balance</i>	(106,081)	(106,081)	(98,269)	7,812
<i>Fund balance at beginning of year</i>	106,081	106,081	106,081	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,812</u>	<u>\$ 7,812</u>

ORANCE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 476,740	\$ 265,540	\$ 229,841	\$ (35,699)
Miscellaneous	<u>70,500</u>	<u>51,700</u>	<u>17,532</u>	<u>(34,168)</u>
<i>Total revenues</i>	<u>547,240</u>	<u>317,240</u>	<u>247,373</u>	<u>(69,867)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	11,500	11,500	12,320	(820)
Fringe benefits	2,040	2,040	1,973	67
Purchased services	450,140	262,930	244,996	17,934
Materials and supplies	156,660	116,646	84,578	32,068
Capital outlay	<u>27,400</u>	<u>29,124</u>	<u>4,358</u>	<u>24,766</u>
Total extracurricular activities	<u>647,740</u>	<u>422,240</u>	<u>348,225</u>	<u>74,015</u>
<i>Total expenditures</i>	<u>647,740</u>	<u>422,240</u>	<u>348,225</u>	<u>74,015</u>
<i>Excess of revenues under expenditures</i>	<u>(100,500)</u>	<u>(105,000)</u>	<u>(100,852)</u>	<u>4,148</u>
Other financing sources:				
Transfers in	<u>98,000</u>	<u>103,000</u>	<u>109,000</u>	<u>6,000</u>
<i>Total other financing sources</i>	<u>98,000</u>	<u>103,000</u>	<u>109,000</u>	<u>6,000</u>
<i>Net change in fund balance</i>	(2,500)	(2,000)	8,148	10,148
<i>Fund balance at beginning of year</i>	<u>30,238</u>	<u>30,238</u>	<u>30,238</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 27,738</u>	<u>\$ 28,238</u>	<u>\$ 38,386</u>	<u>\$ 10,148</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 950	\$ 1,040	\$ 1,040	\$ -
Intergovernmental	<u>277,470</u>	<u>394,215</u>	<u>394,215</u>	<u>-</u>
<i>Total revenues</i>	<u>278,420</u>	<u>395,255</u>	<u>395,255</u>	<u>-</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Salaries and wages	166,537	166,237	144,695	21,542
Fringe benefits	56,095	46,219	39,855	6,364
Purchased services	43,998	173,496	150,797	22,699
Materials and supplies	22,000	15,523	27,365	(11,842)
Capital outlay	<u>43,807</u>	<u>50,828</u>	<u>65,250</u>	<u>(14,422)</u>
Total operation of non-instructional services	<u>332,437</u>	<u>452,303</u>	<u>427,962</u>	<u>24,341</u>
<i>Total expenditures</i>	<u>332,437</u>	<u>452,303</u>	<u>427,962</u>	<u>24,341</u>
<i>Net change in fund balance</i>	(54,017)	(57,048)	(32,707)	24,341
<i>Fund balance at beginning of year</i>	<u>57,063</u>	<u>57,063</u>	<u>57,063</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 3,046</u>	<u>\$ 15</u>	<u>\$ 24,356</u>	<u>\$ 24,341</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL PROFESSIONAL DEVELOPMENT BLOCK GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services-instructional staff:				
Purchased services	\$ 3,434	\$ 3,434	\$ 3,434	\$ -
Materials and supplies	246	246	246	-
Total support services-instructional staff	<u>3,680</u>	<u>3,680</u>	<u>3,680</u>	<u>-</u>
Total expenditures	<u>3,680</u>	<u>3,680</u>	<u>3,680</u>	<u>-</u>
Net change in fund balance	(3,680)	(3,680)	(3,680)	-
Fund balance at beginning of year	<u>3,680</u>	<u>3,680</u>	<u>3,680</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CHILDREN'S TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Refund of prior year's receipts	\$ (275)	\$ (275)	\$ (275)	\$ -
<i>Total other financing uses.</i>	<u>(275)</u>	<u>(275)</u>	<u>(275)</u>	<u>-</u>
<i>Net change in fund balance</i>	(275)	(275)	(275)	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Prior year encumbrances appropriated.</i>	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 8,574	\$ 8,574	\$ -
<i>Total revenues.</i>	-	8,574	8,574	-
Expenditures:				
Current:				
Support services-central:				
Salaries and wages	3,879	6,768	3,922	2,846
Fringe benefits	877	976	1,003	(27)
Purchased services	-	850	772	78
Materials and supplies	1,735	1,322	489	833
Capital outlay	3,500	2,922	1,790	1,132
<i>Total support services-central</i>	9,991	12,838	7,976	4,862
<i>Total expenditures</i>	9,991	12,838	7,976	4,862
<i>Net change in fund balance</i>	(9,991)	(4,264)	598	4,862
<i>Fund balance at beginning of year</i>	9,992	9,992	9,992	-
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 5,728</u>	<u>\$ 10,590</u>	<u>\$ 4,862</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ONENET CONNECT SUBSIDY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 10,500	\$ 10,500	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>10,500</u>	<u>10,500</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central:				
Purchased services	14,000	24,500	14,000	10,500
Total support services-central	<u>14,000</u>	<u>24,500</u>	<u>14,000</u>	<u>10,500</u>
<i>Total expenditures</i>	<u>14,000</u>	<u>24,500</u>	<u>14,000</u>	<u>10,500</u>
<i>Net change in fund balance</i>	(14,000)	(14,000)	(3,500)	10,500
<i>Fund balance at beginning of year</i>	14,000	14,000	14,000	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,500</u>	<u>\$ 10,500</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 4,600	\$ 4,600	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>4,600</u>	<u>4,600</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	6,150	4,160	3,560	600
Fringe benefits	1,032	709	608	101
Purchased services	-	5,015	3,760	1,255
Materials and supplies	<u>-</u>	<u>1,426</u>	<u>426</u>	<u>1,000</u>
Total instruction-regular	<u>7,182</u>	<u>11,310</u>	<u>8,354</u>	<u>2,956</u>
Support services-instructional staff:				
Purchased services	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Total support services-instructional staff	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
<i>Total expenditures</i>	<u>7,187</u>	<u>11,315</u>	<u>8,359</u>	<u>2,956</u>
<i>Excess of revenues under expenditures.</i>	<u>(7,187)</u>	<u>(6,715)</u>	<u>(3,759)</u>	<u>2,956</u>
Other financing uses:				
Refund of prior year's receipts	<u>-</u>	<u>(472)</u>	<u>(472)</u>	<u>-</u>
<i>Total other financing uses.</i>	<u>-</u>	<u>(472)</u>	<u>(472)</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(7,187)</u>	<u>(7,187)</u>	<u>(4,231)</u>	<u>2,956</u>
<i>Fund balance at beginning of year</i>	<u>7,187</u>	<u>7,187</u>	<u>7,187</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,956</u>	<u>\$ 2,956</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERACTIVE VIDEO DISTANCE LEARNING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Support services-central:				
Purchased services	1,200	1,200	1,200	-
Total support services-central	1,200	1,200	1,200	-
Total expenditures	1,200	1,200	1,200	-
Net change in fund balance	(1,200)	(1,200)	(1,200)	-
Fund balance at beginning of year	1,200	1,200	1,200	-
Fund balance at end of year.	\$ -	\$ -	\$ -	\$ -

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 12,376	\$ 12,376	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>12,376</u>	<u>12,376</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	2,980	2,980	-
Fringe benefits	-	519	520	(1)
Purchased services	917	3,917	1,746	2,171
Materials and supplies	<u>4,895</u>	<u>3,396</u>	<u>2,043</u>	<u>1,353</u>
Total instruction-regular	<u>5,812</u>	<u>10,812</u>	<u>7,289</u>	<u>3,523</u>
Support services-operations and maintenance:				
Purchased services	-	7,376	7,376	-
Total support services-operations and maintenance	<u>-</u>	<u>7,376</u>	<u>7,376</u>	<u>-</u>
<i>Total expenditures</i>	<u>5,812</u>	<u>18,188</u>	<u>14,665</u>	<u>3,523</u>
<i>Excess of revenues under expenditures.</i>	<u>(5,812)</u>	<u>(5,812)</u>	<u>(2,289)</u>	<u>3,523</u>
Other financing uses:				
Refund of prior year's receipts	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
<i>Total other financing uses.</i>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(9,812)</u>	<u>(9,812)</u>	<u>(6,289)</u>	<u>3,523</u>
<i>Fund balance at beginning of year</i>	<u>9,812</u>	<u>9,812</u>	<u>9,812</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,523</u>	<u>\$ 3,523</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EISENHOWER GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,657	\$ 882	\$ 882	\$ -
<i>Total revenues.</i>	<u>1,657</u>	<u>882</u>	<u>882</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff:				
Salaries and wages	7,840	7,840	7,840	-
Fringe benefits	1,687	1,687	1,438	249
Purchased services	3,157	3,157	3,323	(166)
Materials and supplies	<u>2,797</u>	<u>2,022</u>	<u>2,131</u>	<u>(109)</u>
Total support services-instructional staff	<u>15,481</u>	<u>14,706</u>	<u>14,732</u>	<u>(26)</u>
Operation of non-instructional services:				
Purchased services	324	324	324	-
Materials and supplies	<u>158</u>	<u>158</u>	<u>132</u>	<u>26</u>
Total operation of non-instructional services	<u>482</u>	<u>482</u>	<u>456</u>	<u>26</u>
<i>Total expenditures</i>	<u>15,963</u>	<u>15,188</u>	<u>15,188</u>	<u>-</u>
<i>Net change in fund balance</i>	(14,306)	(14,306)	(14,306)	-
<i>Fund balance at beginning of year</i>	<u>14,306</u>	<u>14,306</u>	<u>14,306</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 56,496	\$ 256,326	\$ 256,326	\$ -
<i>Total revenues.</i>	<u>56,496</u>	<u>256,326</u>	<u>256,326</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special:				
Purchased services	1,937	2,301	2,301	-
Materials and supplies.	16,432	22,514	22,514	-
Capital outlay	32	85,088	85,065	23
<i>Total instruction-special</i>	<u>18,401</u>	<u>109,903</u>	<u>109,880</u>	<u>23</u>
Support services-pupil:				
Salaries and wages	1,850	33,479	25,945	7,534
Fringe benefits	339	5,808	4,413	1,395
Purchased services	27,071	71,199	71,181	18
Materials and supplies.	9,378	7,987	7,987	-
Capital outlay	387	22,132	22,132	-
<i>Total support services-pupil.</i>	<u>39,025</u>	<u>140,605</u>	<u>131,658</u>	<u>8,947</u>
Support services-instructional staff:				
Purchased services	736	2,109	2,101	8
Materials and supplies.	1,382	1,000	1,000	-
Capital outlay	105	1,329	1,329	-
<i>Total support services-instructional staff.</i>	<u>2,223</u>	<u>4,438</u>	<u>4,430</u>	<u>8</u>
Support services-administration:				
Purchased services	936	3,264	3,264	-
Materials and supplies.	127	1,500	1,500	-
Capital outlay	161	970	970	-
<i>Total support services-administration.</i>	<u>1,224</u>	<u>5,734</u>	<u>5,734</u>	<u>-</u>
<i>Total expenditures</i>	<u>60,873</u>	<u>260,680</u>	<u>251,702</u>	<u>8,978</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(4,377)</u>	<u>(4,354)</u>	<u>4,624</u>	<u>8,978</u>
Other financing uses:				
Refund of prior year's receipts	-	(23)	(23)	-
<i>Total other financing uses.</i>	<u>-</u>	<u>(23)</u>	<u>(23)</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(4,377)</u>	<u>(4,377)</u>	<u>4,601</u>	<u>8,978</u>
<i>Fund balance at beginning of year</i>	<u>4,377</u>	<u>4,377</u>	<u>4,377</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,978</u>	<u>\$ 8,978</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 23,316	\$ 23,316	\$ 23,316	\$ -
<i>Total revenues.</i>	<u>23,316</u>	<u>23,316</u>	<u>23,316</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	4,097	4,097	4,097	-
Fringe benefits	775	775	775	-
Purchased services	3,880	3,880	3,880	-
Materials and supplies.	6,731	6,731	6,668	63
Capital outlay	3,135	3,135	3,135	-
<i>Total instruction-regular.</i>	<u>18,618</u>	<u>18,618</u>	<u>18,555</u>	<u>63</u>
Support services-instructional staff:				
Purchased services	1,654	1,480	1,480	-
Materials and supplies.	3,044	3,044	3,044	-
<i>Total support services-instructional staff.</i>	<u>4,698</u>	<u>4,524</u>	<u>4,524</u>	<u>-</u>
Support services-administration:				
Purchased services	-	174	174	-
<i>Total support services-administration.</i>	<u>-</u>	<u>174</u>	<u>174</u>	<u>-</u>
<i>Total expenditures</i>	<u>23,316</u>	<u>23,316</u>	<u>23,253</u>	<u>63</u>
<i>Net change in fund balance</i>	-	-	63	63
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Prior year encumbrances appropriated.</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 63</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 149,584	\$ 122,265	\$ (27,319)
<i>Total revenues.</i>	<u>-</u>	<u>149,584</u>	<u>122,265</u>	<u>(27,319)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	18,641	112,744	101,240	11,504
Purchased services	5,827	28,644	25,221	3,423
Materials and supplies	-	1,000	859	141
<i>Total instruction-special</i>	<u>24,468</u>	<u>142,388</u>	<u>127,320</u>	<u>15,068</u>
Support services-instructional staff:				
Salaries and wages	-	20,477	11,674	8,803
Fringe benefits	-	3,491	1,985	1,506
Purchased services	-	7,696	3,998	3,698
<i>Total support services-instructional staff</i>	<u>-</u>	<u>31,664</u>	<u>17,657</u>	<u>14,007</u>
<i>Total expenditures</i>	<u>24,468</u>	<u>174,052</u>	<u>144,977</u>	<u>29,075</u>
<i>Excess of revenues under expenditures.</i>	<u>(24,468)</u>	<u>(24,468)</u>	<u>(22,712)</u>	<u>1,756</u>
Other financing sources (uses):				
Advances in	-	-	2,000	2,000
Advances out	-	-	(2,000)	(2,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(24,468)</u>	<u>(24,468)</u>	<u>(22,712)</u>	<u>1,756</u>
<i>Fund balance at beginning of year</i>	<u>24,469</u>	<u>24,469</u>	<u>24,469</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,757</u>	<u>\$ 1,756</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,738	\$ 25,405	\$ 17,237	\$ (8,168)
<i>Total revenues.</i>	<u>9,738</u>	<u>25,405</u>	<u>17,237</u>	<u>(8,168)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	8,534	10,042	4,515	5,527
Fringe benefits	771	1,821	850	971
Purchased services	-	8,177	5,919	2,258
Materials and supplies	<u>2,765</u>	<u>4,756</u>	<u>4,149</u>	<u>607</u>
Total instruction-regular	<u>12,070</u>	<u>24,796</u>	<u>15,433</u>	<u>9,363</u>
Support services-administration:				
Capital outlay	-	617	617	-
Total support services-administration	<u>-</u>	<u>617</u>	<u>617</u>	<u>-</u>
Operation of non-instructional services:				
Purchased services	517	500	500	-
Materials and supplies	<u>2,611</u>	<u>4,952</u>	<u>4,615</u>	<u>337</u>
Total operation of non-instructional services	<u>3,128</u>	<u>5,452</u>	<u>5,115</u>	<u>337</u>
<i>Total expenditures</i>	<u>15,198</u>	<u>30,865</u>	<u>21,165</u>	<u>9,700</u>
<i>Excess of revenues under expenditures.</i>	<u>(5,460)</u>	<u>(5,460)</u>	<u>(3,928)</u>	<u>1,532</u>
Other financing uses:				
Advances out	-	-	(1,000)	(1,000)
<i>Total other financing uses</i>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
<i>Net change in fund balance</i>	<u>(5,460)</u>	<u>(5,460)</u>	<u>(4,928)</u>	<u>532</u>
<i>Fund balance at beginning of year</i>	4,984	4,984	4,984	-
<i>Prior year encumbrances appropriated.</i>	<u>476</u>	<u>476</u>	<u>476</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532</u>	<u>\$ 532</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 5,133	\$ 15,141	\$ 15,141	\$ -
<i>Total revenues.</i>	<u>5,133</u>	<u>15,141</u>	<u>15,141</u>	<u>-</u>
Expenditures:				
Current:				
Support services-pupil:				
Purchased services	7,581	15,306	15,367	(61)
Materials and supplies.	<u>363</u>	<u>2,363</u>	<u>2,333</u>	<u>30</u>
Total support services-pupil.	<u>7,944</u>	<u>17,669</u>	<u>17,700</u>	<u>(31)</u>
Operation of non-instructional services:				
Purchased services	550	833	422	411
Materials and supplies.	125	125	455	(330)
Capital outlay	<u>90</u>	<u>90</u>	<u>90</u>	<u>-</u>
Total operation of non-instructional services	<u>765</u>	<u>1,048</u>	<u>967</u>	<u>81</u>
<i>Total expenditures</i>	<u>8,709</u>	<u>18,717</u>	<u>18,667</u>	<u>50</u>
<i>Net change in fund balance</i>	(3,576)	(3,576)	(3,526)	50
<i>Fund balance at beginning of year</i>	<u>3,576</u>	<u>3,576</u>	<u>3,576</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 15,858	\$ 15,858	\$ 15,858	\$ -
<i>Total revenues.</i>	<u>15,858</u>	<u>15,858</u>	<u>15,858</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special:				
Materials and supplies	2,290	5,621	5,621	-
Capital outlay	316	8,990	8,987	3
<i>Total instruction-special</i>	<u>2,606</u>	<u>14,611</u>	<u>14,608</u>	<u>3</u>
Support services-pupil:				
Purchased services	138	2,050	2,050	-
Materials and supplies	1,504	1,149	1,149	-
Capital outlay	-	2,000	2,000	-
<i>Total support services-pupil.</i>	<u>1,642</u>	<u>5,199</u>	<u>5,199</u>	<u>-</u>
Support services-instructional staff:				
Purchased services	319	615	615	-
<i>Total support services-instructional staff.</i>	<u>319</u>	<u>615</u>	<u>615</u>	<u>-</u>
<i>Total expenditures</i>	<u>4,567</u>	<u>20,425</u>	<u>20,422</u>	<u>3</u>
<i>Net change in fund balance</i>	11,291	(4,567)	(4,564)	3
<i>Fund balance at beginning of year</i>	4,567	4,567	4,567	-
<i>Fund balance at end of year.</i>	<u>\$ 15,858</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-R FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,178	\$ 70,520	\$ 51,753	\$ (18,767)
<i>Total revenues.</i>	<u>4,178</u>	<u>70,520</u>	<u>51,753</u>	<u>(18,767)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	8,167	36,166	25,682	10,484
Fringe benefits	5,112	15,283	7,687	7,596
Purchased services	-	598	200	398
<i>Total instruction-regular.</i>	<u>13,279</u>	<u>52,047</u>	<u>33,569</u>	<u>18,478</u>
Support services-pupil:				
Purchased services	-	17,258	15,234	2,024
<i>Total support services-pupil.</i>	<u>-</u>	<u>17,258</u>	<u>15,234</u>	<u>2,024</u>
Operation of non-instructional services:				
Purchased services	-	9,828	9,937	(109)
Materials and supplies	-	488	458	30
<i>Total operation of non-instructional services.</i>	<u>-</u>	<u>10,316</u>	<u>10,395</u>	<u>(79)</u>
<i>Total expenditures</i>	<u>13,279</u>	<u>79,621</u>	<u>59,198</u>	<u>20,423</u>
<i>Net change in fund balance</i>	(9,101)	(9,101)	(7,445)	1,656
<i>Fund balance at beginning of year</i>	9,101	9,101	9,101	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,656</u>	<u>\$ 1,656</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 26,683	\$ 20,429	\$ (6,254)
<i>Total revenues</i>	<u>-</u>	<u>26,683</u>	<u>20,429</u>	<u>(6,254)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	3,396	2,500	896
Fringe benefits	2	701	430	271
Materials and supplies	-	4,594	4,132	462
Capital outlay	-	17,994	12,153	5,841
<i>Total instruction-regular</i>	<u>2</u>	<u>26,685</u>	<u>19,215</u>	<u>7,470</u>
<i>Total expenditures</i>	<u>2</u>	<u>26,685</u>	<u>19,215</u>	<u>7,470</u>
<i>Net change in fund balance</i>	(2)	(2)	1,214	1,216
<i>Fund balance at beginning of year</i>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,216</u>	<u>\$ 1,216</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Interest	\$ 1,000	\$ 1,000	\$ 2,555	\$ 1,555
Miscellaneous	-	-	1,835	1,835
Charges for services	387,000	387,000	435,523	48,523
Intergovernmental	27,900	27,900	35,085	7,185
<i>Total revenues</i>	<u>415,900</u>	<u>415,900</u>	<u>474,998</u>	<u>59,098</u>
Expenditures:				
Current:				
Food service operations:				
Salaries and wages	194,000	194,000	194,786	(786)
Fringe benefits	70,646	88,846	89,725	(879)
Purchased services	12,000	2,600	578	2,022
Materials and supplies	164,500	188,900	183,173	5,727
Capital outlay	-	19,000	16,949	2,051
Total food service operations	<u>441,146</u>	<u>493,346</u>	<u>485,211</u>	<u>8,135</u>
<i>Total expenditures</i>	<u>441,146</u>	<u>493,346</u>	<u>485,211</u>	<u>8,135</u>
<i>Excess of revenues under expenditures</i>	<u>(25,246)</u>	<u>(77,446)</u>	<u>(10,213)</u>	<u>67,233</u>
Other financing sources:				
Transfers in	25,000	25,000	25,000	-
<i>Total other financing sources</i>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<i>Net change in fund balance</i>	(246)	(52,446)	14,787	67,233
<i>Fund balance at beginning of year</i>	81,800	81,800	81,800	-
<i>Fund balance at end of year</i>	<u>\$ 81,554</u>	<u>\$ 29,354</u>	<u>\$ 96,587</u>	<u>\$ 67,233</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MEMORIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 630	\$ 630	\$ 591	\$ (39)
Miscellaneous	-	-	4,940	4,940
<i>Total revenues.</i>	<u>630</u>	<u>630</u>	<u>5,531</u>	<u>4,901</u>
Expenditures:				
Current:				
Support services-instructional staff:				
Materials and supplies	6,035	6,035	1,100	4,935
Capital outlay	<u>2,371</u>	<u>515</u>	-	<u>515</u>
Total support services-instructional staff	<u>8,406</u>	<u>6,550</u>	<u>1,100</u>	<u>5,450</u>
Support services-operations and maintenance:				
Materials and supplies	<u>255</u>	<u>255</u>	-	<u>255</u>
Total support services-operations and maintenance	<u>255</u>	<u>255</u>	-	<u>255</u>
Extracurricular activities:				
Materials and supplies	<u>755</u>	<u>755</u>	-	<u>755</u>
Total extracurricular activities	<u>755</u>	<u>755</u>	-	<u>755</u>
<i>Total expenditures</i>	<u>9,416</u>	<u>7,560</u>	<u>1,100</u>	<u>6,460</u>
<i>Net change in fund balance</i>	(8,786)	(6,930)	4,431	11,361
<i>Fund balance at beginning of year</i>	<u>38,164</u>	<u>38,164</u>	<u>38,164</u>	-
<i>Fund balance at end of year.</i>	<u>\$ 29,378</u>	<u>\$ 31,234</u>	<u>\$ 42,595</u>	<u>\$ 11,361</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services.	\$ 89,046	\$ 89,046	\$ 85,932	\$ (3,114)
<i>Total revenues.</i>	<u>89,046</u>	<u>89,046</u>	<u>85,932</u>	<u>(3,114)</u>
Expenditures:				
Current:				
Instruction-regular:				
Materials and supplies.	83,054	83,054	60,698	22,356
<i>Total instruction-regular.</i>	<u>83,054</u>	<u>83,054</u>	<u>60,698</u>	<u>22,356</u>
Instruction-vocational:				
Materials and supplies.	2,760	2,760	2,726	34
<i>Total instruction-vocational.</i>	<u>2,760</u>	<u>2,760</u>	<u>2,726</u>	<u>34</u>
<i>Total expenditures.</i>	<u>85,814</u>	<u>85,814</u>	<u>63,424</u>	<u>22,390</u>
<i>Net change in fund balance.</i>	3,232	3,232	22,508	19,276
<i>Fund balance at beginning of year.</i>	31,476	31,476	31,476	-
<i>Fund balance at end of year.</i>	<u>\$ 34,708</u>	<u>\$ 34,708</u>	<u>\$ 53,984</u>	<u>\$ 19,276</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 37,000	\$ 37,000	\$ 32,576	\$ (4,424)
Miscellaneous.	-	36,000	52,500	16,500
<i>Total revenues.</i>	<u>37,000</u>	<u>73,000</u>	<u>85,076</u>	<u>12,076</u>
Expenditures:				
Current:				
Facilities acquisition and construction:				
Capital outlay	800,400	901,400	887,194	14,206
Total facilities acquisition and construction.	<u>800,400</u>	<u>901,400</u>	<u>887,194</u>	<u>14,206</u>
<i>Total expenditures</i>	<u>800,400</u>	<u>901,400</u>	<u>887,194</u>	<u>14,206</u>
<i>Excess of revenues under expenditures.</i>	<u>(763,400)</u>	<u>(828,400)</u>	<u>(802,118)</u>	<u>26,282</u>
Other financing sources:				
Transfers in	600,000	600,000	600,000	-
<i>Total other financing sources.</i>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
<i>Net change in fund balance</i>	(163,400)	(228,400)	(202,118)	26,282
<i>Fund balance at beginning of year</i>	<u>1,219,037</u>	<u>1,219,037</u>	<u>1,219,037</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,055,637</u>	<u>\$ 990,637</u>	<u>\$ 1,016,919</u>	<u>\$ 26,282</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 14,200	\$ 14,200	\$ 16,302	\$ 2,102
Miscellaneous	-	12,000	12,000	-
<i>Total revenues.</i>	<u>14,200</u>	<u>26,200</u>	<u>28,302</u>	<u>2,102</u>
Expenditures:				
Current:				
Support services-fiscal:				
Other	-	150	143	7
Total support services-fiscal	<u>-</u>	<u>150</u>	<u>143</u>	<u>7</u>
Operation of non-instructional services:				
Capital outlay	10,000	10,000	-	10,000
Total operation of non-instructional services	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Facilities acquisition and construction:				
Purchased services	111,558	106,468	101,377	5,091
Capital outlay	<u>692,871</u>	<u>709,811</u>	<u>708,717</u>	<u>1,094</u>
Total facilities acquisition and construction.	<u>804,429</u>	<u>816,279</u>	<u>810,094</u>	<u>6,185</u>
<i>Total expenditures</i>	<u>814,429</u>	<u>826,429</u>	<u>810,237</u>	<u>16,192</u>
<i>Net change in fund balance</i>	(800,229)	(800,229)	(781,935)	18,294
<i>Fund balance at beginning of year</i>	754,629	754,629	754,629	-
<i>Prior year encumbrances appropriated.</i>	<u>588,157</u>	<u>588,157</u>	<u>588,157</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 542,557</u>	<u>\$ 542,557</u>	<u>\$ 560,851</u>	<u>\$ 18,294</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 36,162	\$ 36,162	\$ 36,162	\$ -
<i>Total revenues.</i>	<u>36,162</u>	<u>36,162</u>	<u>36,162</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central:				
Capital outlay	36,162	36,162	35,976	186
Total support services-central	<u>36,162</u>	<u>36,162</u>	<u>35,976</u>	<u>186</u>
<i>Total expenditures</i>	<u>36,162</u>	<u>36,162</u>	<u>35,976</u>	<u>186</u>
<i>Net change in fund balance</i>	-	-	186	186
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186</u>	<u>\$ 186</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TELECOMMUNITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 15,921	\$ 15,921	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>15,921</u>	<u>15,921</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central:				
Purchased services	21	21	-	21
Capital outlay	<u>2,171</u>	<u>18,092</u>	<u>-</u>	<u>18,092</u>
<i>Total support services-central</i>	<u>2,192</u>	<u>18,113</u>	<u>-</u>	<u>18,113</u>
<i>Total expenditures</i>	<u>2,192</u>	<u>18,113</u>	<u>-</u>	<u>18,113</u>
<i>Net change in fund balance</i>	(2,192)	(2,192)	15,921	18,113
<i>Fund balance at beginning of year</i>	<u>2,192</u>	<u>2,192</u>	<u>2,192</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,113</u>	<u>\$ 18,113</u>

ORANGE CITY SCHOOL DISTRICT

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Miscellaneous	\$ -	\$ 1,100	\$ 1,100	\$ -
<i>Total operating revenues</i>	<u>-</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Operating expenses:				
Other operating expenses	6,775	6,775	2,500	4,275
<i>Total operating expenses</i>	<u>6,775</u>	<u>6,775</u>	<u>2,500</u>	<u>4,275</u>
<i>Operating loss</i>	<u>(6,775)</u>	<u>(5,675)</u>	<u>(1,400)</u>	<u>4,275</u>
Nonoperating revenues:				
Earnings on investments	1,900	1,900	1,757	(143)
<i>Total nonoperating revenues</i>	<u>1,900</u>	<u>1,900</u>	<u>1,757</u>	<u>(143)</u>
<i>Net change in fund balance</i>	(4,875)	(3,775)	357	4,132
<i>Fund balance at beginning of year</i>	75,079	75,079	75,079	-
<i>Fund balance at end of year</i>	<u>\$ 70,204</u>	<u>\$ 71,304</u>	<u>\$ 75,436</u>	<u>\$ 4,132</u>

STATISTICAL SECTION

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

ORANGE CITY SCHOOL DISTRICT

*GENERAL FUND
REVENUES BY SOURCE AND OTHER FINANCING SOURCES
AND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES (1)
LAST TEN FISCAL YEARS*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues and Other Financing Sources				
Property and other local taxes	\$ 27,660,630	\$ 34,951,676	\$ 25,892,910	\$ 22,198,020
Intergovernmental	5,633,094	5,508,836	4,714,945	6,302,166
Interest	352,375	234,129	304,062	424,856
Tuition and fees	4,043,241	4,362,668	1,224,851	919,285
Contributions and donations	-	2,000	-	-
Charges for services.	36,404	90,809	35,431	26,851
Rentals	8,243	64,031	24,983	25,311
Miscellaneous.	127,997	59,759	23,316	17,750
Other financing sources.	-	-	-	150
Total revenue and other financing sources	<u>\$ 37,861,984</u>	<u>\$ 45,273,908</u>	<u>\$ 32,220,498</u>	<u>\$ 29,914,389</u>
Expenditures and Other Financing Uses				
Current:				
Instruction:				
Regular	\$ 13,797,714	\$ 13,277,318	\$ 12,575,490	\$ 12,382,930
Special.	5,612,972	5,917,147	5,312,916	4,403,836
Vocational.	228,833	201,633	232,294	213,375
Support Services:				
Pupil.	1,938,675	1,958,000	1,828,256	1,880,710
Instructional staff	1,379,500	1,246,938	1,340,897	1,246,584
Board of education	90,263	55,528	62,624	69,623
Administration.	2,204,129	2,183,396	2,088,114	1,842,051
Fiscal	1,028,319	1,001,996	862,755	759,674
Business	375,221	371,377	380,977	404,954
Operations and maintenance of plant	3,986,585	3,555,913	3,422,458	3,064,224
Pupil transportation	2,863,664	2,648,412	2,516,022	2,193,991
Central.	928,497	616,609	460,149	521,266
Operation of non-instructional services.	13,848	2,538	6,879	6,859
Extracurricular activities	935,290	947,162	752,538	762,477
Capital outlay.	169,374	29,000	-	-
Debt service	59,839	14,836	-	4,144
Other financing uses	564,280	515,000	1,171,037	3,362,226
Total expenditures and other financing uses.	<u>\$ 36,177,003</u>	<u>\$ 34,542,803</u>	<u>\$ 33,013,406</u>	<u>\$ 33,118,924</u>

Source: School District financial records.

(1) Information is based on modified accrual. Information for full accrual will be presented when there are enough years of information to make comparisons.

1999	1998	1997	1996	1995	1994
\$ 23,222,986	\$ 22,571,130	\$ 22,070,328	\$ 20,871,663	\$ 18,000,315	\$ 17,714,652
5,361,478	4,199,826	4,407,458	3,803,002	3,576,343	3,333,309
717,527	444,057	311,654	171,294	152,369	104,188
954,258	1,385,119	3,018,351	782,741	930,037	803,609
-	200	100	10,000	65	-
39,459	40,649	27,398	-	-	2,508
27,822	31,382	31,857	47,296	7,544	27,284
5,771	166,090	2,698	5,322	4,550	11,285
756	47	105	181	28,911	30,766
<u>\$ 30,330,057</u>	<u>\$ 28,838,500</u>	<u>\$ 29,869,949</u>	<u>\$ 25,691,499</u>	<u>\$ 22,700,134</u>	<u>\$ 22,027,601</u>

\$ 11,927,617	\$ 10,863,782	\$ 10,865,078	\$ 10,956,237	\$ 10,053,296	\$ 10,242,253
3,861,795	3,040,528	3,396,377	2,735,873	2,665,791	2,482,352
82,633	462,098	80,765	155,495	7,437	152,870
1,766,724	1,595,650	1,523,242	1,406,961	1,193,739	1,184,156
1,183,157	1,160,595	1,077,766	1,065,683	1,010,373	1,043,220
82,571	77,567	108,889	37,292	30,094	31,753
1,902,703	1,687,423	1,602,183	1,666,721	1,602,570	1,548,457
701,767	727,401	701,223	511,959	534,979	528,266
412,272	90,817	133,483	131,012	261,235	246,694
2,957,963	3,057,897	2,826,846	2,709,935	2,722,351	2,879,030
2,143,592	1,946,960	1,955,948	1,568,174	1,544,981	1,567,511
702,422	678,033	558,460	450,180	500,543	507,412
11,640	9,036	5,346	2,738	2,486	-
722,950	650,953	589,802	551,768	491,394	450,966
-	-	-	-	-	-
9,689	26,980	42,426	47,525	60,335	58,699
685,000	505,000	487,308	488,388	481,000	479,644
<u>\$ 29,154,495</u>	<u>\$ 26,580,720</u>	<u>\$ 25,955,142</u>	<u>\$ 24,485,941</u>	<u>\$ 23,162,604</u>	<u>\$ 23,403,283</u>

Orange City School District

*PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

<u>Year (1)</u>	<u>Total Tax Levy</u>	<u>Current Collection</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Collection</u>
2002	36,294,519	32,885,998	90.61%	1,108,311
2001	35,605,453	33,218,805	93.30%	704,915
2000	27,016,336	25,376,719	93.93%	580,080
1999	26,777,748	25,235,400	94.24%	645,573
1998	24,022,082	22,602,658	94.09%	391,457
1997	23,508,098	22,422,117	95.38%	294,978
1996	23,000,683	22,263,294	96.79%	186,333
1995	19,185,108	17,996,663	93.81%	312,461
1994	18,744,513	17,774,561	94.83%	354,293
1993	18,638,688	17,582,475	94.33%	360,317

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.
- (2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

<u>Total Collection</u>	<u>Percent of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percent of Outstanding Delinquent Taxes to Total Tax Levy</u>
33,994,309	93.66%	1,702,658	4.69%
33,923,720	95.28%	1,702,658	4.78%
25,956,799	96.08%	1,023,409	3.79%
25,880,973	96.65%	848,328	3.17%
22,994,115	95.72%	654,088	2.72%
22,717,095	96.64%	619,866	2.64%
22,449,627	97.60%	465,616	2.02%
18,309,124	95.43%	330,324	1.72%
18,128,854	96.72%	541,571	2.89%
17,942,792	96.27%	562,012	3.02%

Orange City School District

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$ 846,280,460	\$ 2,417,944,171	\$ 10,255,830	\$ 14,274,204
2002	827,980,640	2,365,658,971	8,213,920	9,334,000
2001	806,821,810	2,305,205,171	18,440,740	20,955,386
2000	705,439,830	2,015,542,371	16,126,190	18,325,216
1999	693,224,950	1,980,642,714	17,498,780	19,884,977
1998	686,445,870	1,961,273,914	17,227,850	19,577,102
1997	644,072,040	1,840,205,829	17,744,040	20,163,682
1996	632,370,520	1,806,772,914	18,397,650	20,906,420
1995	627,937,640	1,784,107,543	18,479,510	20,999,443
1994	556,919,230	1,591,197,800	18,298,840	20,794,136

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which it is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at various percentages.
 Tangible personal property is assessed at 25 percent of actual value.

Tangible Personal Property			Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio	
\$ 40,705,019	\$ 169,604,245	\$ 897,241,309	\$ 2,601,822,620	34%	
43,236,393	172,945,572	879,430,953	2,547,938,543	35%	
37,696,353	150,785,412	862,958,903	2,476,945,969	35%	
40,664,220	162,656,880	762,230,240	2,196,524,467	35%	
36,949,137	147,796,548	747,672,867	2,148,324,239	35%	
37,333,996	149,335,984	741,007,716	2,130,187,000	35%	
37,205,019	148,820,076	699,021,099	2,009,189,587	35%	
43,214,942	172,859,768	693,983,112	2,000,539,102	35%	
38,502,106	154,008,424	684,919,256	1,959,115,410	35%	
40,063,059	160,252,236	615,281,129	1,772,244,172	35%	

Orange City School District

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS*

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy		
						School	County	Total
2003	\$81.10	\$1.40	\$16.20	\$7.30	\$106.00	\$3.40	\$0.91	\$4.31
2002	81.10	1.40	16.20	7.60	106.30	3.40	0.59	3.99
2001	81.10	1.40	16.20	7.60	106.30	3.40	0.79	4.19
2000	71.50	1.40	15.30	7.60	95.80	3.30	0.85	4.15
1999	71.50	1.40	15.30	7.30	95.50	3.30	0.72	4.02
1998	68.20	1.40	16.60	6.90	93.10	0.00	0.60	0.60
1997	68.15	1.40	16.60	6.50	92.65	0.00	0.90	0.90
1996	68.15	1.40	16.60	3.30	89.45	0.00	0.87	0.87
1995	62.60	1.40	16.80	3.30	84.10	0.05	0.76	0.81
1994	62.60	1.00	16.80	3.30	83.70	0.05	0.68	0.73

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

Orange City School District

*RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS*

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$ 24,377,004	\$ 897,241,309	15,039	2.72%	\$ 1,621
2002	25,198,881	879,430,953	15,039	2.87%	1,676
2001	26,511,994	862,958,903	15,039	3.07%	1,763
2000	26,925,168	762,230,240	13,968	3.53%	1,928
1999	27,776,138	747,672,867	13,968	3.72%	1,989
1998	-	741,007,716	13,968	0.00%	-
1997	-	699,021,099	13,968	0.00%	-
1996	65,000	693,983,112	13,968	0.01%	5
1995	130,000	684,919,256	13,968	0.02%	9
1994	195,000	615,281,129	13,968	0.03%	14

Source:

- (1) School District Financial Records.
- (2) Cuyahoga County Auditor.
- (3) U.S. Census of Population.

Orange City School District

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003

Assessed Valuation		\$ 897,241,309
Overall Voted Debt Limit - 9% of Assessed Value (1)		\$ 80,751,718
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 25,888,221	
School Improvement Notes	5,150,000	
Less: Amount Available in Debt Service Fund	<u>(1,511,217)</u>	
Net Debt		<u>29,527,004</u>
Overall Voted Debt Margin		<u>\$ 51,224,714</u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$ 897,241
Amount of Debt Applicable		<u>-</u>
Unvoted Debt Margin		<u>\$ 897,241</u>

Source: Cuyahoga County Auditor and School District Financial Records.

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

Orange City School District

*COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
JANUARY 1, 2003*

Jurisdiction	General Obligation Bonded Debt Outstanding	Percent Applicable to School District (1)	Amount Applicable to School District
<u>Direct:</u>			
Orange City School District	\$ 25,888,221	100.00%	\$ 25,888,221
<u>Overlapping:</u>			
Cuyahoga County	200,162,636	3.15%	6,305,123
Regional Transit Authority	136,310,000	3.15%	4,293,765
Orange Village	5,185,000	95.03%	4,927,306
City of Bedford Heights	8,759,000	18.71%	1,638,809
Moreland Hill Village	1,595,000	80.72%	1,287,484
City of Pepper Pike	5,598,638	99.96%	5,596,399
City of Warrensville Heights	8,210,000	3.90%	320,190
City of Solon	30,385,000	2.10%	638,085
Total Overlapping	396,205,274		25,007,160
Total	\$ 422,093,495		\$ 50,895,381

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

Orange City School District

*RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2003	\$ 955,000	\$ 1,222,538.00	\$ 2,177,538	\$ 36,177,003	6.02%
2002	920,000	1,257,703.00	2,177,703	34,542,803	6.30%
2001	865,000	1,289,860.00	2,154,860	33,013,406	6.53%
2000	871,779	1,442,458.00	2,314,237	33,118,924	6.99%
1999	-	-	-	29,154,495	0.00%
1998	-	-	-	26,580,720	0.00%
1997	-	-	-	25,955,142	0.00%
1996	65,000	1,575.00	66,575	24,485,941	0.27%
1995	65,000	4,875.00	69,875	23,162,604	0.30%
1994	65,000	8,125.00	73,125	23,403,283	0.31%

Source: School District Financial Records

(1) Includes other financing uses

Orange City School District

*DEMOGRAPHIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>Orange City School District Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2003	1,379,049	15,039	2,376	7.2%
2002	1,393,978	15,039	2,361	4.6%
2001	1,380,421	15,039	2,321	4.5%
2000	1,386,096	13,968	2,251	4.5%
1999	1,386,096	13,968	2,258	4.6%
1998	1,397,694	13,968	2,276	4.4%
1997	1,398,169	13,968	2,279	5.8%
1996	1,403,217	13,968	2,246	5.2%
1995	1,403,239	13,968	2,239	4.8%
1994	1,414,141	13,968	2,244	5.8%

(1) U.S. Census of Population.

(2) School District Records.

(3) Ohio Department of Job and Family Services.

Orange City School District

*PROPERTY VALUE, INDUSTRIAL EMPLOYMENT
AND FINANCIAL INSTITUTION DEPOSITS
LAST TEN YEARS*

Year	Property Value (1) (Real Estate Only)	Industrial Employment	Financial Institution Deposits (000's) Banks
2003	\$ 2,417,944,171	N/A	\$ 99,508,177
2002	2,365,658,971	N/A	88,346,368
2001	2,305,205,171	N/A	61,942,764
2000	2,015,542,371	N/A	57,816,942
1999	1,980,642,714	N/A	58,904,596
1998	(2) 1,961,273,914	N/A	53,941,971
1997	1,840,205,829	N/A	27,068,211
1996	1,806,772,914	N/A	22,458,573
1995	1,784,107,543	N/A	20,885,453
1994	1,591,197,800	636,300	21,009,421

Source: Ohio Bureau of Employment Service, Cuyahoga County Auditor and Federal Reserve Bank of Cleveland.

(1) Represents estimated actual value.

(2) Large increase in deposits is due to Key Bank becoming a single charter bank in 1997.

N/A Not Available.

Orange City School District

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Miles Road L.L.C.	\$ 9,530,660	1.13%
Duke Realty Ltd. Partnership	8,813,700	1.04%
Olympic Steel	8,015,860	0.95%
Bnai-Jeshurum	7,946,840	0.94%
Cleve Ecelet Illum Co	7,506,580	0.89%
Hallwood 95, L.P.	6,705,090	0.79%
Lander Circle Co.	6,654,100	0.79%
Robert J Schnieder Trustee	6,562,200	0.78%
Marlota Glazer Rlty Co	6,112,560	0.72%
Village Chagrin Partners	<u>5,949,410</u>	<u>0.70%</u>
Total	<u>\$ 73,797,000</u>	<u>8.72%</u>
Real Property Assessed Value	<u>\$ 846,280,460</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

Orange City School District

*PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2003*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
American Spring Wire Corporation	\$ 5,056,280	12.42%
AM Castle and Company	4,731,710	11.62%
Olympic Steel, Incorporated	4,301,200	10.57%
Sherwin Williams Company	3,425,580	8.42%
Southern Electric Supply Company, Incorporated	1,583,530	3.89%
Lowe's Home Centers, Incorporated	1,160,140	2.85%
SNS Properties, Incorporated	851,330	2.09%
Connell Limited Partnership	845,780	2.08%
Forest City Enterprises, Incorporated	762,830	1.87%
Home Depot USA, Incorporated	<u>726,240</u>	<u>1.78%</u>
Total	<u>\$ 23,444,620</u>	<u>57.60%</u>
Tangible Assessed Value	<u>\$ 40,705,019</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

Orange City School District

*PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
DECEMBER 31, 2003*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 3,473,870	33.87%
Ohio Bell Telephone Company	1,898,490	18.51%
American Transmission System	<u>771,520</u>	<u>7.52%</u>
Total	<u>\$ 6,143,880</u>	<u>59.91%</u>
Public Utility Assessed Value	<u>\$ 10,255,830</u>	

Source: Cuyahoga County Auditor.

(1) Assessed values are for the 2003 collection year.

Orange City School District

*PER PUPIL COST
LAST TEN FISCAL YEARS*

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2003	\$ 36,177,003	2,376	\$ 15,226
2002	34,542,803	2,361	14,631
2001	33,013,406	2,321	14,224
2000	33,118,924	2,251	14,713
1999	29,154,495	2,258	12,912
1998	26,580,720	2,276	11,679
1997	25,955,142	2,279	11,389
1996	24,485,941	2,246	10,902
1995	23,162,604	2,239	10,345
1994	23,403,283	2,244	10,429

Source: School District Financial Records.

(1) Includes Other Financing Uses.

Orange City School District

*TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2003*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Associates	1	0.44%
Bachelor's Degree	47	20.00%
Master's Degree	177	78.22%
Ph.D.	<u>4</u>	<u>1.34%</u>
	<u><u>229</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	45	20.00%
6 - 10	39	15.60%
11 and over	<u>145</u>	<u>64.40%</u>
	<u><u>229</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

Orange City School District

*MISCELLANEOUS DEMOGRAPHIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Orange School Enrollment</u>	<u>Number of Families in the Orange School District</u>	<u>Percentage of Families in District with No Children</u>	<u>Percentage of School-age Children at Private/Parochial Schools</u>
2003	2,376	5,533	71%	23%
2002	2,361	5,474	71%	21%
2001	2,321	5,462	68%	23%
2000	2,251	5,438	65%	21%
1999	2,258	5,415	68%	30%
1998	2,276	5,259	70%	17%
1997	2,279	5,201	69%	21%
1996	2,246	5,197	68%	21%
1995	2,239	5,141	67%	20%
1994	2,244	5,151	67%	19%

Source: Statistics compiled by the Census Coordinator of the Orange City School District.

Note: The Orange City School District includes all of the suburbs of Pepper Pike, Woodmere, Orange, Moreland Hills, Hunting Valley, and parts of Bedford Heights, Warrensville Heights, and Solon, so statistics from state or city agencies are not valid in most cases.



**Auditor of State
Betty Montgomery**

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ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2004**