



Dave Yost • Auditor of State

ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Federal Awards Expenditures Schedule (Prepared by Management) | 1 |
| Notes to the Federal Awards Expenditures Schedule (Prepared by Management) | 2 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 3 |
| Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 5 |
| Schedule of Findings..... | 9 |

This Page Intentionally Left Blank.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title | Federal CFDA Number | Expenditures |
|---|---------------------------|------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | |
| <i>Passed Through Ohio Department of Education</i> | | |
| National School Lunch Program | 10.555 | \$134,354 |
| National School Lunch Program - Non Cash Assistance | | 33,331 |
| Total - National School Lunch Program | | 167,685 |
| Total U.S. Department of Agriculture | | 167,685 |
| U.S. DEPARTMENT OF EDUCATION | | |
| <i>Passed Through Ohio Department of Education</i> | | |
| Title I Grants to Local Educational Agencies | 84.010 | 25,259 |
| | | 150,388 |
| | | 2,029 |
| | | 28,106 |
| Total - Title I Grants to Local Educational Agencies | | 205,782 |
| <u>Special Education Cluster:</u> | | |
| Special Education--Grants to States (IDEA, Part B) | 84.027 | 64,832 |
| | | 361,876 |
| Total Special Education--Grants to States (IDEA, Part B) | | 426,708 |
| Special Education--Preschool Grants | 84.173 | 2,508 |
| | | 13,455 |
| Total Special Education--Preschool Grants | | 15,963 |
| Total - Special Education Cluster | | 442,671 |
| Improving Teacher Quality State Grants | 84.367 | 6,294 |
| | | 34,522 |
| Total - Improving Teacher Quality State Grants | | 40,816 |
| <i>Passed Through Cuyahoga County Educational Service Center</i> | | |
| English Language Acquisition States Grants | 84.365 | 6,806 |
| | | 6,265 |
| Total - English Language Acquisition States Grants | | 13,071 |
| Total U.S. Department of Education | | 702,340 |
| Total Federal Financial Assistance | | \$870,025 |

The accompanying notes are an integral part of this schedule.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Expenditures Schedule (the Schedule) includes the federal award activity of the Orange City School District, Cuyahoga County, Ohio, (the District) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 7, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Orange City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Orange City School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Orange City School District, Cuyahoga County, Ohio, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Report on Federal Awards Expenditures Schedule Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated March 7, 2017. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying federal awards expenditures schedule presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017

This page intentionally left blank.

**ORANGE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|---|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unmodified |
| <i>(d)(1)(ii)</i> | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material weaknesses in internal control reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unmodified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Title I Grants to Local Educational Agencies, CFDA 84.010 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A/B Programs | Type A: > \$750,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee under 2 CFR §200.520? | 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

This page intentionally left blank.

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Prepared by
Treasurer's Department
Todd Puster, Treasurer

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

Orange City School District
32000 Chagrin Blvd.
Pepper Pike, Ohio 44124
Phone: 216.831.8600 – Fax: 216.831.8029
www.orangeschools.org

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Introductory Section

Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

| I. Introductory Section | Page |
|---|-------------|
| Table of Contents | i |
| Letter of Transmittal | v |
| List of Principal Officials..... | xvi |
| Organization Chart..... | xvii |
| GFOA Certificate of Achievement | xviii |
| ASBO Certificate of Excellence | xix |
| II. Financial Section | |
| Independent Auditor’s Report..... | 1 |
| Management’s Discussion and Analysis..... | 5 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position..... | 19 |
| Statement of Activities | 20 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds..... | 22 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 23 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 24 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 25 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund | 26 |
| Statement of Fund Net Position – Proprietary Funds | 27 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds | 28 |

Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

| | |
|---|-----|
| Statement of Cash Flows – Proprietary Funds | 29 |
| Statement of Fiduciary Net Position – Fiduciary Funds | 30 |
| Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund | 31 |
| Notes to the Basic Financial Statements | 33 |
| Required Supplementary Information: | |
| Schedule of the School District’s Proportionate Share of the Net Pension Liability..... | 73 |
| Schedule of School District Contributions..... | 74 |
| Combining Statements and Individual Fund Schedules: | |
| Combining Statements - Nonmajor Funds: | |
| Description of Funds | 78 |
| Combining Balance Sheet – Nonmajor Governmental Funds | 80 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 81 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 82 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds | 85 |
| Governmental and Proprietary Funds Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Net Position – Budget (Non-GAAP Basis) and Actual: | |
| Major Funds: | |
| General Fund | 90 |
| Bond Retirement Fund | 94 |
| Permanent Improvement Fund | 95 |
| Recreation Fund | 96 |
| Nonmajor Funds: | |
| Local Grants Fund..... | 97 |
| District Managed Activities Fund | 98 |
| Auxiliary Services Fund..... | 99 |
| Ohio K-12 Network Connectivity Fund..... | 100 |
| Title VI-B Fund..... | 101 |
| Title III Fund | 102 |
| Title I Fund..... | 103 |
| Preschool Disability Fund | 104 |

Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

| | |
|---|------|
| Title II-A Fund | 105 |
| Food Service Fund..... | 106 |
| Memorial Fund..... | 107 |
| Unclaimed Monies Fund | 108 |
| Uniform School Supplies Fund | 109 |
| Special Education Fund..... | 110 |
| Public School Support Fund..... | 112 |
| Termination Benefits Fund..... | 114 |
| Building Fund..... | 115 |
| Internal Service and Fiduciary Funds Individual Fund Schedules of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Basis) and Actual: | |
| Description of Funds | 117 |
| Internal Service Fund | 118 |
| Scholarship Fund..... | 119 |
| Statement of Changes in Assets and Liabilities – Agency Funds | 120 |
| III. Statistical Section | |
| Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting) | S-2 |
| Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting)..... | S-4 |
| Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) | S-8 |
| Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) | S-10 |
| Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Collection Years | S-14 |
| Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Valuation) - Last Ten Years..... | S-16 |
| Principal Taxpayers - Real Estate Tax - December 31, 2015 and December 31, 2006 | S-17 |
| Principal Taxpayers - Public Utility Tax - December 31, 2015 and December 31, 2006..... | S-18 |
| Property Tax Levies and Collections - Last Ten Years | S-19 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years..... | S-20 |

Orange City School District
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

| | |
|--|------|
| Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years | S-21 |
| Direct and Overlapping Governmental Activities Debt – As of June 30, 2016..... | S-22 |
| Legal Debt Margin Information – Last Ten Fiscal Years | S-23 |
| Demographic and Economic Statistics – Last Ten Years | S-24 |
| Principal Employers – December 31, 2015 and Nine Years Ago..... | S-25 |
| Staffing Statistics, Full Time Equivalent (FTE) by Type and Function - Last Ten Fiscal Years..... | S-26 |
| Operating Indicators by Function – Last Ten Fiscal Years..... | S-27 |
| Capital Asset Statistics - Last Ten Fiscal Years | S-28 |
| School Building Information - Last Ten Fiscal Years | S-30 |
| Operating Statistics - Last Ten Fiscal Years..... | S-32 |
| Teacher Statistics – June 30, 2016..... | S-34 |



March 7, 2017

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

We are pleased to present to you the Orange City School District's (the "School District") 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, 2016. This CAFR includes an opinion from an independent auditor and conforms to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with management of the 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 as well as the School District as a whole. This report will provide the taxpayers of the 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 all interested parties.

The School District

History

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

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

In the fall of 1954, Pepper Pike Elementary School was completed as the first separate elementary building in the Orange City School District. In 1994, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. In 1958, Moreland Hills Elementary School opened with all elementary grades housed for the first time in buildings apart from the high school. The original Moreland Hills Elementary School was used to educate students in grades K-2 as recently as the 2000-2001 school year, while the Pepper Pike Elementary School housed grades 3-4. Starting with the 2001-2002 school year, the original Moreland Hills Elementary School building was no longer used for K-2 education, but was replaced by the newly built Moreland Hills Elementary School serving students in grades pre-K-5. In 2003, the new school earned the distinction of becoming an Ohio Hall of Fame School based on its quality efforts. Beginning in the fall of 2009, the school served grades K-5 with the pre-K, the Orange Inclusive Preschool program, moved to the Pepper Pike Learning Center (formerly known as Pepper Pike Elementary School). The original Moreland Hills Elementary School was converted to a centralized maintenance and technology facility serving the entire School District.

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

The 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 through the 2000-2001 school year. Starting with the 2001-2002 school year, the school was reconfigured to educate children in grades 6-8. Grade 5 children attended the then-new Moreland Hills Elementary School starting with the 2001-2002 school year. In 2001, the school was named a National Blue Ribbon School of Excellence by the United States Department of Education. A new gymnasium broke ground in 2009 and was completed in 2011.

Orange High School was remodeled and expanded many times with the last two major expansions taking place in 2001 and 2007. The library and commons areas were renovated in the years 2006 and 2009, respectively. In the 1990-1991 school year, Orange High School was recognized as a National Blue Ribbon School of Excellence by the United States Department of Education. In 2003, the high school was awarded Tier One status in the Ohio Award for Excellence. Throughout the School District's history, a heavy emphasis has been placed on the development of the whole person with the academic mission at the forefront of the school's attention.

Present

The Orange Schools 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 the five separate municipalities of Pepper Pike, Moreland Hills, Orange, Hunting Valley and Woodmere as well as small portions of Solon, Bedford Heights, and Warrensville Heights.

Many of the School District's 2,067 students are bused daily to the campus consisting of four school buildings: Moreland Hills Elementary School, Brady Middle School, Orange High School and Pepper Pike Learning Center, which houses an inclusive preschool program. The School District's campus also includes an administration building, centralized maintenance and technology center, a transportation depot and a number of athletic facilities. The School District also manages the Orange Community Education and Recreation Department, which encompasses public preschool services, a senior adult center, enrichment programs for students and adults plus a wide variety of sports and summer activities. Effective in Summer 2016, The School District assumed operational control of the Orange Art Center, which is being administered through Orange Community Education and Recreation. The Community Education and Recreation Department utilizes all School District facilities in concert with the school system. Gund School, which adjoins the School District's campus within the Beechbrook residential facility, provided instruction for 81 students with special needs. The operation of Gund School was discontinued effective with the end of the 2015-2016 school year. The School District also serves 26 students from the New Directions residential drug treatment facility, which is located within the School District's boundaries.

The population within the School District is multi-racial and multi-cultural, with many students from other countries. Minority groups comprise approximately 35 percent of the student population in the School District. The majority of residents in the School District have a bachelor's degree or higher and are involved in professional careers. According to Ohio Department of Taxation data, the Federal Adjusted Gross Income of residents ranks first of more than 600 school districts in the State of Ohio. The population has a very high regard for education and expects an educational program which produces educated, mature, competent, and skilled high school graduates who are able to attend the college of their first or second choice. Approximately 98 percent of the School District's graduates pursue post-secondary education. Over the past approximately 35 years, residents have passed all school operating levies placed on the ballot for their approval. Most recently, a general operating levy of 5 mills, which was on the ballot in November 2011, was approved by 60 percent of the voters. In its Five Year Forecast, the School District has noted the possibility of placing an additional general operating levy before the electorate, possibly in Fiscal Year 2021; however, no official actions have been taken to place such an issue before voters. Other tax issues placed before the voters in the past 20 years include a \$36.5 million bond issue, which was approved in November 1998 by a 68-percent vote, and a 1-mill permanent improvement levy, which was approved in November 2003 by 66 percent of the voters. Also, a 0.95-mill renewal levy for the Orange Community Education and Recreation Department was approved by 72 percent of the voters in November 2015. The 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 School District's Board of Education approved the Superintendent's recommendation for a central office organization plan in January 1998. The plan re-structured central office administrative roles and support for the Superintendent. 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 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 of the School District to which the Treasurer ensures adherence.

The remaining administrative team recommended by the Superintendent and appointed by the School Board include the following: Director of Human Resources, Director of 21st Century Curriculum, Director of Student Support Services, Director of Special Education, Director of Communications, Director of Community Education and Recreation, Supervisor of Technology, Assistant Treasurer, Supervisor of Transportation Services, Supervisor of Food Services, Director of Operations and Business Services, Campus Supervisor, and Building Principals.

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

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*. In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the School District (the primary government) and its potential component units. Based upon the application of these criteria, the School District has no component units and is not itself a component unit. The basic financial statements of the reporting entity include only those of the School District (the primary government).

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

Major Initiatives

Focus on Authentically Engaging Students in 21st Century Learning

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

- Public education is a key element of a democratic society.
- All students have the ability and the right to grow intellectually. Thus, the School District has a responsibility to provide programs and an environment to stimulate student engagement and growth.

- While the primary focus of the School District is K-12 education, community participation and involvement is encouraged. This involvement enhances K-12 education, provides better use of facilities and fosters continued learning for all residents.
- High expectations promote high performance. All students and staff are expected to work to their highest potential.
- Given the current state of public education funding, financial support from the entire community is vital to a successful program.
- The School District 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 to be life-long learners, communicate effectively, work collaboratively, utilize new technologies and are civic-minded, the 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 that focuses on designing engaging and satisfying work for students. This includes, but is not limited to, Teachers' Academy, staff development days, Partnership for Next Generation Learning participation, opportunities for collaboration with other schools and community stakeholders, and Standard Bearer efforts.
- Create an environment that supports the work of the School District in designing work for students that engages them in learning what we know they need to learn in order to be well educated.
- Design the schedule in each building to maximize available instructional and collaboration time to enhance student achievement.
- Incorporate at each grade level curricular experiences that involve students and teachers in using instructional technology.
- Maintain, improve and create programs that involve students from all grade levels in citizenship and school/community service programs.
- Encourage student selection of electives, co-curricular and extra-curricular offerings that will contribute to the development of a well-qualified and well-rounded graduate.
- Encourage involvement of all parties when implementing change or enacting new policies, programs and procedures.
- Provide a learner-centered, innovative experience for all students to help transform the School District into one that appropriately reflects the needs of today's children through various initiatives, such as our work with the Partnership for Next Generation Learning and the Schlechty Center.
- 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 systematic approach to curriculum which is consistent and sequential.
 - Improve the current parent/teacher communication process regarding student welfare.
2. Fiscal Management - To enhance the effectiveness and efficiency of fiscal operations, the School District will:
- Provide useful and timely financial information in accordance with recognized standards, including, but not limited to, detailed spending/revenue plans and financial forecasts.
 - Implement and maintain strong internal controls.
 - Seek out opportunities to increase efficiencies through the use of available technology, when feasible.
 - Pursue appropriate non-traditional school funding sources.
 - Provide a clear accounting of the revenues and expenditures from school operation, bond retirement, permanent improvement and recreation levies.
 - Revise and implement an on-going marketing plan for the passage of future school tax issues.
 - Complete the appropriation process in a manner that allows the Board of Education to act on a permanent appropriation measure prior to October 1.
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, information, and features about the School District's programs, achievements and facilities. This is accomplished through various communication tools, such as school publications, public meetings, electronic correspondence, School District web site, local media, social 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.

- Periodically review and update the School District’s facility and equipment permanent improvement plan in order to effectively use available capital funds for such purposes. This will allow the School District to adequately maintain and improve the utilization of its physical plant assets.
5. Board of Education Operations - To foster greater effectiveness in Board/Administrative operations, the Orange Board of Education has established the following goals:
- Maximize achievement for all Orange students.
 - Maintain fiscally responsible operation of the School District.
 - Evaluate educational programs.
 - Acknowledge, embrace and address diversity.
 - Maintain a safe school environment.
 - Improve School District relationships and communications with residents.
 - Expand community partnerships.
 - Follow developed guidelines

Major Initiatives and Accomplishments for School Year 2015-2016

The Orange Board of Education and the School District’s administration continue to work to improve the quality of education for all children and to provide prudent financial management to adequately fund this quality education. The Board of Education and the School District’s administration with better than expected operating results were able to extend the 2004 levy cycle to seven years. In November 2011 the Board did place on the ballot and was successful in passing a new five mill continuing operating levy. When the November 2011 levy was approved, the Board anticipated that it would again have to approach the community in about five years. Once again, the Board has sustained its fiscal position longer than anticipated.

The Orange High School Advanced Placement Program was named first in class in the State of Ohio by the Siemens Corporation for the 2006-2007 school year. During the 2015-2016 school year, 80 percent of the Advanced Placement tests taken by Orange students earned a score of 3 or higher, representing college level achievement. In 2013, Orange was recognized among 367 high schools in the United States which has dramatically expanded access to AP courses while maintaining consistently high performance levels. Orange High School continues to be among the top rated high schools in the State of Ohio. In grades 3-10, student performance met or exceeded State and national standards.

The Orange City School District performed well overall on the 2016 Ohio Department of Education school district report card.

- Earned an “A” for academic progress overall and for the achievement of gifted students, students in the lowest 20 percent in achievement and students with disabilities.
- Earned an “A” in Overall Value Added (Student Growth).
- Earned an “A” in Graduation rate.
- Scored well on the School District Performance Index at 99.7.
- Made gains in narrowing the achievement gap in annual measurable objectives (AMO).

The School District is advancing several professional development initiatives aimed at ensuring student success in the twenty-first century. Most notably, the School District has been actively engaged in the pioneering work of the Innovation Lab Network (formerly known as the Partnership for Next Generation Learning). This project, sponsored by the Council of Chief State School Officers, seeks to redefine learning experiences for public school students in order to guarantee all students graduate with world class knowledge and skills, prepared to be successful citizens in

life after high school. The School District is engaged in maximizing the use of best instructional practices and technology in order to reach these goals.

During fiscal years 2015 and 2016, the Board reviewed and revised several Board policies to ensure compliance with current law and to address certain operational areas within the School District. This process was completed with the input of the Superintendent, Treasurer, directors and school building-level management.

In January 2012 the School District completed the construction and opened a new gymnasium at the Brady Middle School. This 13,600 square foot facility was financed through the use of the Federal Stimulus program and the sale of Qualified School Construction Bonds. Under this program the Federal Government reimburses the School District the amount of interest charged for the life of the loan which is ten years.

In 2012, the Board of Education initiated a facilities study to analyze the School District's future needs in regards to repairs, renovations, and educational supports needed to be a 21st Century school district. As a result of the facilities study, the School District identified \$10 million in short-term permanent improvement needs across campus, which began in school year 2013-2014. Improvements constructed through this initiative were completed in the summer of 2016.

In 2012, the School District also used the data from the facilities study to launch its FutureVision plan which studies the various options for long-term facility and campus needs. This plan has included public forums, public meetings, community workshops and mass communications to share information and garner input from various stakeholder groups. More community involvement will be scheduled as the project moves forward.

During the 2013-2014 school year, the School District gathered community data regarding the renovation of Brady Middle School and other campus updates through an online survey, interactive page on the School District website, and in-person forums. This information and data process will continue as part of the FutureVision long-term planning. The Board also is in the early stages of reviewing specific renovations to the Middle School. Determination of the scope of renovations is expected to occur during the 2016-2017 school year.

Also as part of the FutureVision plan, the Orange High School Natatorium was completed renovated during the 2014-2015 school year due to the need for a new roof and for much needed improvements and repairs to the pool, locker rooms and handicap accesses. Also, work to renovate the 57 year old Orange High School Auditorium began and was completed in late 2015.

Near the end of the 2015-2016 school year, the Board of Education was studying approximately \$4 million in energy conservation improvements, related end-of-useful-life equipment replacement and renovations to School District facilities. Subsequent to the end of the fiscal year, the Board determined to proceed with the project. Funding sources include drawing down internal cash reserves and outside financing. Financing for the portion of the project to be funded through outside sources was closed in October 2016 and work was expected to begin in early 2017.

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 four-year graduation rate of 96.4 percent and a five-year graduation rate of 96.8 percent in 2016, with more than 98 percent of graduates continuing their education at an institution of higher learning.
- 2) More than 80 percent of all Advanced Placement tests earned scores of 3 or better, placing the School District's students among the top in the nation.
- 3) One hundred forty three students at Orange High School have been named Advanced Placement Scholars by the College Board in recognition of their exceptional achievements on advanced placement examinations.
- 4) Six National Merit semi-finalists competing for National Merit Scholarships.

- 5) Average student scores on the ACT are consistently above national and state averages, ranking Orange High School among the top 10 percent of all high schools in Ohio.

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. Major nearby highways include Interstate 271, which abuts the School District's western boundary; Interstate 480, which is about two miles away. All major controlled-access highways serving the Cleveland area are readily accessible to the School District, including Interstates 71, 77, 80 and 90. Cleveland-Hopkins International Airport, about thirty minutes travel time to the west, makes the School District a great location for all types of businesses. The School District is in an ideal suburban location with the metropolitan Cleveland area with convenient access to major hospitals, retail centers, office parks, cultural institutions and colleges and universities.

Eighty-five percent of the School District's assessed valuation is comprised of residential property. The School District has a wide variety of housing choices in an ideal suburban setting, including the largest private residence in square footage terms in the State of Ohio. The School District's assessed valuation has increased approximately 18 percent since fiscal year 2001. The current economic trend in the nation of recruiting and retaining businesses has had its effect on the School District. The Pinecrest development, which is currently under construction, is the subject of a Tax Increment Financing agreement for a 30-year period. Legislative changes in recent years have resulted in a net loss of revenue for the School District. Most notably, Amended Substitute House Bill 66, passed in 2005, resulted in the complete phase out of revenues derived from tangible personal property taxes by the 2018 tax year. In July 2011, Amended Substitute House Bill 153 accelerated this phase out in fiscal years 2012 and 2013. Tangible personal property tax reimbursements remained level for fiscal years 2014 and 2015. Amended Substitute House Bill 64 passed in June 2015 will resume the phase-down of tangible personal property taxes, but implemented a tangible personal property tax supplement to ensure no district received less state formula funding in fiscal year 2016. However, this supplement was vetoed for fiscal year 2017.

Property taxes and related state property tax exemption reimbursements comprised approximately 85 percent of the School District's total general fund revenue in fiscal year 2016. This shows that the School District relies heavily upon the continued support of its residents through the passage of tax levies.

The School District's enrollment has modestly declined in the past few years, consistent with limited growth within the five municipalities that make up the majority of the School District population, but is up modestly in comparison to the late 1980s. The 2015-2016 enrollment of 2,067 compared with the 1988-1989 enrollment of 1,973 reflects an increase of 94 students, or five percent, over the 27 year period. The trend of stable to modestly declining enrollment is expected to continue into the foreseeable future.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. Consequently, school districts throughout Ohio must regularly place funding issues on the ballot to receive significant revenue growth. As a result, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the School 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.

School District voters approved a 5-mill, continuing general operating levy in November 2011. The levy generates approximately \$5 million per year for the general fund. The School District also passed a 5-mill general operating levy in November 2004. This levy also generates approximately \$5 million annually for the general fund. These levies, along with other operating levies passed prior to 2004, are projected to provide the funds needed to maintain current program levels. School District voters over the past approximately 35 years have not defeated an operating levy request. For financial forecasting purposes, the School District noted in its October 2016 Five Year Forecast the possibility of placing a 5-mill levy before the electors in calendar year 2020. Further, a \$36.5 million bond issue was passed in November 1998. In addition, a 1-mill, continuing permanent improvement levy was passed in November

of 2003. These funds were used for various capital improvements and major equipment purchases (as required by law), including the construction of a new elementary school completed in 2001.

GASB 68 Implementation

Starting with fiscal year 2015, the School District was required to implement Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 addresses accounting for defined benefit and defined contribution pension plans. The implementation of GASB 68 resulted in a material restatement of the School District's Net Position at July 1, 2014. The School District's net GAAP-basis financial position was reduced by nearly \$75,000,000. The School District maintains a strong financial position, and readers are cautioned not to be misled by this accounting standard. In Ohio, the pension system is funded through a combination of required employee and employer contributions. Benefit payments are the responsibility of the pension systems and not the School District. Any unfunded pension liability is the responsibility of the pension systems and would be mitigated by future increases to the required contribution rate or by reducing future benefit payments to retirees. Please see note 11 of the basic financial statements for more information regarding GASB 68 and Ohio's pension systems.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Fund financial reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the 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. Internal control over financial reporting involves limitations due to human diligence and is subject to lapses in judgment and breakdowns resulting from human failures. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis. These inherent limitations are part of the financial reporting process and the School District has designed processes to reduce this risk.

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

As provided by law, prior to the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure that remains in effect during the first three months of the ensuing fiscal year. Prior to October 1 of each fiscal year, the Board of Education adopts a permanent appropriation measure, which supersedes the previously passed temporary appropriation measure. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Fiscal Officer 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 each function and fund. Budget transfers between and among budget accounts are approved by the Treasurer and Superintendent. All purchase order requests must be approved by the Building Principal or another appropriate Supervisor and certified by the Treasurer. Necessary funds are then encumbered and purchase orders are released to vendors. Those requests that exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports and transaction information that details year-to date expenditures and encumbrances versus the original appropriation plus any supplemental appropriations passed to date.

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

The basis of accounting and the various funds utilized by the 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

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.

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

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Orange City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials. The School District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2015. The School District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2016, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

The School District was also presented with the Ohio Auditor of State Award with Distinction for the fiscal year 2014. This award is for excellence in financial reporting for the Comprehensive Annual Financial Report and is awarded to entities whose exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans.

Independent Audit

State statute requires 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. The Ohio 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, 2016. The opinion appears at the beginning of the financial section of this report. In addition to the financial audit, a single audit was performed as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The single audit report is not included in the CAFR.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. The 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 and other internal and external users. This accomplishment would not have been possible without the support and efforts of the entire staff of the Treasurer's office and various administrators and employees of the School District. Assistance from the County Fiscal Officer's office, surrounding community administrators and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the accounting firm of Rea & Associates, Inc., for assistance in preparing this financial report.

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

Respectfully submitted,


Superintendent


Treasurer

*Orange City School District
List of Principal Officials
As of June 30, 2016*

Board of Education

| | |
|-----------------------|----------------|
| Mr. Jeffrey Leikin | President |
| Ms. Melanie Weltman | Vice-President |
| Mrs. Jennifer Cohen | Member |
| Mrs. Dagmar Fellowes | Member |
| Mrs. Beth Wilson-Fish | Member |

Treasurer/Chief Financial Officer

Mr. Todd Puster

Administration

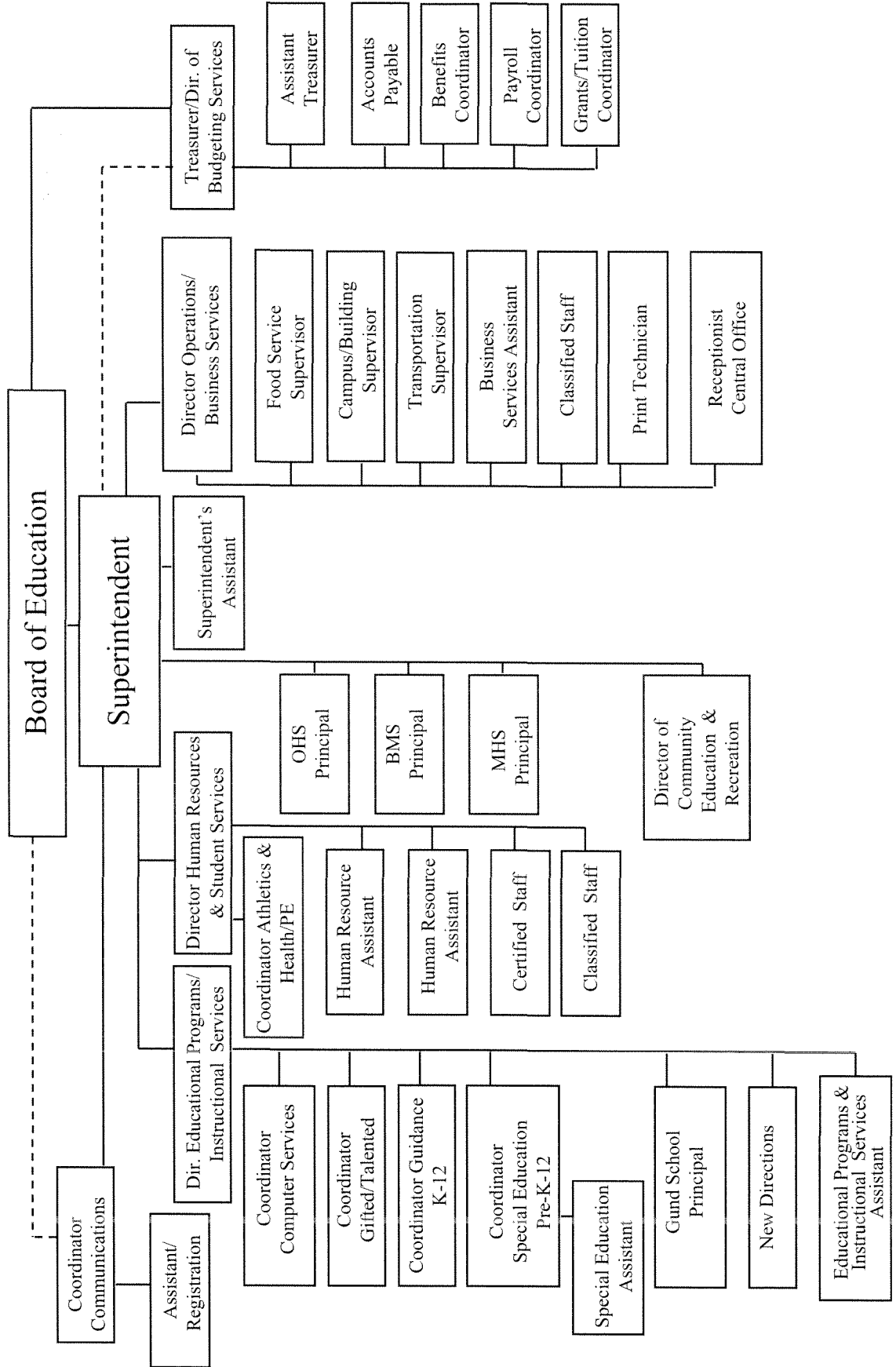
| | |
|------------------------------------|---|
| Dr. Edwin Holland | Superintendent |
| Dr. Paula Snyder | Director of Human Resources |
| Mrs. Karen Moore | Director of 21 st Century Curriculum |
| Ms. Kershini Naidu | Director of Student Support Services |
| Mr. Stephen Marlow | Director of Operations and Business Services |
| Mrs. Laura Guentner ⁽¹⁾ | Director of Community Education and Recreation |
| Mrs. Christine Goudy | Coordinator of Special Education |
| Mr. Lou DeVincentis | Director of Communications |
| Mr. Gary Platko ⁽²⁾ | Assistant Treasurer |
| Mrs. Cindy Finohr ⁽³⁾ | Supervisor of Food Services |
| Mr. Larry Lerch | Supervisor of Transportation Services |
| Mrs. Jennette Kane | Supervisor of Technology |
| Ms. Gina Marie Battaglia | Campus Supervisor |

(1) On August 1, 2016, Mr. Erin Fach became the Director of Community Education and Recreation.

(2) On September 12, 2016, Mrs. Connie Enders became the Assistant Treasurer.

(3) On August 1, 2016, Mrs. Cindy Alekna became the Supervisor of Food Services.

Orange Schools Administrative Position Chart





Government Finance Officers Association

**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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Orange City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

This page intentionally left blank

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange City School District, Cuyahoga County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017

This page intentionally left blank

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The discussion and analysis of the Orange City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position increased \$7.5 million over fiscal year 2015. Governmental activities showed an increase of \$7.9 million while business-type activities decreased \$0.4 million from fiscal year 2015.
- Capital assets for the governmental activities increased \$1.9 million over fiscal year 2015 due to completion of an auditorium project. Capital assets in the business-type activities decreased \$0.2 million during fiscal year 2016 due to depreciation expense exceeding additions.
- During the year, outstanding debt decreased from \$22.0 million to \$20.4 million, mainly through principal payments in fiscal year 2016, which amounted to \$0.9 million in general obligation and capital appreciation bonds.

Using this Comprehensive Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Orange City School District, the general fund, bond retirement fund and permanent improvement fund are the most significant funds.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all (non-fiduciary) assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

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

Governmental Activities - Most of the School 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 School District's recreation fund is reported as a business-type activity.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Governmental Funds Most of the School 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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 School District as a whole. The School District's only proprietary funds are the recreation fund and an internal service fund which was used to account for the School District's workers' compensation fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments on a cost-reimbursement basis. The basic proprietary fund financial statements can be found on pages 27-29 of this report. For reporting on the statement of net position and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

Reporting the School District's Fiduciary Responsibilities

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

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Because of the discussion below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows of resources related to pensions and the net pension liability and by subtracting deferred outflows of resources related to pension to the reported net position. Table 1 provides a summary of the School District's net position for 2016 compared to 2015:

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|-------------------------|------------------------|--------------------------|---------------------|---------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets | | | | | | |
| Current and Other Assets | \$ 87,139,189 | \$ 87,513,818 | \$ 5,319,066 | \$ 5,077,985 | \$ 92,458,255 | \$ 92,591,803 |
| Capital Assets | 46,073,640 | 44,189,098 | 3,009,827 | 3,176,249 | 49,083,467 | 47,365,347 |
| <i>Total Assets</i> | <u>133,212,829</u> | <u>131,702,916</u> | <u>8,328,893</u> | <u>8,254,234</u> | <u>141,541,722</u> | <u>139,957,150</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred Charges on Refunding Pension | 290,565 | 329,742 | 0 | 0 | 290,565 | 329,742 |
| | 7,660,576 | 4,983,246 | 242,665 | 194,240 | 7,903,241 | 5,177,486 |
| <i>Deferred Outflows of Resources</i> | <u>7,951,141</u> | <u>5,312,988</u> | <u>242,665</u> | <u>194,240</u> | <u>8,193,806</u> | <u>5,507,228</u> |
| Liabilities | | | | | | |
| Other Liabilities | 6,014,059 | 6,423,584 | 151,733 | 124,888 | 6,165,792 | 6,548,472 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 2,438,620 | 2,232,041 | 15,324 | 8,786 | 2,453,944 | 2,240,827 |
| Due in More Than One Year: | | | | | | |
| Net Pension Liability | 75,583,395 | 67,145,814 | 2,339,133 | 2,130,008 | 77,922,528 | 69,275,822 |
| Other Amounts | 25,074,696 | 26,160,453 | 145,611 | 51,721 | 25,220,307 | 26,212,174 |
| <i>Total Liabilities</i> | <u>109,110,770</u> | <u>101,961,892</u> | <u>2,651,801</u> | <u>2,315,403</u> | <u>111,762,571</u> | <u>104,277,295</u> |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 29,992,967 | 34,144,110 | 556,977 | 163,210 | 30,549,944 | 34,307,320 |
| Pension | 5,335,044 | 12,087,845 | 138,892 | 345,706 | 5,473,936 | 12,433,551 |
| <i>Deferred Inflows of Resources</i> | <u>35,328,011</u> | <u>46,231,955</u> | <u>695,869</u> | <u>508,916</u> | <u>36,023,880</u> | <u>46,740,871</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 26,693,356 | 23,758,405 | 3,009,827 | 3,176,249 | 29,703,183 | 26,934,654 |
| Restricted | 11,101,270 | 8,999,104 | 0 | 0 | 11,101,270 | 8,999,104 |
| Unrestricted | (41,069,437) | (43,935,452) | 2,214,061 | 2,447,906 | (38,855,376) | (41,487,546) |
| <i>Total Net Position</i> | <u>\$ (3,274,811)</u> | <u>\$ (11,177,943)</u> | <u>\$ 5,223,888</u> | <u>\$ 5,624,155</u> | <u>\$ 1,949,077</u> | <u>\$ (5,553,788)</u> |

During 2015, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

Under the standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

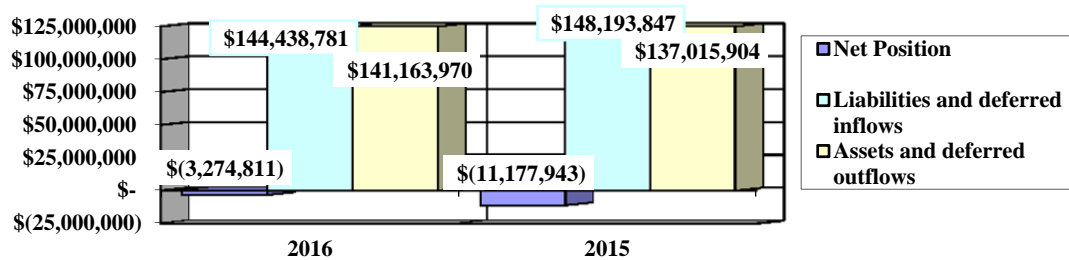
At year end, capital assets of the School District represented 35 percent of total assets. Capital assets include land, construction in progress, buildings, land improvements, equipment and vehicles. Net investment in capital assets was \$29.7 million at June 30, 2016. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$11.1 million, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$38.9 million. \$38.0 million of this deficit, mainly caused by GASB 68, is in governmental activities and the net position of the business-type activities amounted to \$2.2 million.

In the governmental activities, deferred outflows of resources for pension and net pension liability increased \$2.7 million and \$8.4 million, respectively while deferred inflows of resources for pension decreased \$6.8 million due to changes in the pension plans from the prior year. An increase in taxes available for advance at year end, which are recorded as revenue, contributed to the \$4.2 million decrease in deferred inflows of resources for property taxes.

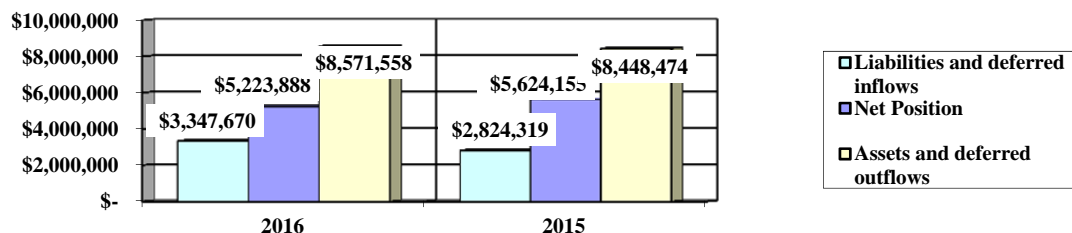
The increase in cash and investment with escrow agent reflects the payments and increase in market value of the sinking fund for the Qualified School Construction Bond. Accrued wages and benefits increased \$0.5 million over fiscal year 2015, partially due to the timing of the final payroll at year end. The School District had a large number of employees retire in the prior year accounting for the \$0.7 million decrease in matured compensated absences.

Governmental - Net Position



Property taxes receivable and deferred inflows for property taxes levied for next fiscal year in the business-type activities increased \$0.5 million and \$0.4 million, respectively, over fiscal year 2015 as a full year of collection on the November 2015 renewal is being accrued.

Business-Type - Net Position



Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2016 and 2015.

Table 2
Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|------------------------|--------------------------|---------------------|---------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenues | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services | \$ 5,122,947 | \$ 5,306,518 | \$ 1,993,171 | \$ 1,769,740 | \$ 7,116,118 | \$ 7,076,258 |
| Operating Grants | 1,983,948 | 2,042,184 | 111,527 | 117,529 | 2,095,475 | 2,159,713 |
| Capital Grants | 420,213 | 0 | 0 | 0 | 420,213 | 0 |
| <i>Total Program Revenues</i> | <u>7,527,108</u> | <u>7,348,702</u> | <u>2,104,698</u> | <u>1,887,269</u> | <u>9,631,806</u> | <u>9,235,971</u> |
| <i>General Revenues:</i> | | | | | | |
| Property Taxes | 46,045,657 | 43,665,167 | 905,455 | 825,947 | 46,951,112 | 44,491,114 |
| Grants and Entitlements Not Restricted | 7,690,101 | 8,022,976 | 0 | 0 | 7,690,101 | 8,022,976 |
| Other | 353,377 | 302,922 | 55,888 | 76,267 | 409,265 | 379,189 |
| <i>Total General Revenues</i> | <u>54,089,135</u> | <u>51,991,065</u> | <u>961,343</u> | <u>902,214</u> | <u>55,050,478</u> | <u>52,893,279</u> |
| <i>Total Revenues</i> | <u>61,616,243</u> | <u>59,339,767</u> | <u>3,066,041</u> | <u>2,789,483</u> | <u>64,682,284</u> | <u>62,129,250</u> |
| Program Expenses | | | | | | |
| <i>Instruction:</i> | | | | | | |
| Regular | 19,720,913 | 19,785,171 | 0 | 0 | 19,720,913 | 19,785,171 |
| Special | 9,733,035 | 9,565,638 | 0 | 0 | 9,733,035 | 9,565,638 |
| Vocational | 502,362 | 290,087 | 0 | 0 | 502,362 | 290,087 |
| Other | 47,040 | 764,597 | 0 | 0 | 47,040 | 764,597 |
| <i>Support Services:</i> | | | | | | |
| Pupils | 3,300,850 | 3,686,794 | 0 | 0 | 3,300,850 | 3,686,794 |
| Instructional Staff | 1,547,022 | 1,534,005 | 0 | 0 | 1,547,022 | 1,534,005 |
| Board of Education | 90,284 | 89,820 | 0 | 0 | 90,284 | 89,820 |
| Administration | 3,698,123 | 3,600,621 | 0 | 0 | 3,698,123 | 3,600,621 |
| Fiscal | 1,336,285 | 1,416,262 | 0 | 0 | 1,336,285 | 1,416,262 |
| Business | 536,906 | 634,654 | 0 | 0 | 536,906 | 634,654 |
| Operation and Maintenance of Plant | 5,206,403 | 5,374,524 | 0 | 0 | 5,206,403 | 5,374,524 |
| Pupil Transportation | 3,603,081 | 3,573,419 | 0 | 0 | 3,603,081 | 3,573,419 |
| Central | 912,408 | 1,054,215 | 0 | 0 | 912,408 | 1,054,215 |
| <i>Operation of Non-Instructional Services:</i> | | | | | | |
| Food Service Operations | 654,314 | 632,532 | 0 | 0 | 654,314 | 632,532 |
| Community Services | 593,244 | 714,736 | 0 | 0 | 593,244 | 714,736 |
| Extracurricular Activities | 1,852,014 | 1,731,632 | 0 | 0 | 1,852,014 | 1,731,632 |
| <i>Debt Service:</i> | | | | | | |
| Interest and Fiscal Charges | 978,827 | 1,087,519 | 0 | 0 | 978,827 | 1,087,519 |
| Recreation | 0 | 0 | 2,866,308 | 1,585,233 | 2,866,308 | 1,585,233 |
| <i>Total Expenses</i> | <u>54,313,111</u> | <u>55,536,226</u> | <u>2,866,308</u> | <u>1,585,233</u> | <u>57,179,419</u> | <u>57,121,459</u> |
| <i>Excess of Revenues Over (Under)</i> | | | | | | |
| <i>Expenses Before Transfers</i> | 7,303,132 | 3,803,541 | 199,733 | 1,204,250 | 7,502,865 | 5,007,791 |
| Transfers | 600,000 | 276,499 | (600,000) | (276,499) | 0 | 0 |
| <i>Increase (Decrease) in Net Position</i> | <u>7,903,132</u> | <u>4,080,040</u> | <u>(400,267)</u> | <u>927,751</u> | <u>7,502,865</u> | <u>5,007,791</u> |
| <i>Net Position at Beginning of Year</i> | <u>(11,177,943)</u> | <u>(15,257,983)</u> | <u>5,624,155</u> | <u>4,696,404</u> | <u>(5,553,788)</u> | <u>(10,561,579)</u> |
| <i>Net Position at End of Year</i> | <u>\$ (3,274,811)</u> | <u>\$ (11,177,943)</u> | <u>\$ 5,223,888</u> | <u>\$ 5,624,155</u> | <u>\$ 1,949,077</u> | <u>\$ (5,553,788)</u> |

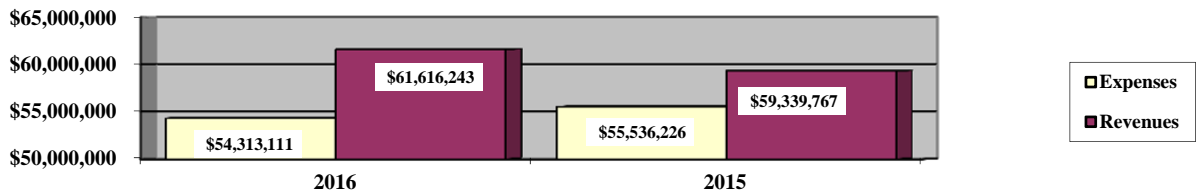
Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Capital grants in governmental activities in fiscal year 2016 include \$0.3 million in donations for the auditorium. Expenses decreased \$1.2 million in fiscal year 2016. The majority of this decrease is in other instruction due to \$0.7 million in retirement payouts in fiscal year 2015.

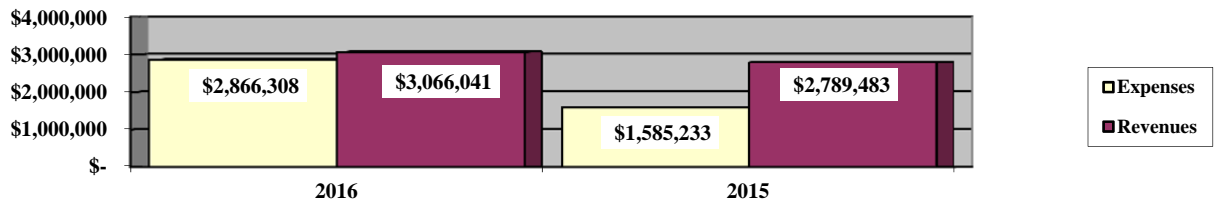
Expenses in the business-type activities increased \$1.3 million, mainly due to the implementation of GASB 68 in fiscal year 2015. Expenses for fiscal year 2016 are back in line with prior year levels.

The graphs below present the School District's governmental and business-type activities revenues and expenses for fiscal year 2016 and 2015.

Governmental Activities - Revenues and Expenses



Business-Type Activities - Revenues and Expenses



Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

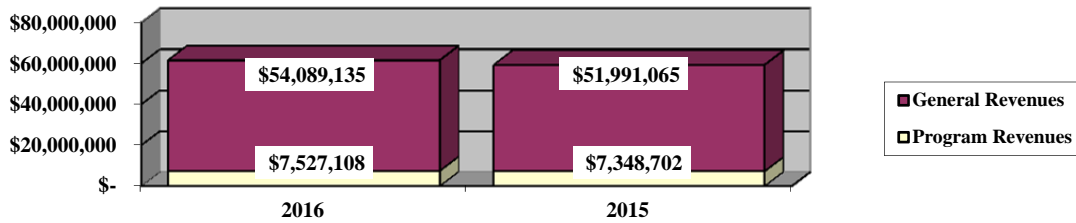
| | Total Cost of Service | | Net Cost of Service | |
|--|-----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Instruction: | | | | |
| Regular | \$ 19,720,913 | \$ 19,785,171 | \$ 18,687,251 | \$ 18,997,151 |
| Special | 9,733,035 | 9,565,638 | 5,810,170 | 5,203,842 |
| Vocational | 502,362 | 290,087 | 388,761 | 223,456 |
| Other | 47,040 | 764,597 | 47,040 | 764,597 |
| Support Services: | | | | |
| Pupils | 3,300,850 | 3,686,794 | 3,060,266 | 3,423,038 |
| Instructional Staff | 1,547,022 | 1,534,005 | 1,539,741 | 1,525,093 |
| Board of Education | 90,284 | 89,820 | 90,284 | 89,820 |
| Administration | 3,698,123 | 3,600,621 | 3,682,332 | 3,584,369 |
| Fiscal | 1,336,285 | 1,416,262 | 1,336,285 | 1,415,634 |
| Business | 536,906 | 634,654 | 536,906 | 634,654 |
| Operation and Maintenance of Plant | 5,206,403 | 5,374,524 | 4,786,075 | 5,365,493 |
| Pupil Transportation | 3,603,081 | 3,573,419 | 3,468,416 | 3,412,123 |
| Central | 912,408 | 1,054,215 | 907,008 | 1,048,815 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 654,314 | 632,532 | (23,151) | (5,184) |
| Community Services | 593,244 | 714,736 | 3,462 | 68,500 |
| Extracurricular Activities | 1,852,014 | 1,731,632 | 1,603,784 | 1,465,428 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 978,827 | 1,087,519 | 861,373 | 970,695 |
| <i>Total Expenses</i> | <u>\$ 54,313,111</u> | <u>\$ 55,536,226</u> | <u>\$ 46,786,003</u> | <u>\$ 48,187,524</u> |

The dependence upon general revenues for governmental activities is apparent. Just over 86 percent of governmental activities are supported through taxes and other general revenues; such revenues are 88 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

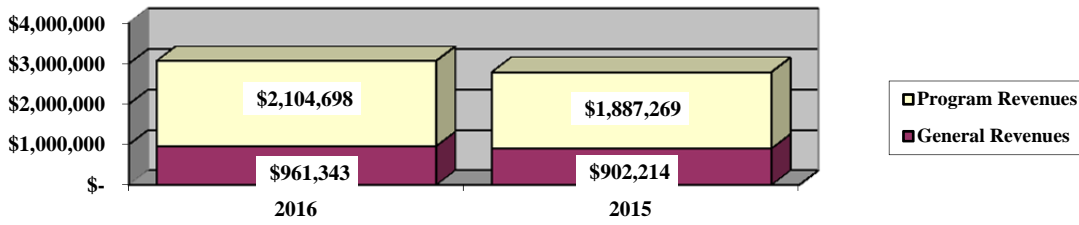
Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The graphs below present the School District's governmental and business-type activities revenues for fiscal years 2016 and 2015.

Governmental Activities - General and Program Revenues



Business-Type Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the recreation operation. During fiscal year 2016, the School District's business-type activities received \$0.9 million in support from tax revenues. The School District passed a new replacement recreation levy in November of 2015. The recreation fund had an operating loss of \$0.9 million (prior to non-operating revenues, such as interest revenue, grants and taxes) and a decrease in net position of \$0.4 million. As can be seen, the recreation fund is dependent upon the tax levy to sustain operations. Total net position of the recreation fund at June 30, 2016 was \$5.2 million.

Governmental Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balances for the fiscal year was an increase of \$4.2 million for all governmental funds.

The general fund's net change in fund balance for fiscal year 2016 was an increase of \$6.5 million over fiscal year 2015. Property tax revenue increased \$1.8 million over fiscal year 2015 mainly due to an increase in taxes available for advance at year end. Expenditures decreased \$0.9 million from fiscal year 2015 due, in a large part, from the substantial decrease in retirement payouts from the prior year.

The bond retirement fund showed an increase in fund balance of \$0.2 million over fiscal year 2015. This was primarily due to the payment of debt service in relation to when resources become available.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The permanent improvement fund's fund balance decreased \$2.6 million from fiscal year 2015. This decrease is primarily due to expenditures for improvement projects using funds the School District had set aside for educational improvements.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue in fiscal year 2016 was \$4.1 million less than actual revenues of \$48.2 million with taxes and intergovernmental revenues being estimated lower. Taxes and intergovernmental revenues were originally estimated higher than final budget basis revenues accounting for the \$2.4 million decrease from original budget basis revenue to final.

Final expenditure appropriations of \$47.6 million were \$1.6 million higher than the actual expenditures due to cost cutting efforts in regular instruction. Final appropriations equaled original appropriations of \$47.6 million.

Transfer out estimates were nearly \$2.0 million more than actual transfers while refund of prior year expenditures were budgeted \$0.3 million less.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the School District had \$49.1 million invested in capital assets, \$46.1 million in governmental activities and \$3.0 million in business-type activities. Table 4 shows fiscal year 2016 balances compared with 2015.

Table 4
Capital Assets at June 30
(Net of Depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|----------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 6,315,782 | \$ 6,315,782 | \$ 0 | \$ 0 | \$ 6,315,782 | \$ 6,315,782 |
| Construction in Progress | 0 | 645,323 | 0 | 0 | 0 | 645,323 |
| Land Improvements | 3,669,484 | 4,021,647 | 19,330 | 22,143 | 3,688,814 | 4,043,790 |
| Buildings | 33,663,785 | 30,289,257 | 2,984,180 | 3,149,210 | 36,647,965 | 33,438,467 |
| Equipment | 1,068,447 | 1,309,712 | 6,317 | 4,896 | 1,074,764 | 1,314,608 |
| Vehicles | 1,356,142 | 1,607,377 | 0 | 0 | 1,356,142 | 1,607,377 |
| <i>Totals</i> | <u>\$ 46,073,640</u> | <u>\$ 44,189,098</u> | <u>\$3,009,827</u> | <u>\$3,176,249</u> | <u>\$49,083,467</u> | <u>\$47,365,347</u> |

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

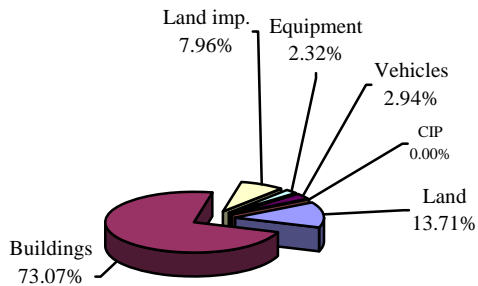
The \$1.9 million increase in capital assets of governmental activities was attributable to acquisitions exceeding current depreciation.

Business-type activities capital assets decreased \$166,422. This is due to current year depreciation exceeding additions.

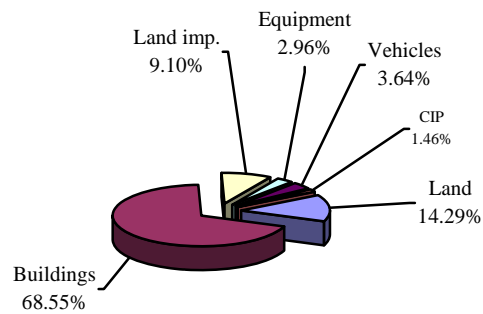
See Note 8 for more information about the capital assets of the School District.

The following graphs show the breakdown of governmental activities and business-type capital assets by category for 2016 and 2015.

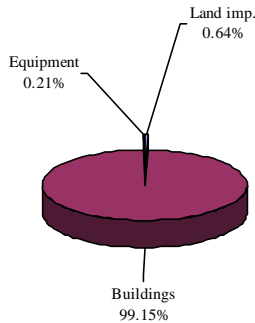
**Capital Assets - Governmental Activities
2016**



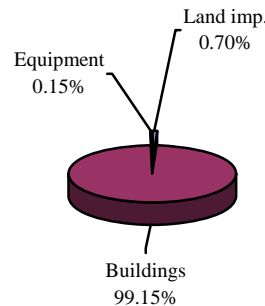
**Capital Assets - Governmental Activities
2015**



**Capital Assets - Business-Type Activities
2016**



**Capital Assets - Business-Type Activities
2015**



Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Debt

At June 30, 2016, the School District had \$20.4 million in debt outstanding. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

| | Governmental Activities | |
|--|-------------------------|---------------|
| | 2016 | 2015 |
| 2004 Capital Improvement Bonds | \$ 2,855,000 | \$ 3,055,000 |
| Unamortized Bond Premiums | 86,591 | 95,787 |
| 2007 Refunding Bonds | 12,855,000 | 12,855,000 |
| Unamortized Bond Premiums | 371,787 | 421,915 |
| Capital Appreciation Bonds (CAB) | 666,560 | 1,394,970 |
| Accretion on CAB | 854,428 | 1,517,837 |
| 2010 Qualified School Construction Bonds | 2,670,000 | 2,670,000 |
| <i>Total</i> | \$ 20,359,366 | \$ 22,010,509 |

In fiscal year 2016, the School District made principal payments of \$0.9 million in general obligation and capital appreciation bonds. See Note 13 for additional information on the School District's outstanding debt.

Current Financial Related Activities

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

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

Overall, the School District continues to academically perform at a high level as determined by the State of Ohio. Our most recent State report card shows the School District's students achieving a score "B" and met 24 out of 24 state indicators. The School District also earned a score of "A" in Overall Value Added (Student Growth) and in Graduation Rate. The School District's Performance Index of 99.7 was scored very high and the Orange High School scored a 96.9 on the Performance Index.

Orange City School District
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

As the preceding information shows, the School District heavily depends on its property taxpayers. Our communities' support was recently measured by six most outstanding accomplishments. In the fall of 1998 the community passed a \$36.5 million bond issue, in November of 2000 they passed a 9.5-mill operating levy, in November of 2003 they passed a 1-mill permanent improvement levy, in November of 2004 they passed a 5-mill operating levy and in November 2010 they passed a .95-mill replacement levy for the School District's recreation operations. In November of 2011, voters approved the passage of a 5-mill operating levy. The support of these six issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

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

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

As a result, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the School 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.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Todd Puster, Treasurer, Orange City School District, 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974, or e-mail at tpuster@orangecsd.org.

Orange City School District
Cuyahoga County, Ohio
Statement of Net Position
June 30, 2016

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------------|
| Assets | | | |
| Equity in Pooled Cash and Investments | \$ 40,517,301 | \$ 4,493,548 | \$ 45,010,849 |
| Cash and Investments with Escrow Agent | 1,686,460 | 0 | 1,686,460 |
| Materials and Supplies Inventory | 89,636 | 0 | 89,636 |
| Receivables: | | | |
| Accrued Interest | 51,767 | 5,204 | 56,971 |
| Intergovernmental | 1,357,766 | 0 | 1,357,766 |
| Property Taxes | 43,436,259 | 820,314 | 44,256,573 |
| Nondepreciable Capital Assets | 6,315,782 | 0 | 6,315,782 |
| Depreciable Capital Assets (Net) | 39,757,858 | 3,009,827 | 42,767,685 |
| <i>Total Assets</i> | <u>133,212,829</u> | <u>8,328,893</u> | <u>141,541,722</u> |
| Deferred Outflows of Resources | | | |
| Deferred Charges on Refunding | 290,565 | 0 | 290,565 |
| Pension | 7,660,576 | 242,665 | 7,903,241 |
| <i>Total Deferred Outflows of Resources</i> | <u>7,951,141</u> | <u>242,665</u> | <u>8,193,806</u> |
| Liabilities | | | |
| Accounts Payable | 44,858 | 1,505 | 46,363 |
| Accrued Wages and Benefits | 4,959,102 | 124,480 | 5,083,582 |
| Intergovernmental Payable | 846,498 | 25,748 | 872,246 |
| Matured Compensated Absences Payable | 939 | 0 | 939 |
| Accrued Interest Payable | 66,714 | 0 | 66,714 |
| Claims Payable | 95,948 | 0 | 95,948 |
| Long Term Liabilities: | | | |
| Due Within One Year | 2,438,620 | 15,324 | 2,453,944 |
| Due In More Than One Year: | | | |
| Net Pension Liability (See Note 11) | 75,583,395 | 2,339,133 | 77,922,528 |
| Other Amounts Due in More Than One Year | 25,074,696 | 145,611 | 25,220,307 |
| <i>Total Liabilities</i> | <u>109,110,770</u> | <u>2,651,801</u> | <u>111,762,571</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes Levied for the Next Fiscal Year | 29,992,967 | 556,977 | 30,549,944 |
| Pension | 5,335,044 | 138,892 | 5,473,936 |
| <i>Total Deferred Inflows of Resources</i> | <u>35,328,011</u> | <u>695,869</u> | <u>36,023,880</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 26,693,356 | 3,009,827 | 29,703,183 |
| Restricted For: | | | |
| Capital Outlay | 6,158,793 | 0 | 6,158,793 |
| Debt Service | 4,430,182 | 0 | 4,430,182 |
| Locally Funded Programs | 35,061 | 0 | 35,061 |
| Federally Funded Programs | 67,112 | 0 | 67,112 |
| Student Activities | 101,188 | 0 | 101,188 |
| Food Service | 277,145 | 0 | 277,145 |
| Other Purposes | 31,789 | 0 | 31,789 |
| Unrestricted | (41,069,437) | 2,214,061 | (38,855,376) |
| <i>Total Net Position</i> | <u>\$ (3,274,811)</u> | <u>\$ 5,223,888</u> | <u>\$ 1,949,077</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2016

| | Expenses | Program Revenues | | |
|--|----------------------|--------------------------------|--|--|
| | | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants, Contributions and Interest |
| Governmental Activities | | | | |
| Instruction: | | | | |
| Regular | \$ 19,720,913 | \$ 923,079 | \$ 110,583 | \$ 0 |
| Special | 9,733,035 | 3,310,095 | 612,770 | 0 |
| Vocational | 502,362 | 111,163 | 2,438 | 0 |
| Other | 47,040 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupils | 3,300,850 | 63,478 | 177,106 | 0 |
| Instructional Staff | 1,547,022 | 2,729 | 4,552 | 0 |
| Board of Education | 90,284 | 0 | 0 | 0 |
| Administration | 3,698,123 | 0 | 15,791 | 0 |
| Fiscal | 1,336,285 | 0 | 0 | 0 |
| Business | 536,906 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 5,206,403 | 115 | 0 | 420,213 |
| Pupil Transportation | 3,603,081 | 0 | 134,665 | 0 |
| Central | 912,408 | 0 | 5,400 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 654,314 | 519,625 | 157,840 | 0 |
| Community Services | 593,244 | 0 | 589,782 | 0 |
| Extracurricular Activities | 1,852,014 | 192,663 | 55,567 | 0 |
| Debt Service: | | | | |
| Interest and Fiscal Charges | 978,827 | 0 | 117,454 | 0 |
| <i>Total Governmental Activities</i> | <u>54,313,111</u> | <u>5,122,947</u> | <u>1,983,948</u> | <u>420,213</u> |
| Business-Type Activities | | | | |
| Recreation | 2,866,308 | 1,993,171 | 111,527 | 0 |
| <i>Total Business-Type Activities</i> | <u>2,866,308</u> | <u>1,993,171</u> | <u>111,527</u> | <u>0</u> |
| <i>Totals</i> | <u>\$ 57,179,419</u> | <u>\$ 7,116,118</u> | <u>\$ 2,095,475</u> | <u>\$ 0</u> |

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Recreation

Grants and Entitlements Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements.

| Net (Expense) Revenue and Changes in Net Position | | |
|---|-----------------------------|-----------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (18,687,251) | \$ 0 | \$ (18,687,251) |
| (5,810,170) | 0 | (5,810,170) |
| (388,761) | 0 | (388,761) |
| (47,040) | 0 | (47,040) |
| (3,060,266) | 0 | (3,060,266) |
| (1,539,741) | 0 | (1,539,741) |
| (90,284) | 0 | (90,284) |
| (3,682,332) | 0 | (3,682,332) |
| (1,336,285) | 0 | (1,336,285) |
| (536,906) | 0 | (536,906) |
| (4,786,075) | 0 | (4,786,075) |
| (3,468,416) | 0 | (3,468,416) |
| (907,008) | 0 | (907,008) |
| 23,151 | 0 | 23,151 |
| (3,462) | 0 | (3,462) |
| (1,603,784) | 0 | (1,603,784) |
| (861,373) | 0 | (861,373) |
| (46,786,003) | 0 | (46,786,003) |
| 0 | (761,610) | (761,610) |
| 0 | (761,610) | (761,610) |
| (46,786,003) | (761,610) | (47,547,613) |
| 42,712,795 | 0 | 42,712,795 |
| 2,455,397 | 0 | 2,455,397 |
| 877,465 | 0 | 877,465 |
| 0 | 905,455 | 905,455 |
| 7,690,101 | 0 | 7,690,101 |
| 289,285 | 42,418 | 331,703 |
| 64,092 | 13,470 | 77,562 |
| 54,089,135 | 961,343 | 55,050,478 |
| 600,000 | (600,000) | 0 |
| 54,689,135 | 361,343 | 55,050,478 |
| 7,903,132 | (400,267) | 7,502,865 |
| (11,177,943) | 5,624,155 | (5,553,788) |
| \$ (3,274,811) | \$ 5,223,888 | \$ 1,949,077 |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2016

| | General Fund | Bond Retirement Fund | Permanent Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------------|----------------------------------|-----------------------------------|--------------------------------|
| Assets | | | | | |
| Equity in Pooled Cash and Investments | \$ 29,178,542 | \$ 2,394,149 | \$ 7,497,170 | \$ 625,208 | \$ 39,695,069 |
| Cash and Investments with Escrow Agent | 0 | 1,349,168 | 337,292 | 0 | 1,686,460 |
| Materials and Supplies Inventory | 89,636 | 0 | 0 | 0 | 89,636 |
| Receivables: | | | | | |
| Accrued Interest | 32,645 | 7,694 | 9,912 | 564 | 50,815 |
| Interfund | 27,076 | 0 | 0 | 0 | 27,076 |
| Intergovernmental | 1,162,405 | 0 | 0 | 195,361 | 1,357,766 |
| Property Taxes | 40,315,945 | 2,301,922 | 818,392 | 0 | 43,436,259 |
| <i>Total Assets</i> | <u>\$ 70,806,249</u> | <u>\$ 6,052,933</u> | <u>\$ 8,662,766</u> | <u>\$ 821,133</u> | <u>\$ 86,343,081</u> |
| Liabilities | | | | | |
| Accounts Payable | 40,475 | \$ 0 | \$ 0 | \$ 4,383 | \$ 44,858 |
| Accrued Wages and Benefits | 4,836,634 | 0 | 0 | 122,468 | 4,959,102 |
| Intergovernmental Payable | 828,875 | 0 | 0 | 17,623 | 846,498 |
| Matured Compensated Absences Payable | 939 | 0 | 0 | 0 | 939 |
| Interfund Payable | 0 | 0 | 0 | 27,076 | 27,076 |
| <i>Total Liabilities</i> | <u>5,706,923</u> | <u>0</u> | <u>0</u> | <u>171,550</u> | <u>5,878,473</u> |
| Deferred Inflows of Resources | | | | | |
| Property Taxes Levied for the Next Fiscal Year | 27,878,242 | 1,556,037 | 558,688 | 0 | 29,992,967 |
| Delinquent Property Taxes | 1,563,430 | 89,359 | 31,768 | 0 | 1,684,557 |
| Other | 1,162,405 | 0 | 0 | 53,338 | 1,215,743 |
| <i>Total Deferred Inflows of Resources</i> | <u>30,604,077</u> | <u>1,645,396</u> | <u>590,456</u> | <u>53,338</u> | <u>32,893,267</u> |
| Fund Balances | | | | | |
| Nonspendable | 121,344 | 0 | 0 | 0 | 121,344 |
| Restricted | 0 | 4,407,537 | 6,341,384 | 565,647 | 11,314,568 |
| Committed | 785,113 | 0 | 1,730,926 | 30,598 | 2,546,637 |
| Assigned | 3,100,147 | 0 | 0 | 0 | 3,100,147 |
| Unassigned | 30,488,645 | 0 | 0 | 0 | 30,488,645 |
| <i>Total Fund Balances</i> | <u>34,495,249</u> | <u>4,407,537</u> | <u>8,072,310</u> | <u>596,245</u> | <u>47,571,341</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$ 70,806,249</u> | <u>\$ 6,052,933</u> | <u>\$ 8,662,766</u> | <u>\$ 821,133</u> | <u>\$ 86,343,081</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016

| | | |
|--|---------------------|---------------------------|
| Total Governmental Fund Balances | | \$ 47,571,341 |
| <i>Amounts reported for governmental activities in the statement of net position are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 46,073,640 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Property Taxes | \$ 1,684,557 | |
| Intergovernmental | <u>1,215,743</u> | 2,900,300 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | | 727,236 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported. | | (66,714) |
| In the statement of activities, a gain/loss on refunding is amortized over the term of the bonds, whereas in governmental funds a refunding gain/loss is reported when bonds are issued. | | 290,565 |
| The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds: | | |
| Deferred Outflows - Pension | 7,660,576 | |
| Deferred Inflows - Pension | (5,335,044) | |
| Net Pension Liability | <u>(75,583,395)</u> | (73,257,863) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| General Obligation Bonds | (18,380,000) | |
| Capital Appreciation Bonds | (666,560) | |
| Bond Premium | (458,378) | |
| Accretion of Interest - Capital Appreciation Bonds | (854,428) | |
| Capital Leases | (414,203) | |
| Compensated Absences | <u>(6,739,747)</u> | <u>(27,513,316)</u> |
| Total | | |
| <i>Net Position of Governmental Activities</i> | | <u>\$ (3,274,811)</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

| | General Fund | Bond Retirement Fund | Permanent Improvement Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------------|----------------------------------|-----------------------------------|--------------------------------|
| Revenues: | | | | | |
| Property and Other Local Taxes | \$ 42,835,096 | \$ 2,455,736 | \$ 879,441 | \$ 0 | \$ 46,170,273 |
| Intergovernmental | 7,723,853 | 393,377 | 109,199 | 1,504,897 | 9,731,326 |
| Investment Earnings | 292,681 | 3,348 | 122,947 | 5,463 | 424,439 |
| Tuition and Fees | 4,407,392 | 0 | 0 | 0 | 4,407,392 |
| Extracurricular Activities | 129,697 | 0 | 0 | 124,046 | 253,743 |
| Rentals | 115 | 0 | 0 | 0 | 115 |
| Charges for Services | 36,606 | 0 | 0 | 519,625 | 556,231 |
| Contributions and Donations | 3,229 | 0 | 300,000 | 54,707 | 357,936 |
| Miscellaneous | 56,784 | 0 | 0 | 11,523 | 68,307 |
| <i>Total Revenues</i> | <u>55,485,453</u> | <u>2,852,461</u> | <u>1,411,587</u> | <u>2,220,261</u> | <u>61,969,762</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 18,644,853 | 0 | 0 | 134,375 | 18,779,228 |
| Special | 9,173,745 | 0 | 0 | 461,078 | 9,634,823 |
| Vocational | 459,480 | 0 | 0 | 0 | 459,480 |
| Other | 47,040 | 0 | 0 | 0 | 47,040 |
| Support Services: | | | | | |
| Pupils | 3,202,180 | 0 | 0 | 171,794 | 3,373,974 |
| Instructional Staff | 1,562,584 | 0 | 0 | 4,497 | 1,567,081 |
| Board of Education | 92,969 | 0 | 0 | 0 | 92,969 |
| Administration | 3,726,112 | 0 | 0 | 15,387 | 3,741,499 |
| Fiscal | 1,287,304 | 34,036 | 12,467 | 0 | 1,333,807 |
| Business | 575,979 | 0 | 0 | 0 | 575,979 |
| Operation and Maintenance of Plant | 4,405,344 | 0 | 0 | 0 | 4,405,344 |
| Pupil Transportation | 3,406,636 | 0 | 0 | 0 | 3,406,636 |
| Central | 911,692 | 0 | 0 | 5,400 | 917,092 |
| Extracurricular Activities | 1,473,553 | 0 | 0 | 327,348 | 1,800,901 |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | 0 | 0 | 0 | 596,921 | 596,921 |
| Community Services | 0 | 0 | 0 | 589,501 | 589,501 |
| Capital Outlay | 0 | 0 | 3,979,504 | 0 | 3,979,504 |
| Debt Service: | | | | | |
| Principal Retirement | 129,420 | 928,410 | 0 | 0 | 1,057,830 |
| Interest and Fiscal Charges | 4,356 | 1,674,409 | 0 | 0 | 1,678,765 |
| <i>Total Expenditures</i> | <u>49,103,247</u> | <u>2,636,855</u> | <u>3,991,971</u> | <u>2,306,301</u> | <u>58,038,374</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>6,382,206</u> | <u>215,606</u> | <u>(2,580,384)</u> | <u>(86,040)</u> | <u>3,931,388</u> |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Capital Assets | 397 | 0 | 0 | 0 | 397 |
| Inception of Capital Lease | 275,860 | 0 | 0 | 0 | 275,860 |
| Transfers In | 0 | 0 | 0 | 110,000 | 110,000 |
| Transfers Out | (110,000) | 0 | 0 | 0 | (110,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>166,257</u> | <u>0</u> | <u>0</u> | <u>110,000</u> | <u>276,257</u> |
| <i>Net Change in Fund Balance</i> | 6,548,463 | 215,606 | (2,580,384) | 23,960 | 4,207,645 |
| <i>Fund Balances Beginning of Year</i> | <u>27,946,786</u> | <u>4,191,931</u> | <u>10,652,694</u> | <u>572,285</u> | <u>43,363,696</u> |
| <i>Fund Balances End of Year</i> | <u>\$ 34,495,249</u> | <u>\$ 4,407,537</u> | <u>\$ 8,072,310</u> | <u>\$ 596,245</u> | <u>\$ 47,571,341</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016*

| | | |
|---|--------------------|------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 4,207,645 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. | | |
| Capital Asset Additions | \$ 4,445,125 | |
| Current Year Depreciation | <u>(2,560,583)</u> | 1,884,542 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property Taxes | (124,618) | |
| Accrued Interest | (17,033) | |
| Intergovernmental | <u>(35,057)</u> | (176,708) |
| Repayment of principal and accreted interest on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| General Obligation Bonds | 200,000 | |
| Capital Appreciation Bonds | 728,410 | |
| Accretion on Matured Capital Appreciation Bonds | 861,590 | |
| Capital Lease | <u>129,420</u> | 1,919,420 |
| Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues. | | |
| Inception of Capital Lease | | (275,860) |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. | | |
| | | 4,726,917 |
| Except for amount reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities | | |
| | | (3,734,367) |
| In the statement of activities, interest is accrued on outstanding bonds, and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued. | | |
| Accrued Interest Payable | 16,382 | |
| Amortization of Premium on Bonds | 59,324 | |
| Amortization of Refunding Loss | <u>(39,177)</u> | 36,529 |
| The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. | | |
| | | 138,720 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Compensated Absences | | (625,525) |
| Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities. | | |
| | | <u>(198,181)</u> |
| <i>Change in Net Position of Governmental Activities</i> | <u>\$</u> | <u>7,903,132</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---|----------------------|----------------------|----------------------|---------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property and Other Local Taxes | \$ 38,453,110 | \$ 37,168,928 | \$ 39,885,411 | \$ 2,716,483 |
| Intergovernmental | 7,448,834 | 6,443,766 | 7,726,288 | 1,282,522 |
| Investment Income | 200,011 | 175,000 | 207,461 | 32,461 |
| Tuition and Fees | 320,872 | 223,000 | 332,824 | 109,824 |
| Rentals | 9,000 | 9,000 | 115 | (8,885) |
| Charges for Services | 36,729 | 53,000 | 36,606 | (16,394) |
| Contributions and Donations | 0 | 0 | 1,492 | 1,492 |
| Miscellaneous | 31,922 | 35,000 | 42,331 | 7,331 |
| <i>Total Revenues</i> | <u>46,500,478</u> | <u>44,107,694</u> | <u>48,232,528</u> | <u>4,124,834</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 18,985,907 | 18,964,245 | 17,744,795 | 1,219,450 |
| Special | 6,842,130 | 6,821,790 | 6,973,420 | (151,630) |
| Vocational | 323,808 | 336,874 | 520,034 | (183,160) |
| Other | 18,642 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupils | 3,370,981 | 3,329,118 | 3,036,496 | 292,622 |
| Instructional Staff | 1,501,585 | 1,467,575 | 1,502,387 | (34,812) |
| Board of Education | 96,935 | 103,452 | 91,490 | 11,962 |
| Administration | 3,463,541 | 3,486,746 | 3,437,581 | 49,165 |
| Fiscal | 1,447,417 | 1,545,255 | 1,296,596 | 248,659 |
| Business | 654,533 | 656,587 | 566,240 | 90,347 |
| Operation and Maintenance of Plant | 4,745,943 | 4,700,705 | 4,981,250 | (280,545) |
| Pupil Transportation | 3,825,722 | 3,796,694 | 3,517,979 | 278,715 |
| Central | 947,264 | 938,193 | 927,558 | 10,635 |
| Extracurricular Activities | 1,290,435 | 1,367,609 | 1,324,392 | 43,217 |
| Debt Service: | | | | |
| Principal Retirement | 129,420 | 129,420 | 129,420 | 0 |
| Interest and Fiscal Charges | 4,356 | 4,356 | 4,356 | 0 |
| <i>Total Expenditures</i> | <u>47,648,619</u> | <u>47,648,619</u> | <u>46,053,994</u> | <u>1,594,625</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,148,141)</u> | <u>(3,540,925)</u> | <u>2,178,534</u> | <u>5,719,459</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Sale of Assets | 1,000 | 1,000 | 397 | (603) |
| Refund of Prior Year Expenditures | 5,000 | 5,000 | 255,634 | 250,634 |
| Advances In | 800,000 | 800,000 | 704,814 | (95,186) |
| Advances Out | 0 | 0 | (27,076) | (27,076) |
| Transfers Out | (2,500,000) | (2,500,000) | (510,000) | 1,990,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(1,694,000)</u> | <u>(1,694,000)</u> | <u>423,769</u> | <u>2,117,769</u> |
| <i>Net Change in Fund Balance</i> | <u>(2,842,141)</u> | <u>(5,234,925)</u> | <u>2,602,303</u> | <u>7,837,228</u> |
| <i>Fund Balance Beginning of Year</i> | <u>23,472,252</u> | <u>23,472,252</u> | <u>23,472,252</u> | <u>0</u> |
| Prior Year Encumbrances Appropriated | 398,619 | 398,619 | 398,619 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$ 21,028,730</u> | <u>\$ 18,635,946</u> | <u>\$ 26,473,174</u> | <u>\$ 7,837,228</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
June 30, 2016

| | Business-Type Activities - Recreation Fund | Governmental Activities - Internal Service Fund |
|---|---|--|
| Assets | | |
| <i>Current Assets</i> | | |
| Equity in Pooled Cash and Investments | \$ 4,493,548 | \$ 822,232 |
| Accrued Interest Receivable | 5,204 | 952 |
| Property Taxes Receivable | 820,314 | 0 |
| <i>Total Current Assets</i> | <u>5,319,066</u> | <u>823,184</u> |
| <i>Non-Current Assets:</i> | | |
| Depreciable Capital Assets (Net) | 3,009,827 | 0 |
| <i>Total Non-Current Assets</i> | <u>3,009,827</u> | <u>0</u> |
| <i>Total Assets</i> | <u>8,328,893</u> | <u>823,184</u> |
| Deferred Outflows of Resources | | |
| Pension | 242,665 | 0 |
| Liabilities | | |
| <i>Current Liabilities</i> | | |
| Accounts Payable | 1,505 | 0 |
| Accrued Wages and Benefits | 124,480 | 0 |
| Intergovernmental Payable | 25,748 | 0 |
| Claims Payable | 0 | 95,948 |
| Compensated Absences Payable | 15,324 | 0 |
| <i>Total Current Liabilities</i> | <u>167,057</u> | <u>95,948</u> |
| <i>Long-Term Liabilities</i> | | |
| Compensated Absences Payable - net of Current Portion | 145,611 | 0 |
| Net Pension Liability | 2,339,133 | 0 |
| <i>Total Liabilities</i> | <u>2,651,801</u> | <u>95,948</u> |
| Deferred Inflows of Resources | | |
| Property Taxes Levied for the Next Fiscal Year | 556,977 | 0 |
| Pension | 138,892 | 0 |
| <i>Total Deferred Inflows of Resources</i> | <u>695,869</u> | <u>0</u> |
| Net Position | | |
| Investment in Capital Assets | 3,009,827 | 0 |
| Unrestricted | 2,214,061 | 727,236 |
| <i>Total Net Position</i> | <u>\$ 5,223,888</u> | <u>\$ 727,236</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

| | Business-Type Activities - Recreation Fund | Governmental Activities - Internal Service Fund |
|--|---|--|
| Operating Revenue | | |
| Tuition and Fees | \$ 1,933,495 | \$ 0 |
| Sales/Charges for Services | 59,676 | 291,386 |
| Other | 2,177 | 0 |
| <i>Total Operating Revenues</i> | <u>1,995,348</u> | <u>291,386</u> |
| Operating Expenses | | |
| Salaries and Wages | 1,397,626 | 0 |
| Fringe Benefits | 497,588 | 0 |
| Purchased Services | 536,299 | 102,588 |
| Materials and supplies | 208,596 | 0 |
| Depreciation | 169,558 | 0 |
| Claims | 0 | 62,359 |
| Other | 51,484 | 0 |
| <i>Total Operating Expenses</i> | <u>2,861,151</u> | <u>164,947</u> |
| <i>Operating Income (Loss)</i> | <u>(865,803)</u> | <u>126,439</u> |
| Non-Operating Revenues (Expenses) | | |
| Intergovernmental | 111,527 | 0 |
| Investment Earnings | 42,418 | 7,124 |
| Other Non-Operating Revenues | 11,293 | 0 |
| Property Taxes | 905,455 | 0 |
| Loss on Disposal of Capital Assets | (600,000) | 0 |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>470,693</u> | <u>7,124</u> |
| <i>Change in Net Net Position</i> | (395,110) | 133,563 |
| <i>Net Position Beginning of Year</i> | <u>5,618,998</u> | <u>593,673</u> |
| <i>Net Position End of Year</i> | <u>\$ 5,223,888</u> | <u>\$ 727,236</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

| | Business-Type Activities - Recreation Fund | Governmental Activities - Internal Service Fund |
|---|---|--|
| <i>Increase (Decrease) in Cash and Investments</i> | | |
| Cash Flows From Operating Activities | | |
| Cash Received from Customers | \$ 1,993,686 | \$ 0 |
| Cash Received from Interfund Services Provided | 0 | 291,386 |
| Other Cash Receipts | 2,177 | 0 |
| Cash Paid for Personal Services | (1,811,444) | 0 |
| Cash Paid for Contractual Services | (538,910) | (102,588) |
| Cash Paid for Materials and Supplies | (205,774) | 0 |
| Cash Paid for Claims | 0 | (60,389) |
| Other Cash Payments | (51,484) | 0 |
| <i>Net Cash Provided By (Used For) Operating Activities</i> | <u>(611,749)</u> | <u>128,409</u> |
| Cash Flows From Non-Capital Financing Activities | | |
| Property Taxes | 826,010 | 0 |
| Grants and Subsidies | 111,527 | 0 |
| Other Non-Operating Revenue | 11,293 | 0 |
| <i>Net Cash Provided By (Used For) Non-Capital Activities</i> | <u>948,830</u> | <u>0</u> |
| Cash Flows From Investing Activities | | |
| Interest on Investments | 42,240 | 6,908 |
| <i>Net Cash Provided By (Used For) Investing Activities</i> | <u>42,240</u> | <u>6,908</u> |
| Cash Flows From Capital and Related Activities: | | |
| Capital Contributions Purchased for Governmental Activities | (600,000) | 0 |
| Payment for Capital Acquisitions | (3,136) | 0 |
| <i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i> | <u>(603,136)</u> | <u>0</u> |
| <i>Net Increase (Decrease) in Cash and Investments</i> | (223,815) | 135,317 |
| <i>Cash and Investments Beginning of Year</i> | <u>4,717,363</u> | <u>686,915</u> |
| <i>Cash and Investments End of Year</i> | <u>\$ 4,493,548</u> | <u>\$ 822,232</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities | | |
| Operating Income (Loss) | \$ (865,803) | \$ 126,439 |
| Adjustments: | | |
| Depreciation | 169,558 | 0 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | |
| Accounts Receivable | 515 | 0 |
| Materials and Supplies Inventory | 2,822 | 0 |
| Deferred Outflows of Resources - Pension | (48,425) | 0 |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | |
| Accounts Payable | (2,611) | 0 |
| Accrued Wages and Benefits | 25,412 | 0 |
| Intergovernmental Payable | 4,044 | 0 |
| Claims Payable | 0 | 1,970 |
| Compensated Absences Payable | 100,428 | 0 |
| Deferred Inflows of Resources - Pension | (206,814) | 0 |
| Net Pension Liability | 209,125 | 0 |
| <i>Total Adjustments</i> | <u>254,054</u> | <u>1,970</u> |
| <i>Net Cash Provided By (Used For) Operating Activities</i> | <u>\$ (611,749)</u> | <u>\$ 128,409</u> |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

| | Private Purpose Trust | Agency |
|---|--------------------------|----------------------|
| Assets | | |
| Equity in Pooled Cash and Investments | \$ 64,653 | \$ 87,818 |
| Cash and Investments in Segregated Accounts | 0 | 16,948,587 |
| Accrued Interest Receivable | 68 | 0 |
| <i>Total Assets</i> | <u>64,721</u> | <u>\$ 17,036,405</u> |
| Liabilities | | |
| Intergovernmental Payable | 0 | \$ 16,948,587 |
| Undistributed Monies | 0 | 10,993 |
| Due to Students | 0 | 76,825 |
| <i>Total Liabilities</i> | <u>0</u> | <u>\$ 17,036,405</u> |
| Net Position | | |
| Held in Trust for Scholarships | <u>\$ 64,721</u> | |

See accompanying notes to the basic financial statements.

Orange City School District
Cuyahoga County, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2016

| | Private Purpose Trust |
|--|--------------------------|
| Additions | |
| Investment Earnings | \$ 585 |
| Deductions | |
| Payments in Accordance with Trust Agreements | 300 |
| <i>Change in Net Position</i> | 285 |
| <i>Net Position Beginning of Year</i> | 64,436 |
| <i>Net Position End of Year</i> | \$ 64,721 |

See accompanying notes to the basic financial statements.

This page intentionally left blank

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1 - Description of the School District

The Orange City School District (the “School 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 School District operates under a locally elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's three instructional support facilities.

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

Note 2 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the School 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 School District's governmental activities and for the business-type activity of the School 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 School 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 School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School 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 School 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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The School 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The following are the School District's major governmental funds:

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

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

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

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

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

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

Internal service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost-reimbursement basis. The School District's internal service fund accounts for workers' compensation activities.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trusts 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 custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has one private-purpose trust fund to account for a scholarship program for students and four agency funds. The agency funds are used to account for funds held on behalf of others, employee benefits collected, but not yet remitted, student activities and the Suburban Health Consortium.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Measurement Focus

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

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, current deferred outflows of resources, current liabilities and current deferred inflows of resources 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, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary fund activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the School District's enterprise fund are program fees. The principal operating revenue of the School District's internal service fund is charges for services and sales. Operating expenses for the enterprise fund include the cost of sales, personnel and administrative expenses. Operating expenses for the internal service fund included claims 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.

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 inflows of resources, and in the presentation of expenses versus expenditures.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School 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 Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources have been reported for the following two items related the School District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the School District's contributions to the pension systems subsequent to the measurement date. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The School District also reports a deferred inflow of resources for the net difference between projected and actual earnings on pension plan investments related to the School District's net pension liability and on changes in proportionate share and differences between School District contributions and proportionate share of contributions. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

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

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

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Cash and Investments

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

During fiscal year 2016, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, certificates of deposit, U.S. Government money market accounts and the State Treasury Asset Reserve of Ohio (STAR Ohio), the State Treasurer's Investment Pool.

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

During fiscal year 2016, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$292,681 which includes \$100,004 assigned from other School District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, 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 School District are presented on the financial statements as cash equivalents.

Inventory

On government-wide financial statements, inventories of supplies are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies inventory are equally offset by a nonspendable fund balance in governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net position.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School 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:

| Description | Governmental Activities Estimated Lives | Business-Type Activities Estimated Lives |
|--------------------------|---|--|
| Land | N/A | N/A |
| Construction in Progress | N/A | N/A |
| 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 |

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Compensated Absences

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

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

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

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 net pension liability 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.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2016, there was no net position restricted by enabling legislation.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Interfund Activity

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

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

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

On government-wide financial statements, bond issuance costs are expensed when they occur.

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

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

Pensions

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

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.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2016, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the School District's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the School District.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the School District.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. These changes were incorporated in the School District's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 3 - Fund Balance

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

| | General Fund | Bond Retirement Fund | Permanent Improvement Funds | Other Governmental Funds | Total |
|--------------------------------|-----------------|----------------------------|-----------------------------------|--------------------------------|---------------|
| Nonspendable for: | | | | | |
| Inventory | \$ 89,636 | \$ 0 | \$ 0 | \$ 0 | \$ 89,636 |
| Unclaimed Monies | 31,708 | 0 | 0 | 0 | 31,708 |
| Total Nonspendable | 121,344 | 0 | 0 | 0 | 121,344 |
| Restricted for: | | | | | |
| Debt Service | 0 | 4,407,537 | 0 | 0 | 4,407,537 |
| Capital Outlay | 0 | 0 | 6,341,384 | 33,933 | 6,375,317 |
| Extracurricular | 0 | 0 | 0 | 101,188 | 101,188 |
| Non-Public Schools | 0 | 0 | 0 | 51,828 | 51,828 |
| Special Education | 0 | 0 | 0 | 11,151 | 11,151 |
| Food Service | 0 | 0 | 0 | 329,863 | 329,863 |
| Other Purposes | 0 | 0 | 0 | 37,684 | 37,684 |
| Total Restricted | 0 | 4,407,537 | 6,341,384 | 565,647 | 11,314,568 |
| Committed to: | | | | | |
| Capital Outlay | 0 | 0 | 1,730,926 | 0 | 1,730,926 |
| Termination Benefits | 785,113 | 0 | 0 | 0 | 785,113 |
| Other Purposes | 0 | 0 | 0 | 30,598 | 30,598 |
| Total Committed | 785,113 | 0 | 1,730,926 | 30,598 | 2,546,637 |
| Assigned for: | | | | | |
| Public School Support | 98,840 | 0 | 0 | 0 | 98,840 |
| Encumbrances: | | | | | |
| Instruction | 551,781 | 0 | 0 | 0 | 551,781 |
| Support Services | 697,850 | 0 | 0 | 0 | 697,850 |
| Subsequent Year Appropriations | 1,680,562 | 0 | 0 | 0 | 1,680,562 |
| Other Purposes | 71,114 | 0 | 0 | 0 | 71,114 |
| Total Assigned | 3,100,147 | 0 | 0 | 0 | 3,100,147 |
| Unassigned | 30,488,645 | 0 | 0 | 0 | 30,488,645 |
| Total Fund Balance | \$ 34,495,249 | \$ 4,407,537 | \$ 8,072,310 | \$ 596,245 | \$ 47,571,341 |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund 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) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment, commitment or restriction of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

| Net Change in Fund Balance | |
|---|-----------------|
| | General Fund |
| GAAP Basis | \$ 6,548,463 |
| Net Adjustment for Revenue Accruals | (1,950,225) |
| Net Adjustment for Expenditure Accruals | (1,031,514) |
| Funds Budgeted Elsewhere ** | 323,339 |
| Adjustment for Encumbrances | (1,287,760) |
| Budget Basis | \$ 2,602,303 |

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the unclaimed monies fund, uniform school supplies fund, special education fund, public school support fund and the termination benefits fund.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 5 - Deposits and Investments

State statutes classify monies held by the School 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 School 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of School 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 are 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;
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,

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
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 forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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 School 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.

Custodial credit risk for deposits is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Cash and Investments with Escrow Agent: At fiscal year-end, \$1,686,460 was on deposit with an escrow agent for monies held in relation to the School District's sinking fund deposits that are required for the School District's Series 2010 bonds (See Note 13). These funds are not included in "deposits" below.

Cash and Investments in Segregated Accounts: At fiscal year-end, \$16,948,587 was on deposit in the account the School District maintains as fiscal agent for the Suburban Health Consortium (See Note 15) and is included on the fiduciary statement of net position as "cash and investments in segregated accounts". The balance is covered by federal deposit insurance, by collateral held by the School District,

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

or by collateral held by a qualified third-party trustee in the name of the School District. This amount is not included in the total amount of “deposits” reported below.

Cash on Hand: At year end, the School District had \$5,000 in undeposited cash on hand which is included on the balance sheet of the School District as part of “equity in pooled cash and investments.”

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$3,921,148 and the bank balance was \$4,885,343. Of the bank balance:

1. \$1,519,846 of the bank balance was covered by depository insurance; and
2. \$3,365,497 was exposed to custodial credit risk as previously discussed. 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 School District to a successful claim by the FDIC.

Investments: Investments are reported at measurement value. As of June 30, 2016, the School District had the following investments:

| Rating | Measurement Amount | Investment Maturities (in years) | | | % Total Investments | |
|--------|---------------------------------------|-------------------------------------|---------------|---------------|---------------------------|---------|
| | | Less than 1 | 1 - 3 | Over 3 | | |
| AAAm | STAR Ohio | \$ 17,085,573 | \$17,085,573 | \$ 0 | \$ 0 | 41.42% |
| N/A | U.S. Government Money Market | 1,826,900 | 1,826,900 | 0 | 0 | 4.44% |
| AA+ | Federal Home Loan Bank Notes | 5,040,708 | 4,008,712 | 1,031,996 | 0 | 12.22% |
| AAA | Federal Home Loan Mortgage | 5,855,895 | 0 | 4,079,913 | 1,775,982 | 14.20% |
| AAA | Federal Farm Credit Bank | 5,000,096 | 0 | 5,000,096 | 0 | 12.13% |
| AA+ | Federal National Mortgage Association | 6,428,000 | 0 | 2,145,886 | 4,282,114 | 15.59% |
| Totals | | \$ 41,237,172 | \$ 22,921,185 | \$ 12,257,891 | \$ 6,058,096 | 100.00% |

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2016. As discussed further in Note 2, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2016, is 49 days.

Credit Risk: The School District's investments at June 30, 2016 are rated as shown above by S&P Global Ratings. Federal money markets are exempt from ratings since they are explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

Concentration of Credit Risk: The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 in the general, bond retirement and permanent improvement funds was \$10,874,273, \$656,526 and \$227,936, respectively. The amount available for advance at June 30, 2015, in the general, bond retirement and permanent improvement funds was \$7,924,588, 438,964 and \$167,165, respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

| | 2015 Second Half Collections | | 2016 First Half Collections | |
|--|---------------------------------|---------|--------------------------------|---------|
| | Amount | Percent | Amount | Percent |
| Real Estate | \$ 1,002,217,530 | 98.94% | \$1,043,260,120 | 98.96% |
| Public Utility Personal Property | 10,763,950 | 1.06% | 11,012,300 | 1.04% |
| | \$ 1,012,981,480 | 100.00% | \$ 1,054,272,420 | 100.00% |
| Tax rate per \$1,000 assessed valuation | \$ 91.10 | | \$ 91.20 | |

Note 7 - Receivables

Receivables at June 30, 2016, consisted of taxes, accrued interest, interfund and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will be not collected within one year.

This space intentionally left blank

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 8 - Capital Assets

Governmental activities capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | Balance 6/30/15 | Additions | Reductions | Balance 6/30/16 |
|---|--------------------|--------------|----------------|--------------------|
| Governmental Activities | | | | |
| <i>Capital Assets, not being depreciated:</i> | | | | |
| Land | \$ 6,315,782 | \$ 0 | \$ 0 | \$ 6,315,782 |
| Construction In Progress | 645,323 | 3,402,101 | (4,047,424) | 0 |
| Total Capital Assets, not being depreciated | 6,961,105 | 3,402,101 | (4,047,424) | 6,315,782 |
| <i>Capital Assets, being depreciated:</i> | | | | |
| Land Improvements | 10,577,168 | 131,406 | 0 | 10,708,574 |
| Buildings | 52,186,153 | 4,865,122 | 0 | 57,051,275 |
| Equipment | 4,253,525 | 34,052 | 0 | 4,287,577 |
| Vehicles | 4,289,998 | 59,868 | 0 | 4,349,866 |
| Total Capital Assets, being depreciated | 71,306,844 | 5,090,448 | 0 | 76,397,292 |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (6,555,521) | (483,569) | 0 | (7,039,090) |
| Buildings | (21,896,896) | (1,490,594) | 0 | (23,387,490) |
| Equipment | (2,943,813) | (275,317) | 0 | (3,219,130) |
| Vehicles | (2,682,621) | (311,103) | 0 | (2,993,724) |
| Total Accumulated Depreciation | (34,078,851) | (2,560,583) | 0 | (36,639,434) |
| Total Capital Assets being depreciated, net | 37,227,993 | 2,529,865 | 0 | 39,757,858 |
| Governmental Activities Capital Assets, Net | \$ 44,189,098 | \$ 5,931,966 | \$ (4,047,424) | \$ 46,073,640 |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

Instruction:

| | |
|------------|------------|
| Regular | \$ 929,123 |
| Special | 129,748 |
| Vocational | 26,366 |

Support Services:

| | |
|------------------------------------|---------|
| Pupil | 57,251 |
| Instructional Staff | 681 |
| Administration | 49,755 |
| Fiscal | 5,044 |
| Business | 2,651 |
| Operation and Maintenance of Plant | 806,197 |
| Pupil Transportation | 320,446 |
| Central | 21,187 |

Operation of Non-Instructional Services:

| | |
|----------------------------|----------------|
| Food Service Operations | 57,070 |
| Community Services | 54,372 |
| Extracurricular Activities | <u>100,692</u> |

Total Depreciation \$ 2,560,583

Business-type capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | Balance 6/30/15 | Additions | Reductions | Transfer | Balance 6/30/16 |
|---|---------------------|-------------------|-------------|---------------------|---------------------|
| Business-Type Activities | | | | | |
| <i>Capital Assets, not being depreciated:</i> | | | | | |
| Construction In Progress | \$ 0 | \$ 600,000 | \$ 0 | \$ (600,000) | \$ 0 |
| <i>Capital Assets, being depreciated:</i> | | | | | |
| Land Improvements | 168,278 | 0 | 0 | 0 | 168,278 |
| Buildings | 5,320,572 | 0 | 0 | 0 | 5,320,572 |
| Equipment | 93,234 | 3,136 | 0 | 0 | 96,370 |
| Vehicles | 50,147 | 0 | 0 | 0 | 50,147 |
| Total Capital Assets, being depreciated | <u>5,632,231</u> | <u>3,136</u> | <u>0</u> | <u>0</u> | <u>5,635,367</u> |
| Less Accumulated Depreciation: | | | | | |
| Land Improvements | (146,135) | (2,813) | 0 | 0 | (148,948) |
| Buildings | (2,171,362) | (165,030) | 0 | 0 | (2,336,392) |
| Equipment | (88,338) | (1,715) | 0 | 0 | (90,053) |
| Vehicles | (50,147) | 0 | 0 | 0 | (50,147) |
| Total Accumulated Depreciation | <u>(2,455,982)</u> | <u>(169,558)</u> | <u>0</u> | <u>0</u> | <u>(2,625,540)</u> |
| Total Capital Assets being depreciated, net | <u>3,176,249</u> | <u>(166,422)</u> | <u>0</u> | <u>0</u> | <u>3,009,827</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 3,176,249</u> | <u>\$ 433,578</u> | <u>\$ 0</u> | <u>\$ (600,000)</u> | <u>\$ 3,009,827</u> |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 9 – Risk Management

Property and Liability

The School 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 2016, the School District maintained comprehensive insurance coverage for liability, violence, property, building contents and vehicles. The School District obtains insurance coverage through Argonaut Insurance Company. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the School District’s insurance coverage:

| | |
|--|--------------|
| Building and Contents - Replacement Cost | \$85,882,139 |
| Automobile Liability | 1,000,000 |
| General Liability: | |
| Per occurrence | 1,000,000 |
| Total per year | 3,000,000 |
| Umbrella Liability: | |
| Per occurrence | 1,000,000 |
| Total per year | 3,000,000 |
| Employer's Liability | 1,000,000 |

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

Workers’ Compensation

During fiscal year 2012, the School District became self-insured for workers’ compensation benefits. The School District only pays administrative charges and in turn the School District assumes the responsibility of paying all claims incurred during the policy period. The School District’s stop-loss coverage through the plan is limited to \$200,000 per claim stop-loss coverage with an annual aggregate. The School District utilizes Sheakley Uniservice, Inc. as its third party administrator to assist in the monitoring and processing of claims filed. During fiscal year 2016, the School District paid administration fees in the amount of \$20,400 for these services.

The School District’s Workers’ Compensation program is accounted for in the internal service fund which pays for all claims, claim reserves and administrative costs of the program. The internal service fund generates revenues by charging each fund a percentage rate determined by the School District for the payroll during the reporting period. The claims liability of \$95,948 reported in the basic financial statements at June 30, 2016, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claim.

Changes in claims activity for the fiscal years 2016 and 2015 were as follows:

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| | Balance July 1 | Current Year Claims | Claim Payments | Balance June 30 |
|------|-------------------|------------------------|-------------------|--------------------|
| 2015 | \$ 70,112 | \$ 250,234 | \$ 226,368 | \$ 93,978 |
| 2016 | \$ 93,978 | \$ 62,359 | \$ 60,389 | \$ 95,948 |

Employee Health Benefits

The School District participates in the Suburban Health Consortium, a shared risk pool (Note 15) to provide employee medical, prescription, dental and vision benefits. Rates are set annually with the assistance of a consultant. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. During fiscal year 2016, the School District's Board of Education paid 88% of the cost of the monthly medical and prescription premiums for full-time employees and administrators. Additionally, the Board paid 88% of the monthly premium for dental and vision coverage. As of January 1, 2016, the School District contracted with VSP for vision insurance.

Claims are paid for all participants regardless of claims flow. Upon termination, all School District claims would be paid without regard to the School 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.

Note 10 – Other Employee Benefits

Compensated Absences

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

Life Insurance

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 11 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any employer contributions to the Health Care Fund for fiscal year 2016.

The School District’s contractually required contribution to SERS was \$1,698,906 for fiscal year 2016. Of this amount, \$67,093 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$3,204,532 for fiscal year 2016. Of this amount, \$535,312 is reported as an intergovernmental payable.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | <u>STRS</u> | <u>SERS</u> | <u>Total</u> |
|--|---------------|---------------|---------------|
| Proportionate Share of the Net Pension Liability | \$ 59,049,858 | \$ 18,872,670 | \$ 77,922,528 |
| Proportion of the Net Pension Liability | 0.21366175% | 0.33074570% | |
| Pension Expense | \$ 2,609,686 | \$ 1,255,088 | \$ 3,864,774 |

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>STRS</u> | <u>SERS</u> | <u>Total</u> |
|--|---------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$ 2,695,147 | \$ 304,656 | \$ 2,999,803 |
| School District contributions subsequent to the measurement date | 3,204,532 | 1,698,906 | 4,903,438 |
| Total Deferred Outflows of Resources | <u>\$ 5,899,679</u> | <u>\$ 2,003,562</u> | <u>\$ 7,903,241</u> |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$ 4,308,672 | \$ 640,058 | \$ 4,948,730 |
| Changes in proportionate share | 419,294 | 105,912 | 525,206 |
| Total Deferred Inflows of Resources | <u>\$ 4,727,966</u> | <u>\$ 745,970</u> | <u>\$ 5,473,936</u> |

\$4,903,438 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| Fiscal Year Ending June 30: | STRS | SERS | Total |
|-----------------------------|-----------------------|---------------------|-----------------------|
| 2017 | \$ (1,082,738) | \$ (265,576) | \$ (1,348,314) |
| 2018 | (1,082,738) | (265,576) | (1,348,314) |
| 2019 | (1,082,736) | (267,025) | (1,349,761) |
| 2020 | 1,215,393 | 356,863 | 1,572,256 |
| | <u>\$ (2,032,819)</u> | <u>\$ (441,314)</u> | <u>\$ (2,474,133)</u> |

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

| | |
|--|--|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 4.00 percent to 22.00 percent |
| COLA or Ad Hoc COLA | 3.00 percent |
| Investment Rate of Return | 7.75 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|------------------------|----------------------|---|
| Cash | 1.00 % | 0.00 % |
| US Stocks | 22.50 | 5.00 |
| Non-US Stocks | 22.50 | 5.50 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 10.00 |
| Real Assets | 10.00 | 5.00 |
| Multi-Asset Strategies | 15.00 | 7.50 |
| | 100.00 % | |

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|--|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 26,169,612 | \$ 18,872,670 | \$ 12,728,044 |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Changes between Measurement Date and Report Date

In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the Schools District's net pension liability is expected to be significant.

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|--|
| Inflation | 2.75 percent |
| Projected Salary Increase | 2.75 percent at 70 to 12.25 percent at age 20 |
| Investment Rate of Return | 7.75 percent, net of investment expenses |
| Cost-of-Living Adjustments (COLA) | 2.00 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year, for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date |

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Domestic Equity | 31.00 % | 8.00 % |
| International Equity | 26.00 | 7.85 |
| Alternatives | 14.00 | 8.00 |
| Fixed Income | 18.00 | 3.75 |
| Real Estate | 10.00 | 6.75 |
| Liquidity Reserves | 1.00 | 3.00 |
| | <u>100.00 %</u> | |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 82,024,707 | \$ 59,049,858 | \$ 39,621,197 |

Note 12 - Postemployment Benefits

School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, SERS did not allocate any employer contributions to the Health Care Fund. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2016, 2015, and 2014 were \$163,500, \$81,649 and \$131,841, respectively. For fiscal year 2016, 96 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2015 and 2014.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$225,362, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 13 - Long - Term Obligations

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

| | Outstanding 6/30/15 | Additions | Reductions | Outstanding 6/30/16 | Amounts Due in One Year |
|---|------------------------|---------------------|-----------------------|------------------------|-------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds: | | | | | |
| 2004 Improvement Bonds | | | | | |
| Current Interest Bonds | \$ 3,055,000 | \$ 0 | \$ (200,000) | \$ 2,855,000 | \$ 210,000 |
| Bond Premium | 95,787 | 0 | (9,196) | 86,591 | 0 |
| 2007 Refunding Bonds | | | | | |
| Current Interest Bonds | 12,855,000 | 0 | 0 | 12,855,000 | 0 |
| Capital Appreciation Bonds | 1,394,970 | 0 | (728,410) | 666,560 | 666,560 |
| Accretion of Interest | 1,517,837 | 198,181 | (861,590) | 854,428 | 854,428 |
| Bond Premium | 421,915 | 0 | (50,128) | 371,787 | 0 |
| 2010 Qualified School Construction Bonds | | | | | |
| Current Interest Bonds | 2,670,000 | 0 | 0 | 2,670,000 | 0 |
| Total General Obligation Bonds | 22,010,509 | 198,181 | (1,849,324) | 20,359,366 | 1,730,988 |
| Net Pension Liability | | | | | |
| STRS | \$52,415,847 | \$ 6,634,011 | \$ 0 | \$ 59,049,858 | \$ 0 |
| SERS | 14,729,967 | 1,803,570 | 0 | 16,533,537 | 0 |
| Total Net Pension Liability | 67,145,814 | 8,437,581 | 0 | 75,583,395 | 0 |
| Capital Lease | 267,763 | 275,860 | (129,420) | 414,203 | 122,480 |
| Compensated Absences | 6,836,943 | 849,827 | (947,023) | 6,739,747 | 585,152 |
| Total Governmental Activities Long-Term Liabilities | <u>\$96,261,029</u> | <u>\$ 9,761,449</u> | <u>\$ (2,925,767)</u> | <u>\$103,096,711</u> | <u>\$ 2,438,620</u> |
| Business-Type Activities: | | | | | |
| Net Pension Liability (SERS) | \$ 2,130,008 | \$ 209,125 | \$ 0 | \$ 2,339,133 | \$ 0 |
| Compensated Absences | 60,507 | 105,793 | 5,365 | 160,935 | 15,324 |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 2,190,515</u> | <u>\$ 314,918</u> | <u>\$ 5,365</u> | <u>\$ 2,500,068</u> | <u>\$ 15,324</u> |

The general obligation bonds will be paid with property tax revenue from the bond retirement fund. Compensated absences will be paid from the fund from which the employee is paid, which for the School District is primarily the general fund. Capital lease obligations will be paid from the general fund. Obligations related to employee compensation will be paid from the fund benefitting from their service.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Series 2004 School Improvement General Obligation Bonds

On April 8, 2004, the School District issued \$4,499,998 in general obligation bonds. The proceeds of the bond issue were used to retire the Series 2003 School Improvement Notes which matured on July 15, 2004. The Series 2004 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$4,460,000 and capital appreciation bonds, par value \$39,998. The capital appreciation bonds matured on December 1, 2014 (stated interest rate 24.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The current interest bonds maturing on December 1, 2026 (the 2026 Term Bonds) are subject to mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation. That mandatory redemption of the 2026 Term Bonds is to occur on December 1 in each of the years 2024 and 2025 (with the balance of \$320,000 to be paid at stated maturity on December 1, 2026), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

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

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

Series 2007 Refunding General Obligation Bonds

On February 14, 2007, the School District issued general obligation bonds (Series 2007 Refunding Bonds) to advance refund the callable portion of the Series 1999 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2016, is \$14,550,000.

The refunding issue is comprised of both current interest bonds, par value \$16,960,000 and capital appreciation bonds par value \$1,394,970. The interest rates on the current interest bonds range from 4.00% - 4.50%. The capital appreciation bonds mature on December 1, 2015 (stated interest rate 9.281%) and December 1, 2016 (stated interest rate 9.281%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 was \$1,590,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 is \$1,590,000.

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

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

School Facilities Construction and Improvement Bonds - Series 2010

On September 1, 2010, the School District issued \$2,670,000 of Qualified School Construction Bonds (QSCBs) to finance building construction and improvements. This issue is comprised of current interest term bonds, par value \$2,670,000.

These bonds are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment. Accordingly, such unmatured obligations of the School District are accounted for on the statement of net position. Payments of interest relating to this bond are recorded as expenditures in the bond retirement fund.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issues is December 1, 2019.

For QSCBs, the School District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The School District recorded this subsidy from the federal government in the amount of \$117,454 in the bond retirement fund.

\$2,670,000 of the QSCBs is subject to mandatory sinking fund deposits. The School District is required to maintain a sinking fund account and deposit monies each December 1 into the account for payment of the bonds at maturity on December 1, 2019. The mandatory annual sinking fund payment of \$267,000 is made from the bond retirement fund. On the financial statements, the fair value of the investments accumulated in the sinking fund in the amount of \$1,686,460 is reported as "cash and investments with escrow agent".

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2016 are as follows:

| Fiscal Year Ending June 30, | Current Interest Bonds | | Capital Appreciation Bonds | | Total | |
|--------------------------------|------------------------|--------------------|----------------------------|-------------------|---------------------|------------------------|
| | Principal | Interest | Principal | Accretion | Principal | Accretion/ Interest |
| 2017 | \$ 210,000 | \$ 804,770 | \$666,560 | \$ 923,440 | \$ 876,560 | \$1,728,210 |
| 2018 | 1,810,000 | 764,369 | 0 | 0 | 1,810,000 | 764,369 |
| 2019 | 1,930,000 | 687,269 | 0 | 0 | 1,930,000 | 687,269 |
| 2020 | 4,680,000 | 540,644 | 0 | 0 | 4,680,000 | 540,644 |
| 2021 | 2,095,000 | 389,092 | 0 | 0 | 2,095,000 | 389,092 |
| 2022 - 2026 | 7,335,000 | 638,668 | 0 | 0 | 7,335,000 | 638,668 |
| 2027 | 320,000 | 7,400 | 0 | 0 | 320,000 | 7,400 |
| Total | \$18,380,000 | \$3,832,212 | \$666,560 | \$ 923,440 | \$19,046,560 | \$4,755,652 |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 14 - Capital Lease

In the current and in prior fiscal years, the School District entered into capitalized leases for copiers, and computers. All leases meet the criteria of a capital lease 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 \$239,955, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2016 was \$62,910, leaving a current book value of \$146,790.

Two leases for computer equipment in the amount of \$89,803 and \$275,860 have not been capitalized since the assets do not meet the School District's capitalization threshold.

Principal and interest payments in the 2016 fiscal year totaled \$129,420 and \$4,356, respectively. These amounts are reported as debt service payments of the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2016.

| Year | Amount |
|--|------------|
| 2017 | \$ 133,834 |
| 2018 | 102,095 |
| 2019 | 102,098 |
| 2020 | 102,100 |
| Total Minimum Lease Payments | 440,127 |
| Less Amount Representing Interest | 25,924 |
| Present Value of Minimum Lease Payments | \$ 414,203 |

Note 15 – Public Entity Risk Pool

The Suburban Health Consortium (Consortium) is a shared health risk pool created pursuant to State statute for the purpose of administering health care benefits. The Consortium 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 Consortium. All Consortium 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. During fiscal year 2012, the School District became the fiscal agent for the Consortium.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 16 – Jointly Governed Organizations

Northeast Ohio Network for Educational Technology (NEOnet)

NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council (Council). The Council serves several program functions for the 27 school district members, such as NEOnet ITC functions and as a collaborative purchasing agent. The Council is self-supporting and conducts its fiscal services in house with a licensed treasurer.

The Council employs an Executive Director who works cooperatively with a nine-member Board of Directors consisting of four superintendents, the Portage Lakes Career Center superintendent, three members of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Road, Cuyahoga Falls, Ohio 44221. During the current fiscal year, the District contributed \$106,210 to NEOnet.

Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of two hundred member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2016, the School District paid \$4,169 to the Council for membership and other services and \$24,364 to the Council's prepaid natural gas program. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 Developmental Disabilities boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, and Toledo Edison) the ability to purchase electricity at reduced rates. The Council's current program, Power 4 Schools, provides for a fixed per kilowatt-hour for electricity generation until May 2017, converting to a new fixed price or percent off the Price to Compare (PTC), whichever provides the greatest savings until December 2019.

Note 17 – Interfund

Transfers

Transfers for the year ended June 30, 2016 consisted of the following:

| Fund | Transfer In | Transfer Out |
|-----------------------------|----------------|-----------------|
| General Fund | \$ 0 | \$ 110,000 |
| Nonmajor Governmental Funds | 110,000 | 0 |
| Total | \$ 110,000 | \$ 110,000 |

The business-type activities transferred \$600,000 in capital assets to the governmental activities.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

General fund transferred \$110,000 to the athletics fund.

Interfund Balances

Interfund balances at June 30, 2016 consisted of the following:

| | Interfund Receivable | Interfund Payable |
|-----------------------------|-------------------------|----------------------|
| General Fund | \$ 27,076 | \$ 0 |
| Nonmajor Governmental Funds | 0 | 27,076 |
| Total | \$ 27,076 | \$ 27,076 |

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The general fund advanced monies to nonmajor governmental funds to cover expenditures until expected revenues were received. All interfund loans will be repaid in fiscal year 2017 with monies to be received from reimbursable expenditures incurred during fiscal year 2016.

Note 18 – Set-Asides

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

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

| | Capital Improvement Reserve |
|---|-----------------------------------|
| Set Aside Restricted Balance June 30, 2015 | \$ 0 |
| Current Year Set-Aside Requirement | 356,644 |
| Current Year Offsets | (927,870) |
| Total | \$ (571,226) |
| Balance Carried Forward to Fiscal Year 2017 | \$ 0 |
| Set Aside Balance June 30, 2016 | \$ 0 |

The School District had current year offsets that reduced the capital improvements set-aside amount to zero. During fiscal years 1999, 2004 and 2011, the School District issued \$29,498,221, \$4,499,998 and \$2,670,000, respectively, in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount is limited to an amount needed to reduce the reserve for capital improvement to zero. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods. The full amount of these proceeds is still available to offset the set aside requirement.

Note 19 - Contingencies

Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

Orange City School District
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Litigation

The School District is party to legal proceedings. The School 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 School District.

School District Funding

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school districts, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

Note 20 – Commitments

Encumbrances

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

| <u>Fund</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| General Fund | \$ 1,261,365 |
| Permanent Improvement Fund | 272,819 |
| Nonmajor Governmental Funds | <u>81,802</u> |
| | <u>\$ 1,615,986</u> |

Note 21 – Subsequent Event

The School District closed the Gund School effective at the end of the 2015-16 school year.

Orange City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Three Fiscal Years (1)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|
| <i>State Teachers Retirement System (STRS)</i> | | | |
| School District's Proportion of the Net Pension Liability | 0.21366175% | 0.21549502% | 0.21549502% |
| School District's Proportionate Share of the Net Pension Liability | \$ 59,049,858 | \$ 52,415,847 | \$ 62,437,414 |
| School District's Covered-Employee Payroll | \$ 22,395,500 | \$ 22,017,638 | \$ 22,339,577 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | 263.67% | 238.06% | 279.49% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 72.10% | 74.70% | 69.30% |
| <i>School Employees Retirement System (SERS)</i> | | | |
| School District's Proportion of the Net Pension Liability | 0.33074570% | 0.33313900% | 0.33313900% |
| School District's Proportionate Share of the Net Pension Liability | \$ 18,872,670 | \$ 16,859,975 | \$ 19,810,707 |
| School District's Covered-Employee Payroll | \$ 10,576,662 | \$ 9,778,146 | \$ 9,697,861 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll | 178.44% | 172.43% | 204.28% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.16% | 71.70% | 65.52% |

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

Orange City School District
Cuyahoga County, Ohio
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| <i>State Teachers Retirement System (STRS)</i> | | | | |
| Contractually Required Contribution | \$ 3,204,532 | \$ 3,135,370 | \$ 2,862,293 | \$ 2,904,145 |
| Contributions in Relation to the Contractually Required Contribution | <u>(3,204,532)</u> | <u>(3,135,370)</u> | <u>(2,862,293)</u> | <u>(2,904,145)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| School District's Covered-Employee Payroll | \$ 22,889,514 | \$ 22,395,500 | \$ 22,017,638 | \$ 22,339,577 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.00% | 14.00% | 13.00% | 13.00% |
| <i>School Employees Retirement System (SERS)</i> | | | | |
| Contractually Required Contribution | \$ 1,698,906 | \$ 1,394,004 | \$ 1,355,251 | \$ 1,342,184 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,698,906)</u> | <u>(1,394,004)</u> | <u>(1,355,251)</u> | <u>(1,342,184)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| School District's Covered-Employee Payroll | \$ 12,135,043 | \$ 10,576,662 | \$ 9,778,146 | \$ 9,697,861 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.00% | 13.18% | 13.86% | 13.84% |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 2,940,205 | \$ 2,982,666 | \$ 2,912,735 | \$ 2,820,468 | \$ 2,691,562 | \$ 2,607,823 |
| <u>(2,940,205)</u> | <u>(2,982,666)</u> | <u>(2,912,735)</u> | <u>(2,820,468)</u> | <u>(2,691,562)</u> | <u>(2,607,823)</u> |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| \$ 22,616,962 | \$ 22,943,585 | \$ 22,405,654 | \$ 21,695,908 | \$ 20,704,323 | \$ 20,060,177 |
| 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |
| | | | | | |
| \$ 1,292,824 | \$ 1,231,533 | \$ 1,296,264 | \$ 926,910 | \$ 885,283 | \$ 926,677 |
| <u>(1,292,824)</u> | <u>(1,231,533)</u> | <u>(1,296,264)</u> | <u>(926,910)</u> | <u>(885,283)</u> | <u>(926,677)</u> |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| \$ 9,612,074 | \$ 9,797,399 | \$ 9,573,589 | \$ 9,419,817 | \$ 9,015,102 | \$ 8,676,751 |
| 13.45% | 12.57% | 13.54% | 9.84% | 9.82% | 10.68% |

This page intentionally left blank

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



**To Learn.
To Lead.
To Make a Difference.**

**Combining Statements
and Individual Fund Schedules**

Orange City School District
Cuyahoga County, Ohio
Combining Statements
Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Local Grants Fund – This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted for specified purposes.

District Managed Activities Fund – This fund accounts for monies that are restricted to those student activity programs which have student participation in the activity but do not have student management of the programs.

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

Ohio K-12 Network Connectivity Fund– This fund accounts for money that is restricted for expenditures related to the Ohio Educational Computer Network Connections.

Title VI-B Fund – This fund accounts for federal monies that are restricted to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III Fund – This fund accounts for federal monies that are restricted to assist the District in meeting the special needs of children of limited English proficiency.

Title I Fund – This fund accounts for federal monies that are restricted to assist the District in meeting the special needs of educationally deprived children.

Preschool Disability Fund – This fund accounts for monies received that are restricted for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A Fund – This fund accounts for grant monies that are restricted for the hiring of additional teachers in grades 1-3.

Food Service Fund – This fund accounts for monies received that are restricted to the food service operations of the District.

Memorial Fund – This fund accounts for monies that are committed for the purchase of library books or other materials for the District.

Orange City School District
Cuyahoga County, Ohio
Combining Statements
Nonmajor Funds

With the implementation of GASB No. 54, the following funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds.

Unclaimed Monies Fund - This fund accounts for resources that are unclaimed monies that have not been distributed. The fund balance of this fund is nonspendable.

Uniform School Supplies Fund – This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Special Education Fund – This fund accounts for the tuition revenues and other sources received from other school districts that are used for the School District’s special education programs.

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

Termination Benefits Fund – This fund accounts for money committed for paying termination benefits.

Nonmajor Capital Project Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Building Fund – The permanent improvement capital projects fund accounts for all transactions related to the acquiring, constructing or improving facilities.

Orange City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

| | Nonmajor Special Revenue Funds | Building Fund | Total Nonmajor Governmental Funds |
|---|---|------------------|--|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$ 591,314 | \$ 33,894 | \$ 625,208 |
| Receivables: | | | |
| Accrued Interest | 525 | 39 | 564 |
| Intergovernmental | 195,361 | 0 | 195,361 |
| <i>Total Assets</i> | <u>\$ 787,200</u> | <u>\$ 33,933</u> | <u>\$ 821,133</u> |
| Liabilities: | | | |
| Accounts Payable | \$ 4,383 | \$ 0 | \$ 4,383 |
| Accrued Wages and Benefits | 122,468 | 0 | 122,468 |
| Intergovernmental Payable | 17,623 | 0 | 17,623 |
| Interfund Payable | 27,076 | 0 | 27,076 |
| <i>Total Liabilities</i> | <u>171,550</u> | <u>0</u> | <u>171,550</u> |
| Deferred Inflows of Resources: | | | |
| Other | 53,338 | 0 | 53,338 |
| Fund Balances: | | | |
| Restricted | 531,714 | 33,933 | 565,647 |
| Committed | 30,598 | 0 | 30,598 |
| <i>Total Fund Balances (Deficit)</i> | <u>562,312</u> | <u>33,933</u> | <u>596,245</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$ 787,200</u> | <u>\$ 33,933</u> | <u>\$ 821,133</u> |

Orange City School District
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

| | Nonmajor Special Revenue Funds | Building Fund | Total Nonmajor Governmental Funds |
|---|---|------------------|--|
| Revenues: | | | |
| Intergovernmental | \$ 1,504,897 | \$ 0 | \$ 1,504,897 |
| Investment Income | 5,152 | 311 | 5,463 |
| Extracurricular Activities | 124,046 | 0 | 124,046 |
| Charges for Services | 519,625 | 0 | 519,625 |
| Contributions and Donations | 54,707 | 0 | 54,707 |
| Miscellaneous | 11,523 | 0 | 11,523 |
| <i>Total Revenues</i> | <u>2,219,950</u> | <u>311</u> | <u>2,220,261</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 134,375 | 0 | 134,375 |
| Special | 461,078 | 0 | 461,078 |
| Support Services: | | | |
| Pupils | 171,794 | 0 | 171,794 |
| Instructional Staff | 4,497 | 0 | 4,497 |
| Administration | 15,387 | 0 | 15,387 |
| Central | 5,400 | 0 | 5,400 |
| Extracurricular Activities | 327,348 | 0 | 327,348 |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations | 596,921 | 0 | 596,921 |
| Community Services | 584,828 | 4,673 | 589,501 |
| <i>Total Expenditures</i> | <u>2,301,628</u> | <u>4,673</u> | <u>2,306,301</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (81,678) | (4,362) | (86,040) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 110,000 | 0 | 110,000 |
| <i>Net Change in Fund Balance</i> | 28,322 | (4,362) | 23,960 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>533,990</u> | <u>38,295</u> | <u>572,285</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$ 562,312</u> | <u>\$ 33,933</u> | <u>\$ 596,245</u> |

Orange City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

| | Local Grants Fund | District Managed Activities Fund | Auxiliary Services Fund | Ohio K-12 Network Connectivity Fund |
|---|-------------------------|---|-------------------------------|--|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 35,061 | \$ 101,279 | \$ 73,813 | \$ 0 |
| Receivables: | | | | |
| Accrued Interest | 0 | 0 | 85 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$ 35,061</u> | <u>\$ 101,279</u> | <u>\$ 73,898</u> | <u>\$ 0</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 91 | \$ 4,292 | \$ 0 |
| Accrued Wages and Benefits | 0 | 0 | 15,885 | 0 |
| Intergovernmental Payable | 0 | 0 | 1,893 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>0</u> | <u>91</u> | <u>22,070</u> | <u>0</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Revenue - Other | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Restricted | 35,061 | 101,188 | 51,828 | 0 |
| Committed | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>35,061</u> | <u>101,188</u> | <u>51,828</u> | <u>0</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i> | <u>\$ 35,061</u> | <u>\$ 101,279</u> | <u>\$ 73,898</u> | <u>\$ 0</u> |

(continued)

Orange City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

| | Title VI-B Fund | Title III Fund | Title I Fund | Preschool Disability Fund |
|---|--------------------|-------------------|------------------|---------------------------------|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 0 | \$ 856 | \$ 0 |
| Receivables: | | | | |
| Accrued Interest | 0 | 0 | 0 | 0 |
| Intergovernmental | 120,379 | 0 | 46,342 | 3,675 |
| <i>Total Assets</i> | <u>\$ 120,379</u> | <u>\$ 0</u> | <u>\$ 47,198</u> | <u>\$ 3,675</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued Wages and Benefits | 56,715 | 0 | 26,644 | 1,048 |
| Intergovernmental Payable | 7,822 | 0 | 3,245 | 298 |
| Interfund Payable | 15,318 | 0 | 8,783 | 548 |
| <i>Total Liabilities</i> | <u>79,855</u> | <u>0</u> | <u>38,672</u> | <u>1,894</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Revenue - Other | 30,874 | 0 | 6,382 | 280 |
| Fund Balances: | | | | |
| Restricted | 9,650 | 0 | 2,144 | 1,501 |
| Committed | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>9,650</u> | <u>0</u> | <u>2,144</u> | <u>1,501</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i> | <u>\$ 120,379</u> | <u>\$ 0</u> | <u>\$ 47,198</u> | <u>\$ 3,675</u> |

(continued)

Orange City School District
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

| | Title II-A Fund | Food Service Fund | Memorial Fund | Total Nonmajor Special Revenue Funds |
|---|--------------------|-------------------------|------------------|---|
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$ 300 | \$ 349,442 | \$ 30,563 | \$ 591,314 |
| Receivables: | | | | |
| Accrued Interest | 0 | 405 | 35 | 525 |
| Intergovernmental | 24,965 | 0 | 0 | 195,361 |
| <i>Total Assets</i> | <u>\$ 25,265</u> | <u>\$ 349,847</u> | <u>\$ 30,598</u> | <u>\$ 787,200</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 4,383 |
| Accrued Wages and Benefits | 5,853 | 16,323 | 0 | 122,468 |
| Intergovernmental Payable | 704 | 3,661 | 0 | 17,623 |
| Interfund Payable | 2,427 | 0 | 0 | 27,076 |
| <i>Total Liabilities</i> | <u>8,984</u> | <u>19,984</u> | <u>0</u> | <u>171,550</u> |
| Deferred Inflows of Resources: | | | | |
| Unavailable Revenue - Other | 15,802 | 0 | 0 | 53,338 |
| Fund Balances: | | | | |
| Restricted | 479 | 329,863 | 0 | 531,714 |
| Committed | 0 | 0 | 30,598 | 30,598 |
| <i>Total Fund Balances (Deficit)</i> | <u>479</u> | <u>329,863</u> | <u>30,598</u> | <u>562,312</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</i> | <u>\$ 25,265</u> | <u>\$ 349,847</u> | <u>\$ 30,598</u> | <u>\$ 787,200</u> |

**Orange City School District
Cuyahoga County, Ohio**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016*

| | Local Grants Fund | District Managed Activities Fund | Auxiliary Services Fund | Ohio K-12 Network Connectivity Fund |
|---|-------------------------|---|-------------------------------|--|
| Revenues: | | | | |
| Intergovernmental | \$ 63,431 | \$ 0 | \$ 578,857 | \$ 5,400 |
| Investment Income | 0 | 0 | 1,637 | 0 |
| Extracurricular Activities | 0 | 124,046 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 54,707 | 0 | 0 |
| Miscellaneous | 0 | 11,523 | 0 | 0 |
| <i>Total Revenues</i> | <u>63,431</u> | <u>190,276</u> | <u>580,494</u> | <u>5,400</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 86,566 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 |
| Support Services: | | | | |
| Pupils | 0 | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 0 | 0 |
| Administration | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 5,400 |
| Extracurricular Activities | 0 | 327,348 | 0 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 0 | 0 | 0 | 0 |
| Community Services | 2,211 | 0 | 574,249 | 0 |
| <i>Total Expenditures</i> | <u>88,777</u> | <u>327,348</u> | <u>574,249</u> | <u>5,400</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (25,346) | (137,072) | 6,245 | 0 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 110,000 | 0 | 0 |
| <i>Net Change in Fund Balance</i> | (25,346) | (27,072) | 6,245 | 0 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>60,407</u> | <u>128,260</u> | <u>45,583</u> | <u>0</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$ 35,061</u> | <u>\$ 101,188</u> | <u>\$ 51,828</u> | <u>\$ 0</u> |

(continued)

**Orange City School District
Cuyahoga County, Ohio**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016*

| | Title VI-B Fund | Title III Fund | Title I Fund | Preschool Disability Fund |
|---|--------------------|-------------------|-----------------|---------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 429,395 | \$ 6,806 | \$ 208,641 | \$ 16,228 |
| Investment Income | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Contributions and Donations | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>429,395</u> | <u>6,806</u> | <u>208,641</u> | <u>16,228</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 0 | 6,805 | 0 | 0 |
| Special | 258,864 | 5,000 | 196,515 | 699 |
| Support Services: | | | | |
| Pupils | 171,794 | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 4,497 | 0 |
| Administration | 0 | 0 | 0 | 15,387 |
| Central | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 0 | 0 | 0 | 0 |
| Community Services | 0 | 1,266 | 7,102 | 0 |
| <i>Total Expenditures</i> | <u>430,658</u> | <u>13,071</u> | <u>208,114</u> | <u>16,086</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (1,263) | (6,265) | 527 | 142 |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| <i>Net Change in Fund Balance</i> | (1,263) | (6,265) | 527 | 142 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>10,913</u> | <u>6,265</u> | <u>1,617</u> | <u>1,359</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$ 9,650</u> | <u>\$ 0</u> | <u>\$ 2,144</u> | <u>\$ 1,501</u> |

(continued)

Orange City School District
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

| | Title II-A Fund | Food Service Fund | Memorial Fund | Total Nonmajor Special Revenue Funds |
|---|--------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Intergovernmental | \$ 41,428 | \$ 154,711 | \$ 0 | \$ 1,504,897 |
| Investment Income | 0 | 3,218 | 297 | 5,152 |
| Extracurricular Activities | 0 | 0 | 0 | 124,046 |
| Charges for Services | 0 | 519,625 | 0 | 519,625 |
| Contributions and Donations | 0 | 0 | 0 | 54,707 |
| Miscellaneous | 0 | 0 | 0 | 11,523 |
| <i>Total Revenues</i> | <u>41,428</u> | <u>677,554</u> | <u>297</u> | <u>2,219,950</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 41,004 | 0 | 0 | 134,375 |
| Special | 0 | 0 | 0 | 461,078 |
| Support Services: | | | | |
| Pupils | 0 | 0 | 0 | 171,794 |
| Instructional Staff | 0 | 0 | 0 | 4,497 |
| Administration | 0 | 0 | 0 | 15,387 |
| Central | 0 | 0 | 0 | 5,400 |
| Extracurricular Activities | 0 | 0 | 0 | 327,348 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 0 | 596,921 | 0 | 596,921 |
| Community Services | 0 | 0 | 0 | 584,828 |
| <i>Total Expenditures</i> | <u>41,004</u> | <u>596,921</u> | <u>0</u> | <u>2,301,628</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 424 | 80,633 | 297 | (81,678) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 0 | 0 | 0 | 110,000 |
| <i>Net Change in Fund Balance</i> | 424 | 80,633 | 297 | 28,322 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>55</u> | <u>249,230</u> | <u>30,301</u> | <u>533,990</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$ 479</u> | <u>\$ 329,863</u> | <u>\$ 30,598</u> | <u>\$ 562,312</u> |

This page intentionally left blank

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

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|--------------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Property and Other Local Taxes | \$ 38,453,110 | \$ 37,168,928 | \$ 39,885,411 | \$ 2,716,483 |
| Intergovernmental | 7,448,834 | 6,443,766 | 7,726,288 | 1,282,522 |
| Investment Income | 200,011 | 175,000 | 207,461 | 32,461 |
| Tuition and Fees | 320,872 | 223,000 | 332,824 | 109,824 |
| Rentals | 9,000 | 9,000 | 115 | (8,885) |
| Charges for Services | 36,729 | 53,000 | 36,606 | (16,394) |
| Contributions and Donations | 0 | 0 | 1,492 | 1,492 |
| Miscellaneous | 31,922 | 35,000 | 42,331 | 7,331 |
| <i>Total Revenues</i> | <u>46,500,478</u> | <u>44,107,694</u> | <u>48,232,528</u> | <u>4,124,834</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 13,480,185 | 13,386,910 | 12,367,865 | 1,019,045 |
| Fringe Benefits | 4,281,844 | 4,281,844 | 4,110,028 | 171,816 |
| Purchased Services | 755,458 | 838,592 | 867,531 | (28,939) |
| Materials and Supplies | 341,210 | 328,784 | 271,343 | 57,441 |
| Capital Outlay | 127,210 | 128,115 | 128,028 | 87 |
| Total Regular | <u>18,985,907</u> | <u>18,964,245</u> | <u>17,744,795</u> | <u>1,219,450</u> |
| Special: | | | | |
| Salaries and Wages | 4,030,864 | 3,948,721 | 4,001,576 | (52,855) |
| Fringe Benefits | 1,455,893 | 1,455,893 | 1,473,792 | (17,899) |
| Purchased Services | 1,285,818 | 1,349,423 | 1,432,861 | (83,438) |
| Materials and Supplies | 57,490 | 58,198 | 55,639 | 2,559 |
| Capital Outlay | 12,065 | 9,555 | 9,552 | 3 |
| Total Special | <u>6,842,130</u> | <u>6,821,790</u> | <u>6,973,420</u> | <u>(151,630)</u> |
| Vocational: | | | | |
| Salaries and Wages | 82,267 | 73,073 | 82,398 | (9,325) |
| Fringe Benefits | 11,808 | 34,068 | 28,585 | 5,483 |
| Purchased Services | 227,033 | 227,033 | 406,351 | (179,318) |
| Materials and Supplies | 2,700 | 2,700 | 2,700 | 0 |
| Total Vocational | <u>323,808</u> | <u>336,874</u> | <u>520,034</u> | <u>(183,160)</u> |
| Other: | | | | |
| Salaries and Wages | 18,642 | 0 | 0 | 0 |
| Total Instruction | <u>26,170,487</u> | <u>26,122,909</u> | <u>25,238,249</u> | <u>884,660</u> |
| Support Services: | | | | |
| Pupils: | | | | |
| Salaries and Wages | 2,209,755 | 2,177,132 | 1,972,036 | 205,096 |
| Fringe Benefits | 720,036 | 720,183 | 664,549 | 55,634 |
| Purchased Services | 422,125 | 415,893 | 386,194 | 29,699 |
| Materials and Supplies | 19,065 | 15,910 | 13,717 | 2,193 |
| Total Pupils | <u>3,370,981</u> | <u>3,329,118</u> | <u>3,036,496</u> | <u>292,622</u> |

(continued)

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|------------------|------------------|------------------|
| | Original | Final | | |
| Instructional Staff: | | | | |
| Salaries and Wages | 957,464 | 941,829 | 983,301 | (41,472) |
| Fringe Benefits | 434,521 | 434,585 | 431,089 | 3,496 |
| Purchased Services | 61,585 | 43,943 | 41,114 | 2,829 |
| Materials and Supplies | 44,215 | 43,392 | 43,059 | 333 |
| Capital Outlay | 3,800 | 3,826 | 3,824 | 2 |
| Total Instructional Staff | 1,501,585 | 1,467,575 | 1,502,387 | (34,812) |
| Board of Education: | | | | |
| Salaries and Wages | 24,635 | 22,950 | 15,000 | 7,950 |
| Fringe Benefits | 6,075 | 6,075 | 3,781 | 2,294 |
| Purchased Services | 8,000 | 6,708 | 6,587 | 121 |
| Capital Outlay | 2,500 | 736 | 0 | 736 |
| Other | 55,725 | 66,983 | 66,122 | 861 |
| Total Board of Education | 96,935 | 103,452 | 91,490 | 11,962 |
| Administration: | | | | |
| Salaries and Wages | 1,901,533 | 1,863,541 | 1,849,973 | 13,568 |
| Fringe Benefits | 797,775 | 799,775 | 808,895 | (9,120) |
| Purchased Services | 517,778 | 545,649 | 516,207 | 29,442 |
| Materials and Supplies | 28,853 | 24,021 | 22,882 | 1,139 |
| Capital Outlay | 10,000 | 3,658 | 3,039 | 619 |
| Other | 207,602 | 250,102 | 236,585 | 13,517 |
| Total Administration | 3,463,541 | 3,486,746 | 3,437,581 | 49,165 |
| Fiscal: | | | | |
| Salaries and Wages | 420,877 | 396,829 | 385,053 | 11,776 |
| Fringe Benefits | 259,540 | 415,522 | 190,315 | 225,207 |
| Purchased Services | 62,500 | 62,500 | 61,484 | 1,016 |
| Materials and Supplies | 5,000 | 5,000 | 4,125 | 875 |
| Capital Outlay | 12,500 | 3,850 | 260 | 3,590 |
| Other | 687,000 | 661,554 | 655,359 | 6,195 |
| Total Fiscal | 1,447,417 | 1,545,255 | 1,296,596 | 248,659 |
| Business: | | | | |
| Salaries and Wages | 314,654 | 310,107 | 257,531 | 52,576 |
| Fringe Benefits | 119,300 | 138,831 | 111,820 | 27,011 |
| Purchased Services | 138,094 | 136,094 | 134,319 | 1,775 |
| Materials and Supplies | 72,685 | 67,164 | 58,386 | 8,778 |
| Capital Outlay | 7,500 | 2,591 | 2,579 | 12 |
| Other | 2,300 | 1,800 | 1,605 | 195 |
| Total Business | 654,533 | 656,587 | 566,240 | 90,347 |
| Operation and Maintenance of Plant: | | | | |
| Salaries and Wages | 1,942,520 | 1,902,006 | 1,896,458 | 5,548 |
| Fringe Benefits | 892,747 | 892,747 | 903,744 | (10,997) |
| Purchased Services | 1,609,821 | 1,607,980 | 1,901,764 | (293,784) |
| Materials and Supplies | 237,405 | 245,642 | 222,805 | 22,837 |
| Capital Outlay | 48,450 | 36,330 | 41,244 | (4,914) |
| Other | 15,000 | 16,000 | 15,235 | 765 |
| Total Operation and Maintenance of Plant | 4,745,943 | 4,700,705 | 4,981,250 | (280,545) |

(continued)

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|---|--------------------|--------------------|-------------------|------------------|
| | Original | Final | | |
| Pupil Transportation: | | | | |
| Salaries and Wages | 2,024,361 | 1,993,642 | 2,013,195 | (19,553) |
| Fringe Benefits | 1,010,264 | 1,010,264 | 952,662 | 57,602 |
| Purchased Services | 112,000 | 156,191 | 88,399 | 67,792 |
| Materials and Supplies | 399,097 | 451,097 | 294,060 | 157,037 |
| Capital Outlay | 280,000 | 185,500 | 169,663 | 15,837 |
| Total Pupil Transportation | 3,825,722 | 3,796,694 | 3,517,979 | 278,715 |
| Central: | | | | |
| Salaries and Wages | 403,330 | 403,136 | 406,240 | (3,104) |
| Fringe Benefits | 218,913 | 218,913 | 216,023 | 2,890 |
| Purchased Services | 228,301 | 199,662 | 190,181 | 9,481 |
| Materials and Supplies | 47,350 | 44,902 | 43,669 | 1,233 |
| Capital Outlay | 49,370 | 71,580 | 71,445 | 135 |
| Total Central | 947,264 | 938,193 | 927,558 | 10,635 |
| Total Support Services | 20,053,921 | 20,024,325 | 19,357,577 | 666,748 |
| Extracurricular Activities: | | | | |
| Academic Oriented Activities: | | | | |
| Salaries and Wages | 253,151 | 242,050 | 237,780 | 4,270 |
| Fringe Benefits | 40,231 | 55,231 | 41,905 | 13,326 |
| Purchased Services | 225 | 0 | 0 | 0 |
| Total Academic Oriented Activities | 293,607 | 297,281 | 279,685 | 17,596 |
| Sport Oriented Activities: | | | | |
| Salaries and Wages | 830,683 | 830,683 | 814,425 | 16,258 |
| Fringe Benefits | 138,726 | 194,726 | 181,699 | 13,027 |
| Capital Outlay | 0 | 17,500 | 17,490 | 10 |
| Total Sports Oriented Activities | 969,409 | 1,042,909 | 1,013,614 | 29,295 |
| School and Public Service Co-Curricular Activities | | | | |
| Salaries and Wages | 22,998 | 22,998 | 25,563 | (2,565) |
| Fringe Benefits | 4,421 | 4,421 | 5,530 | (1,109) |
| Total Public Service Co-Curricular Activities | 27,419 | 27,419 | 31,093 | (3,674) |
| Total Extracurricular Activities | 1,290,435 | 1,367,609 | 1,324,392 | 43,217 |
| Debt Service | | | | |
| Principal Retirement | 129,420 | 129,420 | 129,420 | 0 |
| Interest and Fiscal Charges | 4,356 | 4,356 | 4,356 | 0 |
| Total Debt Service | 133,776 | 133,776 | 133,776 | 0 |
| Total Expenditures | 47,648,619 | 47,648,619 | 46,053,994 | 1,594,625 |
| Excess of Revenues Over (Under) Expenditures | (1,148,141) | (3,540,925) | 2,178,534 | 5,719,459 |

(continued)

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance |
|--|----------------------|----------------------|----------------------|---------------------|
| | Original | Final | | |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Assets | 1,000 | 1,000 | 397 | (603) |
| Refund of Prior Year Expenditures | 5,000 | 5,000 | 255,634 | 250,634 |
| Advances In | 800,000 | 800,000 | 704,814 | (95,186) |
| Advances Out | 0 | 0 | (27,076) | (27,076) |
| Transfers Out | (2,500,000) | (2,500,000) | (510,000) | (1,990,000) |
| <i>Total Other Financing Sources (Uses)</i> | (1,694,000) | (1,694,000) | 423,769 | (1,862,231) |
| <i>Net Change in Fund Balance</i> | (2,842,141) | (5,234,925) | 2,602,303 | 7,837,228 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 23,472,252 | 23,472,252 | 23,472,252 | 0 |
| Prior Year Encumbrances Appropriated | 398,619 | 398,619 | 398,619 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 21,028,730</u> | <u>\$ 18,635,946</u> | <u>\$ 26,473,174</u> | <u>\$ 7,837,228</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|---------------------|---------------------|-------------------|
| Revenues: | | | |
| Property and Other Local Taxes | \$ 2,094,896 | \$ 2,238,174 | \$ 143,278 |
| Intergovernmental | 376,500 | 393,377 | 16,877 |
| Investment Income | 15,000 | 17,733 | 2,733 |
| <i>Total Revenues</i> | <u>2,486,396</u> | <u>2,649,284</u> | <u>162,888</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal: | | | |
| Other | 36,181 | 34,036 | 2,145 |
| Debt Service: | | | |
| Principal Retirement | 1,195,410 | 1,195,410 | 0 |
| Interest and Fiscal Charges | 1,678,409 | 1,674,409 | 4,000 |
| <i>Total Debt Service</i> | <u>2,873,819</u> | <u>2,869,819</u> | <u>4,000</u> |
| <i>Total Expenditures</i> | <u>2,910,000</u> | <u>2,903,855</u> | <u>6,145</u> |
| <i>Net Change in Fund Balance</i> | (423,604) | (254,571) | 169,033 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>2,643,231</u> | <u>2,643,231</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 2,219,627</u> | <u>\$ 2,388,660</u> | <u>\$ 169,033</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance Over (Under) |
|---|---------------------|---------------------|-----------------------------|
| Revenues: | | | |
| Property and Other Local Taxes | \$ 764,209 | \$ 818,670 | \$ 54,461 |
| Intergovernmental | 103,300 | 109,199 | 5,899 |
| Investment Income | 27,000 | 38,692 | 11,692 |
| Gifts and Donations | 30,000 | 300,000 | 270,000 |
| Miscellaneous | 2,000 | 0 | (2,000) |
| <i>Total Revenues</i> | <u>926,509</u> | <u>1,266,561</u> | <u>340,052</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal: | | | |
| Other | 13,500 | 12,467 | 1,033 |
| Capital Outlay: | | | |
| Architecture and Engineering Services: | | | |
| Capital Outlay | 107,232 | 61,131 | 46,101 |
| Building Acquisitions and Construction Services: | | | |
| Capital Outlay | 5,503,561 | 4,164,201 | 1,339,360 |
| Building Improvement Services: | | | |
| Capital Outlay | 114,223 | 110,163 | 4,060 |
| Other Facilities Acquisition and Construction Services: | | | |
| Capital Outlay | 137,000 | 136,742 | 258 |
| Total Capital Outlay | <u>5,862,016</u> | <u>4,472,237</u> | <u>1,389,779</u> |
| <i>Total Expenditures</i> | <u>5,875,516</u> | <u>4,484,704</u> | <u>1,390,812</u> |
| <i>Net Change in Fund Balance</i> | (4,949,007) | (3,218,143) | 1,730,864 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 8,323,956 | 8,323,956 | 0 |
| Prior Year Encumbrances Appropriated | 2,101,351 | 2,101,351 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 5,476,300</u> | <u>\$ 7,207,164</u> | <u>\$ 1,730,864</u> |

Orange City School District
*Schedule of Revenues, Expenses and Change in Net Position -
 Budget (Non-GAAP Basis) and Actual
 Recreation Fund
 For the Fiscal Year Ended June 30, 2016*

| | Final Budget | Actual | Variance Over (Under) |
|--|---------------------|---------------------|-----------------------------|
| Operating Revenues: | | | |
| Tuition and Fees | \$ 2,119,801 | \$ 1,933,495 | \$ (186,306) |
| Charges for Services | 59,985 | 59,676 | (309) |
| Other | 0 | 1,871 | 1,871 |
| <i>Total Operating Revenues</i> | <u>2,179,786</u> | <u>1,995,042</u> | <u>(184,744)</u> |
| Operating Expenses: | | | |
| Salaries and Wages | 1,486,374 | 1,327,696 | 158,678 |
| Fringe Benefits | 623,886 | 483,748 | 140,138 |
| Purchased Services | 859,826 | 599,113 | 260,713 |
| Materials and Supplies | 167,257 | 131,691 | 35,566 |
| Capital Outlay | 765,506 | 735,186 | 30,320 |
| Other | 59,049 | 51,484 | 7,565 |
| <i>Total Operating Expenses</i> | <u>3,961,898</u> | <u>3,328,918</u> | <u>632,980</u> |
| <i>Operating Income (Loss)</i> | <u>(1,782,112)</u> | <u>(1,333,876)</u> | <u>448,236</u> |
| Nonoperating Revenues (Expenses): | | | |
| Investment Earnings | 34,000 | 31,220 | (2,780) |
| Property Taxes | 826,010 | 826,010 | 0 |
| Grants and Subsidies | 138,400 | 111,527 | (26,873) |
| Refund of Prior Year Expenses | 0 | 821 | 821 |
| Other | 25,906 | 11,293 | (14,613) |
| <i>Total Nonoperating Revenues (Expenses)</i> | <u>1,024,316</u> | <u>980,871</u> | <u>(43,445)</u> |
| <i>Net Change in Net Position</i> | (757,796) | (353,005) | 404,791 |
| <i>Net Position (Deficit) at Beginning of Year</i> | 4,679,493 | 4,679,493 | 0 |
| Prior Year Encumbrances Appropriated | 38,588 | 38,588 | 0 |
| <i>Net Position (Deficit) at End of Year</i> | <u>\$ 3,960,285</u> | <u>\$ 4,365,076</u> | <u>\$ 404,791</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|------------------|------------------|
| Revenues: | | | |
| Intergovernmental | \$ 59,000 | \$ 63,431 | \$ 4,431 |
| <i>Total Revenues</i> | <u>59,000</u> | <u>63,431</u> | <u>4,431</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Purchased Services | 66,268 | 63,118 | 3,150 |
| Materials and Supplies | 20,579 | 19,551 | 1,028 |
| Capital Outlay | 29,713 | 27,790 | 1,923 |
| Total Regular | <u>116,560</u> | <u>110,459</u> | <u>6,101</u> |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services: | | | |
| Purchased Services | 2,460 | 2,211 | (249) |
| <i>Total Expenditures</i> | <u>119,020</u> | <u>112,670</u> | <u>6,350</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(60,020)</u> | <u>(49,239)</u> | <u>10,781</u> |
| <i>Net Change in Fund Balance</i> | (60,020) | (49,239) | 10,781 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 54,615 | 54,615 | 0 |
| Prior Year Encumbrances Appropriated | <u>8,280</u> | <u>8,280</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 2,875</u> | <u>\$ 13,656</u> | <u>\$ 10,781</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|------------------|------------------|-----------------|
| Revenues: | | | |
| Extracurricular Activities | \$ 205,500 | \$ 124,046 | \$ (81,454) |
| Gifts and Donations | 51,500 | 54,707 | 3,207 |
| Miscellaneous | 8,000 | 11,523 | 3,523 |
| <i>Total Revenues</i> | <u>265,000</u> | <u>190,276</u> | <u>(74,724)</u> |
| Expenditures: | | | |
| Current: | | | |
| Extracurricular Activities: | | | |
| Academic and Subject Oriented Activities: | | | |
| Purchased Services | 119,295 | 55,537 | 63,758 |
| Materials and Supplies | 36,273 | 16,123 | 20,150 |
| Capital Outlay | 618 | 618 | 0 |
| Total Academic and Subject Oriented Activities | <u>156,186</u> | <u>72,278</u> | <u>83,908</u> |
| Sports Oriented Activities: | | | |
| Salaries and Wages | 17,000 | 16,963 | 37 |
| Fringe Benefits | 2,800 | 2,672 | 128 |
| Purchased Services | 119,708 | 129,425 | (9,717) |
| Materials and Supplies | 55,938 | 55,251 | 687 |
| Capital Outlay | 51,304 | 52,320 | (1,016) |
| Total Sports Oriented Activities | <u>246,750</u> | <u>256,631</u> | <u>(9,881)</u> |
| School and Public Service Co-Curricular Activities: | | | |
| Materials and Supplies | 325 | 63 | 262 |
| <i>Total Expenditures</i> | <u>403,261</u> | <u>328,972</u> | <u>74,289</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(138,261)</u> | <u>(138,696)</u> | <u>(435)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 110,000 | 110,000 | 0 |
| <i>Net Change in Fund Balance</i> | (28,261) | (28,696) | (435) |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>128,260</u> | <u>128,260</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 99,999</u> | <u>\$ 99,564</u> | <u>\$ (435)</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|------------------|------------------|
| Revenues: | | | |
| Intergovernmental | \$ 653,220 | \$ 620,603 | \$ (32,617) |
| Investment Income | 515 | 1,416 | 901 |
| <i>Total Revenues</i> | <u>653,735</u> | <u>622,019</u> | <u>(31,716)</u> |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services: | | | |
| Salaries and Wages | 91,809 | 78,627 | 13,182 |
| Fringe Benefits | 32,106 | 27,336 | 4,770 |
| Purchased Services | 337,409 | 304,986 | 32,423 |
| Materials and Supplies | 42,143 | 22,592 | 19,551 |
| Capital Outlay | 171,423 | 154,041 | 17,382 |
| <i>Total Expenditures</i> | <u>674,890</u> | <u>587,582</u> | <u>87,308</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(21,155)</u> | <u>34,437</u> | <u>55,592</u> |
| Other Financing Sources (Uses): | | | |
| Refund of Prior Year Receipts | (41,754) | (41,746) | 8 |
| <i>Net Change in Fund Balance</i> | (62,909) | (7,309) | 55,600 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 54,846 | 54,846 | 0 |
| Prior Year Encumbrances Appropriated | 8,063 | 8,063 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 55,600</u> | <u>\$ 55,600</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Ohio K-12 Network Connectivity Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|--------------|-------------|
| Revenues: | | | |
| Intergovernmental | \$ 5,400 | \$ 5,400 | \$ 0 |
| <i>Total Revenues</i> | <u>5,400</u> | <u>5,400</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Central: | | | |
| Capital Outlay | 5,400 | 5,400 | 0 |
| <i>Total Expenditures</i> | <u>5,400</u> | <u>5,400</u> | <u>0</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|-----------------|------------------|
| Revenues: | | | |
| Intergovernmental | \$ 536,500 | \$ 416,121 | \$ (120,379) |
| <i>Total Revenues</i> | <u>536,500</u> | <u>416,121</u> | <u>(120,379)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Salaries and Wages | 215,784 | 180,754 | 35,030 |
| Fringe Benefits | 92,998 | 78,362 | 14,636 |
| Total Special | <u>308,782</u> | <u>259,116</u> | <u>49,666</u> |
| Support Services: | | | |
| Pupils: | | | |
| Salaries and Wages | 134,642 | 115,099 | 19,543 |
| Fringe Benefits | 42,002 | 35,671 | 6,331 |
| Purchased Services | 37,472 | 16,822 | 20,650 |
| Total Pupils | <u>214,116</u> | <u>167,592</u> | <u>46,524</u> |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services: | | | |
| Purchased Services | 13,602 | 0 | 13,602 |
| <i>Total Expenditures</i> | <u>536,500</u> | <u>426,708</u> | <u>109,792</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>0</u> | <u>(10,587)</u> | <u>(10,587)</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 0 | 15,318 | 15,318 |
| Advances Out | 0 | (4,731) | (4,731) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>10,587</u> | <u>10,587</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|-----------------|---------------|-------------|
| Revenues: | | | |
| Intergovernmental | \$ 6,806 | \$ 6,806 | \$ 0 |
| <i>Total Revenues</i> | <u>6,806</u> | <u>6,806</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 6,805 | 6,805 | 0 |
| Special: | | | |
| Purchased Services | 2,911 | 2,911 | 0 |
| Materials and Supplies | 2,089 | 2,089 | 0 |
| Total Special | <u>5,000</u> | <u>5,000</u> | <u>0</u> |
| Total Instruction | <u>11,805</u> | <u>11,805</u> | <u>0</u> |
| Operation of Non-Instructional/Shared Services: | | | |
| Community Services: | | | |
| Purchased Services | 1,266 | 1,266 | 0 |
| <i>Total Expenditures</i> | <u>13,071</u> | <u>13,071</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (6,265) | (6,265) | 0 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 5,531 | 5,531 | 0 |
| Prior Year Encumbrances Appropriated | <u>734</u> | <u>734</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|----------------|-----------------|
| Revenues: | | | |
| Intergovernmental | \$ 243,723 | \$ 197,933 | \$ (45,790) |
| <i>Total Revenues</i> | <u>243,723</u> | <u>197,933</u> | <u>(45,790)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Salaries and Wages | 156,160 | 133,220 | 22,940 |
| Fringe Benefits | 50,939 | 43,228 | 7,711 |
| Purchased Services | 15,000 | 9,867 | 5,133 |
| Materials and Supplies | 9,281 | 8,720 | 561 |
| Total Special | <u>231,380</u> | <u>195,035</u> | <u>36,345</u> |
| Support Services: | | | |
| Instructional Staff: | | | |
| Purchased Services | 4,347 | 4,500 | (153) |
| Operation of Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 8,000 | 7,102 | 898 |
| <i>Total Expenditures</i> | <u>243,727</u> | <u>206,637</u> | <u>37,090</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(4)</u> | <u>(8,704)</u> | <u>(8,700)</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 0 | 8,783 | 8,783 |
| Advances Out | 0 | (83) | (83) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>8,700</u> | <u>8,700</u> |
| <i>Net Change in Fund Balance</i> | (4) | (4) | 0 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>4</u> | <u>4</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Disability Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|---------------|----------------|
| Revenues: | | | |
| Intergovernmental | \$ 19,090 | \$ 15,387 | \$ (3,703) |
| <i>Total Revenues</i> | <u>19,090</u> | <u>15,387</u> | <u>(3,703)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Materials and Supplies | 882 | 699 | 183 |
| Support Services: | | | |
| Administration: | | | |
| Salaries and Wages | 11,988 | 10,014 | 1,974 |
| Fringe Benefits | 6,220 | 5,253 | 967 |
| Total Administration | <u>18,208</u> | <u>15,267</u> | <u>2,941</u> |
| <i>Total Expenditures</i> | <u>19,090</u> | <u>15,966</u> | <u>3,124</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>0</u> | <u>(579)</u> | <u>(579)</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 0 | 548 | 548 |
| <i>Net Change in Fund Balance</i> | 0 | (31) | (31) |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>31</u> | <u>31</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 31</u> | <u>\$ 0</u> | <u>\$ (31)</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title II-A Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|----------------|-----------------|
| Revenues: | | | |
| Intergovernmental | \$ 63,766 | \$ 38,665 | \$ (25,101) |
| <i>Total Revenues</i> | <u>63,766</u> | <u>38,665</u> | <u>(25,101)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 34,145 | 29,239 | 4,906 |
| Fringe Benefits | 11,558 | 9,822 | 1,736 |
| Purchased Services | 7,302 | 2,055 | 5,247 |
| Total Regular | <u>53,005</u> | <u>41,116</u> | <u>11,889</u> |
| Operation of Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 10,785 | 0 | 10,785 |
| <i>Total Expenditures</i> | <u>63,790</u> | <u>41,116</u> | <u>22,674</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(24)</u> | <u>(2,451)</u> | <u>(2,427)</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 0 | 2,427 | 2,427 |
| <i>Net Change in Fund Balance</i> | (24) | (24) | 0 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 24 | 24 | 0 |
| Prior Year Encumbrances Appropriated | 0 | 0 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|-------------------|-------------------|-------------------|
| Revenues: | | | |
| Intergovernmental | \$ 119,500 | \$ 137,042 | \$ 17,542 |
| Investment Income | 800 | 2,143 | 1,343 |
| Charges for Services | 471,700 | 519,625 | 47,925 |
| <i>Total Revenues</i> | <u>592,000</u> | <u>658,810</u> | <u>66,810</u> |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations: | | | |
| Salaries and Wages | 232,100 | 214,640 | 17,460 |
| Fringe Benefits | 121,900 | 89,191 | 32,709 |
| Purchased Services | 7,000 | 5,477 | 1,523 |
| Materials and Supplies | 224,840 | 240,613 | (15,773) |
| Capital Outlay | 15,000 | 10,425 | 4,575 |
| <i>Total Expenditures</i> | <u>600,840</u> | <u>560,346</u> | <u>40,494</u> |
| <i>Net Change in Fund Balance</i> | (8,840) | 98,464 | 107,304 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 239,784 | 239,784 | 0 |
| Prior Year Encumbrances Appropriated | 340 | 340 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 231,284</u> | <u>\$ 338,588</u> | <u>\$ 107,304</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Memorial Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|------------------|-----------------|
| Revenues: | | | |
| Investment Income | \$ 205 | \$ 208 | \$ 3 |
| <i>Total Revenues</i> | <u>205</u> | <u>208</u> | <u>3</u> |
| <i>Net Change in Fund Balance</i> | 205 | 208 | 3 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>30,285</u> | <u>30,285</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 30,490</u> | <u>\$ 30,493</u> | <u>\$ 3</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Unclaimed Monies Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|------------------|-----------------|
| Revenues: | | | |
| Other | \$ 0 | \$ 6,999 | \$ 6,999 |
| <i>Total Revenues</i> | <u>0</u> | <u>6,999</u> | <u>6,999</u> |
| <i>Net Change in Fund Balance</i> | 0 | 6,999 | 6,999 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>24,709</u> | <u>24,709</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 24,709</u> | <u>\$ 31,708</u> | <u>\$ 6,999</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|------------------|------------------|-----------------|
| Revenues: | | | |
| Tuition and Fees | \$ 67,500 | \$ 57,228 | \$ (10,272) |
| <i>Total Revenues</i> | <u>67,500</u> | <u>57,228</u> | <u>(10,272)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Purchased Services | 500 | 500 | 0 |
| Materials and Supplies | 63,985 | 47,690 | 16,295 |
| Total Regular | <u>64,485</u> | <u>48,190</u> | <u>16,295</u> |
| Vocational: | | | |
| Materials and Supplies | 3,515 | 3,531 | (16) |
| <i>Total Expenditures</i> | <u>68,000</u> | <u>51,721</u> | <u>16,279</u> |
| <i>Net Change in Fund Balance</i> | (500) | 5,507 | 6,007 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>65,535</u> | <u>65,535</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 65,035</u> | <u>\$ 71,042</u> | <u>\$ 6,007</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Special Education Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---------------------------|------------------|------------------|-----------------|
| Revenues: | | | |
| Investment Income | \$ 0 | \$ 1,241 | \$ 1,241 |
| Tuition and Fees | 3,515,784 | 4,009,521 | 493,737 |
| <i>Total Revenues</i> | <u>3,515,784</u> | <u>4,010,762</u> | <u>494,978</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 408,111 | 350,049 | 58,062 |
| Fringe Benefits | 143,182 | 116,730 | 26,452 |
| Purchased Services | 70,724 | 66,065 | 4,659 |
| Materials and Supplies | 11,770 | 10,309 | 1,461 |
| Capital Outlay | 10,292 | 10,284 | 8 |
| Total Regular | <u>644,079</u> | <u>553,437</u> | <u>90,642</u> |
| Special: | | | |
| Salaries and Wages | 1,711,349 | 1,684,350 | 26,999 |
| Fringe Benefits | 627,957 | 651,105 | (23,148) |
| Purchased Services | 246,300 | 200,503 | 45,797 |
| Materials and Supplies | 33,592 | 32,862 | 730 |
| Capital Outlay | 20,869 | 20,718 | 151 |
| Total Special | <u>2,640,067</u> | <u>2,589,538</u> | <u>50,529</u> |
| Total Instruction | <u>3,284,146</u> | <u>3,142,975</u> | <u>141,171</u> |
| Support Services: | | | |
| Pupils: | | | |
| Salaries and Wages | 99,041 | 53,759 | 45,282 |
| Fringe Benefits | 24,901 | 8,633 | 16,268 |
| Total Pupils | <u>123,942</u> | <u>62,392</u> | <u>61,550</u> |
| | | | 0 |
| Instructional Staff: | | | |
| Salaries and Wages | 26,153 | 31,582 | (5,429) |
| Fringe Benefits | 14,758 | 19,631 | (4,873) |
| Total Instructional Staff | <u>40,911</u> | <u>51,213</u> | <u>(10,302)</u> |
| | | | 0 |
| Administration: | | | |
| Salaries and Wages | 161,839 | 161,013 | 826 |
| Fringe Benefits | 73,717 | 71,741 | 1,976 |
| Purchased Services | 15,000 | 29,884 | (14,884) |
| Total Administration | <u>250,556</u> | <u>262,638</u> | <u>(12,082)</u> |
| Business: | | | |
| Materials and Supplies | 3,500 | 3,481 | 19 |
| Total Support Services | <u>418,909</u> | <u>379,724</u> | <u>39,185</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Special Education Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-----------------|------------|-------------|
| <i>Total Expenditures</i> | 3,703,055 | 3,522,699 | 180,356 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (187,271) | 488,063 | 675,334 |
| Other Financing Sources (Uses): | | | |
| Refund of Prior Year Expenditures | 0 | 224 | 224 |
| Advances Out | 0 | (700,000) | (700,000) |
| <i>Total Other Financing Sources (Uses)</i> | 0 | (699,776) | (699,776) |
| <i>Net Change in Fund Balance</i> | (187,271) | (211,713) | (24,442) |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 567,114 | 567,114 | 0 |
| Prior Year Encumbrances Appropriated | 200 | 200 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | \$ 380,043 | \$ 355,601 | \$ (24,442) |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|-----------------|----------------|-----------------|
| Revenues: | | | |
| Tuition and Fees | \$ 0 | \$ 7,819 | \$ 7,819 |
| Extracurricular Activities | 138,462 | 129,697 | (8,765) |
| Contributions and Donations | 14,863 | 1,737 | (13,126) |
| Miscellaneous | 3,675 | 2,781 | (894) |
| <i>Total Revenues</i> | <u>157,000</u> | <u>142,034</u> | <u>(14,966)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Purchased Services | 2,900 | 1,064 | 1,836 |
| Materials and Supplies | 4,990 | 2,896 | 2,094 |
| Total Special | <u>7,890</u> | <u>3,960</u> | <u>3,930</u> |
| Student Intervention Services: | | | |
| Purchased Services | 1,600 | 0 | 1,600 |
| Materials and Supplies | 700 | 0 | 700 |
| Total Student Intervention Services | <u>2,300</u> | <u>0</u> | <u>2,300</u> |
| Total Instruction | <u>10,190</u> | <u>3,960</u> | <u>6,230</u> |
| Support Services: | | | |
| Pupils: | | | |
| Purchased Services | 70,200 | 62,078 | 8,122 |
| Materials and Supplies | 2,100 | 594 | 1,506 |
| Other | 700 | 510 | 190 |
| Total Pupils | <u>73,000</u> | <u>63,182</u> | <u>9,818</u> |
| Instructional Staff: | | | |
| Purchased Services | 3,300 | 270 | 3,030 |
| Materials and Supplies | 6,100 | 2,437 | 3,663 |
| Total Instructional Staff | <u>9,400</u> | <u>2,707</u> | <u>6,693</u> |
| Board of Education: | | | |
| Purchased Services | 20 | 0 | 20 |
| Materials and Supplies | 90 | 0 | 90 |
| Total Board of Education | <u>110</u> | <u>0</u> | <u>110</u> |
| Total Support Services | <u>82,510</u> | <u>65,889</u> | <u>16,621</u> |
| Extracurricular Activities: | | | |
| School and Public Service Co-Curricular Activities: | | | |
| Purchased Services | 63,710 | 44,303 | 19,407 |
| Materials and Supplies | 24,462 | 19,965 | 4,497 |
| Capital Outlay | 6,740 | 5,659 | 1,081 |
| Total School and Public Service Co-Curricular Activities | <u>94,912</u> | <u>69,927</u> | <u>24,985</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|--|-----------------|-----------|-----------|
| <i>Total Expenditures</i> | 187,612 | 139,776 | 47,836 |
| <i>Net Change in Fund Balance</i> | (30,612) | 2,258 | 32,870 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 93,717 | 93,717 | 0 |
| Prior Year Encumbrances Appropriated | 600 | 600 | 0 |
| <i>Fund Balance (Deficit) at End of Year</i> | \$ 63,705 | \$ 96,575 | \$ 32,870 |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance |
|---|-------------------|-------------------|------------------|
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Other: | | | |
| Salaries and Wages | \$ 628,500 | \$ 620,926 | \$ 7,574 |
| Fringe Benefits | 20,000 | 10,001 | 9,999 |
| Total Other | <u>648,500</u> | <u>630,927</u> | <u>17,573</u> |
| Support Services: | | | |
| Central: | | | |
| Salaries and Wages | 150,000 | 137,085 | 12,915 |
| Fringe Benefits | 1,500 | 810 | 690 |
| Total Central | <u>151,500</u> | <u>137,895</u> | <u>13,605</u> |
| <i>Total Expenditures</i> | <u>800,000</u> | <u>768,822</u> | <u>31,178</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(800,000)</u> | <u>(768,822)</u> | <u>31,178</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | 400,000 | 400,000 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>400,000</u> | <u>400,000</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (400,000) | (368,822) | 31,178 |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | <u>1,154,874</u> | <u>1,154,874</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 754,874</u> | <u>\$ 786,052</u> | <u>\$ 31,178</u> |

Orange City School District
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance Over (Under) |
|--|-----------------|---------------|-----------------------------|
| Revenues: | | | |
| Investment Income | \$ 400 | \$ 215 | \$ (185) |
| <i>Total Revenues</i> | <u>400</u> | <u>215</u> | <u>(185)</u> |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional Services: | | | |
| Community Services: | | | |
| Capital Outlay | 38,489 | 38,489 | 0 |
| <i>Total Expenditures</i> | <u>38,489</u> | <u>38,489</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (38,089) | (38,274) | (185) |
| <i>Fund Balance (Deficit) at Beginning of Year</i> | 38,274 | 38,274 | 0 |
| Prior Year Encumbrances Appropriated | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balance (Deficit) at End of Year</i> | <u>\$ 185</u> | <u>\$ 0</u> | <u>\$ (185)</u> |

This page intentionally left blank

**Orange City School District
Cuyahoga County, Ohio**

Internal Service and Fiduciary Funds

Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the School District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Internal Service Fund – This fund accounts for a self-insurance program for workers' compensation activities.

Private-Purpose Trust Fund

Private purpose 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. The following is the School District's 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

Agency funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the School District's 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. This fund also accounts for the school resource officer.

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

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

Suburban Health Consortium Fund – The fund accounts for the activity of the Suburban Health Consortium.

Orange City School District
*Schedule of Revenues, Expenses and Change in Net Position -
 Budget (Non-GAAP Basis) and Actual
 Internal Service Fund
 For the Fiscal Year Ended June 30, 2016*

| | Final Budget | Actual | Variance Over (Under) |
|--|-------------------|-------------------|-----------------------------|
| Operating Revenues: | | | |
| Other | \$ 300,000 | \$ 291,386 | \$ (8,614) |
| <i>Total Operating Revenues</i> | <u>300,000</u> | <u>291,386</u> | <u>(8,614)</u> |
| Operating Expenses: | | | |
| Purchased Services | 309,611 | 102,718 | 206,893 |
| Claims | <u>60,389</u> | <u>60,389</u> | <u>0</u> |
| <i>Total Operating Expenses</i> | <u>370,000</u> | <u>163,107</u> | <u>206,893</u> |
| <i>Operating Income (Loss)</i> | <u>(70,000)</u> | <u>128,279</u> | <u>198,279</u> |
| Nonoperating Revenues (Expenses): | | | |
| Investment Earnings | 4,000 | 5,023 | 1,023 |
| Refund of Prior Year Expenses | <u>26,000</u> | <u>0</u> | <u>(26,000)</u> |
| <i>Total Nonoperating Revenues (Expenses)</i> | <u>30,000</u> | <u>5,023</u> | <u>(24,977)</u> |
| <i>Net Change in Net Position</i> | (40,000) | 133,302 | 173,302 |
| <i>Net Position (Deficit) at Beginning of Year</i> | <u>687,020</u> | <u>687,020</u> | <u>0</u> |
| <i>Net Position (Deficit) at End of Year</i> | <u>\$ 647,020</u> | <u>\$ 820,322</u> | <u>\$ 173,302</u> |

Orange City School District
*Schedule of Revenues, Expenses and Change in Net Position -
 Budget (Non-GAAP Basis) and Actual
 Scholarship Fund
 For the Fiscal Year Ended June 30, 2016*

| | Final Budget | Actual | Variance Over (Under) |
|--|------------------|------------------|-----------------------------|
| Operating Revenues: | | | |
| Scholarships Awarded | \$ 0 | \$ 0 | \$ 0 |
| <i>Total Operating Revenues</i> | <u>0</u> | <u>0</u> | <u>0</u> |
| Operating Expenses: | | | |
| Payments in Accordance with Trust Agreements | 3,500 | 300 | 3,200 |
| <i>Total Operating Expenses</i> | <u>3,500</u> | <u>300</u> | <u>3,200</u> |
| <i>Operating Income (Loss)</i> | <u>(3,500)</u> | <u>(300)</u> | <u>3,200</u> |
| Nonoperating Revenues (Expenses): | | | |
| Investment Earnings | 442 | 442 | 0 |
| <i>Net Change in Net Position</i> | (3,058) | 142 | 3,200 |
| <i>Net Position (Deficit) at Beginning of Year</i> | <u>64,377</u> | <u>64,377</u> | <u>0</u> |
| <i>Net Position (Deficit) at End of Year</i> | <u>\$ 61,319</u> | <u>\$ 64,519</u> | <u>\$ 3,200</u> |

Orange City School District
Cuyahoga County, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

| | Beginning Balance 7/1/15 | Additions | Deductions | Ending Balance 6/30/16 |
|---|---|----------------------|----------------------|---------------------------------------|
| District Agency | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 1,737 | \$ 38,590 | \$ 34,306 | \$ 6,021 |
| Accounts Receivable | 88 | 0 | 88 | 0 |
| <i>Total Assets</i> | <u>\$ 1,825</u> | <u>\$ 38,590</u> | <u>\$ 34,394</u> | <u>\$ 6,021</u> |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 1,825</u> | <u>\$ 38,590</u> | <u>\$ 34,394</u> | <u>\$ 6,021</u> |
| Employee Health Benefits | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 4,972 | \$ 0 | \$ 0 | \$ 4,972 |
| Liabilities | | | | |
| Undistributed Monies | <u>\$ 4,972</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 4,972</u> |
| Student Managed Activities | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 97,364 | \$ 91,958 | \$ 112,497 | \$ 76,825 |
| Liabilities | | | | |
| Accounts Payable | \$ 1,891 | \$ 0 | \$ 1,891 | \$ 0 |
| Due to Students | 95,473 | 91,958 | 110,606 | 76,825 |
| <i>Total Liabilities</i> | <u>\$ 97,364</u> | <u>\$ 91,958</u> | <u>\$ 112,497</u> | <u>\$ 76,825</u> |
| Suburban Health Consortium | | | | |
| Assets | | | | |
| Cash and Investments in Segregated Accounts | \$ 19,102,036 | \$ 75,477,978 | \$ 77,631,427 | \$ 16,948,587 |
| Liabilities | | | | |
| Accounts Payable | \$ 18,444 | \$ 0 | \$ 18,444 | \$ 0 |
| Intergovernmental Payable | 19,083,592 | 75,477,978 | 77,612,983 | 16,948,587 |
| <i>Total Liabilities</i> | <u>\$ 19,102,036</u> | <u>\$ 75,477,978</u> | <u>\$ 77,631,427</u> | <u>\$ 16,948,587</u> |

(continued)

Orange City School District
Cuyahoga County, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

| | Beginning Balance 7/1/15 | Additions | Deductions | Ending Balance 6/30/16 |
|---|---|----------------------|----------------------|---------------------------------------|
| Total | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Investments | \$ 104,073 | \$ 130,548 | \$ 146,803 | \$ 87,818 |
| Cash and Investments in Segregated Accounts | 19,102,036 | 75,477,978 | 77,631,427 | 16,948,587 |
| Accounts Receivable | 88 | 0 | 88 | 0 |
| <i>Total Assets</i> | <u>\$ 19,206,197</u> | <u>\$ 75,608,526</u> | <u>\$ 77,778,318</u> | <u>\$ 17,036,405</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 20,335 | \$ 0 | \$ 20,335 | \$ 0 |
| Intergovernmental Payable | 19,083,592 | 75,477,978 | 77,612,983 | 16,948,587 |
| Undistributed Monies | 6,797 | 38,590 | 34,394 | 10,993 |
| Due to Students | 95,473 | 91,958 | 110,606 | 76,825 |
| <i>Total Liabilities</i> | <u>\$ 19,206,197</u> | <u>\$ 75,608,526</u> | <u>\$ 77,778,318</u> | <u>\$ 17,036,405</u> |

This page intentionally left blank

Comprehensive
Annual Financial
Report

Fiscal Year Ended June 30, 2016

Orange City School District

Cuyahoga County, Ohio



To Learn.
To Lead.
To Make a Difference.

Statistical Section

**Orange City School District
Cuyahoga County, Ohio**

Statistical Section

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

Contents

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

S-2 - S13

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

S-14 - S19

Debt Capacity

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

S-20 - S-23

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

S-24 - S-25

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

S-26 - S34

Sources: Sources are noted on the individual schedules.

Orange City School District
Cuyahoga County, Ohio
Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014 (2)</u> | <u>2013</u> |
|---------------------------------------|-----------------------|------------------------|------------------------|----------------------|
| Governmental Activities: | | | | |
| Net Investment in Capital Assets | \$ 26,693,356 | \$ 23,758,405 | \$ 21,803,232 | \$ 20,334,609 |
| Restricted | 11,101,270 | 8,999,104 | 8,712,389 | 7,851,186 |
| Unrestricted | <u>(41,069,437)</u> | <u>(43,935,452)</u> | <u>(45,773,604)</u> | <u>28,750,345</u> |
| <i>Total Governmental Activities</i> | | | | |
| <i>Net Position</i> | <u>\$ (3,274,811)</u> | <u>\$ (11,177,943)</u> | <u>\$ (15,257,983)</u> | <u>\$ 56,936,140</u> |
| Business-Type Activities: | | | | |
| Net Investment in Capital Assets | \$ 3,009,827 | \$ 3,176,249 | \$ 3,342,225 | \$ 3,512,524 |
| Unrestricted | <u>2,214,061</u> | <u>2,447,906</u> | <u>1,354,179</u> | <u>4,070,807</u> |
| <i>Total Business-Type Activities</i> | | | | |
| <i>Net Position</i> | <u>\$ 5,223,888</u> | <u>\$ 5,624,155</u> | <u>\$ 4,696,404</u> | <u>\$ 7,583,331</u> |
| Primary Government: | | | | |
| Net Investment in Capital Assets | \$ 29,703,183 | \$ 26,934,654 | \$ 25,145,457 | \$ 23,847,133 |
| Restricted | 11,101,270 | 8,999,104 | 8,712,389 | 7,851,186 |
| Unrestricted | <u>(38,855,376)</u> | <u>(41,487,546)</u> | <u>(44,419,425)</u> | <u>32,821,152</u> |
| <i>Total Primary Government</i> | | | | |
| <i>Net Position</i> | <u>\$ 1,949,077</u> | <u>\$ (5,553,788)</u> | <u>\$ (10,561,579)</u> | <u>\$ 64,519,471</u> |

Source: School District financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

(2) Amounts have been restated to reflect a restatement related to GASB Statement No. 68.

| 2012 (1) | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| \$ 20,295,850 9,537,894 <u>24,358,710</u> | \$ 19,204,562 9,821,326 <u>24,726,686</u> | \$ 19,302,630 9,431,851 <u>25,162,121</u> | \$ 17,564,014 8,180,016 <u>29,114,358</u> | \$ 15,940,380 6,410,493 <u>30,863,616</u> | \$ 15,338,264 5,782,995 <u>25,515,875</u> |
| <u>\$ 54,192,454</u> | <u>\$ 53,752,574</u> | <u>\$ 53,896,602</u> | <u>\$ 54,858,388</u> | <u>\$ 53,214,489</u> | <u>\$ 46,637,134</u> |
| \$ 3,687,280 3,625,114 <u></u> | \$ 3,822,784 4,003,097 <u></u> | \$ 2,629,480 4,893,793 <u></u> | \$ 2,107,003 5,124,892 <u></u> | \$ 2,217,609 4,690,495 <u></u> | \$ 2,267,860 4,150,252 <u></u> |
| <u>\$ 7,312,394</u> | <u>\$ 7,825,881</u> | <u>\$ 7,523,273</u> | <u>\$ 7,231,895</u> | <u>\$ 6,908,104</u> | <u>\$ 6,418,112</u> |
| \$ 23,983,130 9,537,894 <u>27,983,824</u> | \$ 23,027,346 9,821,326 <u>28,729,783</u> | \$ 21,932,110 9,431,851 <u>30,055,914</u> | \$ 19,671,017 8,180,016 <u>34,239,250</u> | \$ 18,157,989 6,410,493 <u>35,554,111</u> | \$ 17,606,124 5,782,995 <u>29,666,127</u> |
| <u>\$ 61,504,848</u> | <u>\$ 61,578,455</u> | <u>\$ 61,419,875</u> | <u>\$ 62,090,283</u> | <u>\$ 60,122,593</u> | <u>\$ 53,055,246</u> |

Orange City School District
Cuyahoga County, Ohio
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Expenses: | | | | |
| Governmental Activities: | | | | |
| Regular Instruction | \$ 19,720,913 | \$ 19,785,171 | \$ 20,311,007 | \$ 18,837,598 |
| Special Instruction | 9,733,035 | 9,565,638 | 10,248,934 | 6,493,403 |
| Vocational Instruction | 502,362 | 290,087 | 287,690 | 365,421 |
| Other Instructional | 47,040 | 764,597 | 208,427 | 683,802 |
| Pupil Support | 3,300,850 | 3,686,794 | 3,601,927 | 3,598,659 |
| Instructional Staff Support | 1,547,022 | 1,534,005 | 976,339 | 4,003,460 |
| Board of Education | 90,284 | 89,820 | 78,226 | 69,029 |
| Administration | 3,698,123 | 3,600,621 | 3,665,874 | 3,428,020 |
| Fiscal | 1,336,285 | 1,416,262 | 1,327,247 | 1,344,401 |
| Business | 536,906 | 634,654 | 605,040 | 625,460 |
| Operations and Maintenance of Plant | 5,206,403 | 5,374,524 | 5,088,454 | 5,256,521 |
| Pupil Transportation | 3,603,081 | 3,573,419 | 3,786,870 | 3,641,934 |
| Central | 912,408 | 1,054,215 | 954,363 | 992,787 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 654,314 | 632,532 | 683,835 | 737,225 |
| Other Non-Instructional Services | 593,244 | 714,736 | 625,874 | 575,953 |
| Extracurricular Activities | 1,852,014 | 1,731,632 | 1,954,690 | 1,665,913 |
| Interest and Fiscal Charges | 978,827 | 1,087,519 | 1,186,489 | 1,277,694 |
| <i>Total Governmental Activities Expenses</i> | <u>54,313,111</u> | <u>55,536,226</u> | <u>55,591,286</u> | <u>53,597,280</u> |
| Business-Type Activities: | | | | |
| Recreation | 2,866,308 | 1,585,233 | 2,462,120 | 2,493,790 |
| Total Business-Type Activities Expenses | <u>2,866,308</u> | <u>1,585,233</u> | <u>2,462,120</u> | <u>2,493,790</u> |
| Total Primary Government Expenses | <u>\$ 57,179,419</u> | <u>\$ 57,121,459</u> | <u>\$ 58,053,406</u> | <u>\$ 56,091,070</u> |
| Program Revenues: | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| Instruction: | | | | |
| Regular Instruction | \$ 923,079 | \$ 660,462 | \$ 710,686 | \$ 591,176 |
| Special Instruction | 3,310,095 | 3,800,609 | 2,920,085 | 2,704,572 |
| Vocational Instruction | 111,163 | 64,148 | 128,762 | 190,208 |
| Support Services: | | | | |
| Pupil Support | 63,478 | 50,531 | 49,955 | 55,420 |
| Instructional Staff | 2,729 | 1,944 | 3,088 | 3,600 |
| Fiscal | 0 | 568 | 0 | 0 |
| Operation and Maintenance of Plant | 115 | 9,031 | 15,290 | 3,120 |
| Pupil Transportation | 0 | 53,983 | 0 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 519,625 | 481,023 | 505,523 | 498,277 |
| Community Services | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 192,663 | 184,219 | 375,754 | 191,692 |
| Operating Grants, Contributions and Interest: | | | | |
| Regular Instruction | 110,583 | 127,558 | 107,175 | 97,238 |
| Special Instruction | 612,770 | 561,187 | 602,465 | 273,940 |
| Vocational Instruction | 2,438 | 2,483 | 1,978 | 0 |
| Pupil Support | 177,106 | 213,225 | 204,407 | 142,994 |
| Instructional Staff | 4,552 | 6,968 | 18,568 | 227,874 |
| Administration | 15,791 | 16,252 | 14,693 | 13,337 |
| Fiscal | 0 | 60 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 |
| Pupil Transportation | 134,665 | 107,313 | 115,512 | 97,242 |
| Central | 5,400 | 5,400 | 9,000 | 9,000 |

| | <u>2012 (1)</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 19,743,967 | \$ 20,300,444 | \$ 19,466,209 | \$ 19,320,888 | \$ 18,238,270 | \$ 17,962,128 |
| | 6,766,002 | 6,615,112 | 6,583,687 | 6,374,462 | 5,832,538 | 5,475,417 |
| | 449,711 | 373,396 | 286,099 | 338,162 | 293,462 | 324,513 |
| | 0 | 0 | 0 | 0 | 0 | 2,828 |
| | 3,754,396 | 3,816,962 | 3,769,072 | 3,336,127 | 3,471,580 | 3,337,866 |
| | 4,010,079 | 4,202,438 | 4,210,809 | 4,081,959 | 3,670,822 | 3,499,573 |
| | 78,336 | 167,112 | 82,545 | 160,757 | 110,200 | 143,355 |
| | 3,483,041 | 3,070,697 | 3,163,324 | 2,968,787 | 2,926,908 | 2,849,409 |
| | 1,359,152 | 1,217,573 | 1,266,752 | 1,169,115 | 1,176,289 | 1,126,029 |
| | 597,555 | 630,083 | 579,625 | 598,414 | 549,721 | 509,048 |
| | 4,628,231 | 4,941,387 | 5,384,475 | 5,284,630 | 5,118,866 | 5,096,407 |
| | 3,696,464 | 3,668,804 | 3,885,576 | 3,485,290 | 3,367,878 | 3,366,186 |
| | 1,073,422 | 1,201,191 | 1,358,741 | 1,189,474 | 1,202,049 | 1,114,698 |
| | 742,646 | 692,679 | 654,881 | 672,018 | 589,901 | 603,470 |
| | 702,122 | 755,071 | 590,397 | 714,550 | 635,808 | 535,361 |
| | 1,674,468 | 1,737,345 | 1,838,362 | 1,608,333 | 1,617,987 | 1,584,091 |
| | 1,573,604 | 1,350,545 | 1,263,512 | 1,286,551 | 1,296,998 | 1,165,809 |
| | <u>54,333,196</u> | <u>54,740,839</u> | <u>54,384,066</u> | <u>52,589,517</u> | <u>50,099,277</u> | <u>48,696,188</u> |
| | <u>2,423,611</u> | <u>2,274,813</u> | <u>2,314,252</u> | <u>2,300,268</u> | <u>2,257,947</u> | <u>2,155,699</u> |
| | <u>2,423,611</u> | <u>2,274,813</u> | <u>2,314,252</u> | <u>2,300,268</u> | <u>2,257,947</u> | <u>2,155,699</u> |
| \$ | <u>56,756,807</u> | <u>\$ 57,015,652</u> | <u>\$ 56,698,318</u> | <u>\$ 54,889,785</u> | <u>\$ 52,357,224</u> | <u>\$ 50,851,887</u> |
| \$ | 608,650 | \$ 730,204 | \$ 635,837 | \$ 178,963 | \$ 397,212 | \$ 701,197 |
| | 2,499,386 | 3,340,595 | 2,575,470 | 3,574,000 | 3,118,760 | 2,770,390 |
| | 166,943 | 154,053 | 177,370 | 180,131 | 220,075 | 78,262 |
| | 47,882 | 47,202 | 45,594 | 29,565 | 32,923 | 38,767 |
| | 4,888 | 1,536 | 1,260 | 1,685 | 4,493 | 2,180 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 5,540 | 7,760 | 7,210 | 6,685 | 7,230 | 7,140 |
| | 0 | 0 | 0 | 0 | 0 | 14,772 |
| | 546,196 | 534,975 | 524,298 | 509,306 | 491,963 | 466,038 |
| | 540 | | | | | |
| | 170,086 | 194,293 | 284,534 | 172,384 | 166,586 | 173,603 |
| | 104,438 | 195,350 | 104,413 | 113,669 | 139,151 | 89,485 |
| | 486,835 | 520,430 | 519,558 | 304,796 | 269,230 | 242,760 |
| | 0 | 936 | 0 | 171 | 4,035 | 0 |
| | 135,002 | 127,222 | 150,968 | 158,142 | 294,489 | 333,655 |
| | 179,819 | 259,985 | 265,488 | 227,773 | 112,347 | 105,450 |
| | 0 | 135,610 | 182,261 | 0 | 2,218 | 3,258 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 26,354 | 0 | 0 | 0 | 10,050 | 2,310 |
| | 143,695 | 120,584 | 133,796 | 154,525 | 157,809 | 163,705 |
| | 25,176 | 122,906 | 102,294 | 33,376 | 33,187 | 23,346 |

(continued)

Orange City School District
Cuyahoga County, Ohio
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|------------------------|------------------------|------------------------|------------------------|
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 157,840 | 156,693 | 154,474 | 131,722 |
| Community Services | 589,782 | 646,236 | 557,650 | 563,376 |
| Extracurricular Activities | 55,567 | 81,985 | 64,566 | 66,235 |
| Interest and Fiscal Charges | 117,454 | 116,824 | 116,937 | 120,542 |
| Capital Grants and Contributions: | | | | |
| Regular Instruction | 0 | 0 | 14,598 | 0 |
| Fiscal | 0 | 0 | 0 | 20,060 |
| Operations and Maintenance of Plant | 420,213 | 0 | 0 | 0 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| <i>Total Governmental Activities Program Revenues</i> | <u>7,527,108</u> | <u>7,348,702</u> | <u>6,691,166</u> | <u>6,001,625</u> |
| Business-Type Activities: | | | | |
| Recreation | | | | |
| Charges for Services | 1,993,171 | 1,769,740 | 1,831,696 | 1,761,216 |
| Operating Grants and Contributions | 111,527 | 117,529 | 117,952 | 120,128 |
| <i>Total Business-Type Activities Program Revenues</i> | <u>2,104,698</u> | <u>1,887,269</u> | <u>1,949,648</u> | <u>1,881,344</u> |
| <i>Total Primary Government Program Revenues</i> | <u>\$ 9,631,806</u> | <u>\$ 9,235,971</u> | <u>\$ 8,640,814</u> | <u>\$ 7,882,969</u> |
| Net (Expense)/Revenue: | | | | |
| Governmental Activities | (46,786,003) | (48,187,524) | (48,900,120) | (47,595,655) |
| Business-Type Activities | (761,610) | 302,036 | (512,472) | (612,446) |
| <i>Total Primary Government Net Expense</i> | <u>\$ (47,547,613)</u> | <u>\$ (47,885,488)</u> | <u>\$ (49,412,592)</u> | <u>\$ (48,208,101)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Property Taxes Levied For: | | | | |
| General Purposes | \$ 42,712,795 | \$ 40,643,066 | \$ 39,749,378 | \$ 39,691,542 |
| Debt Service | 2,455,397 | 2,242,313 | 2,301,562 | 2,359,811 |
| Capital Projects | 877,465 | 779,788 | 655,556 | 608,515 |
| Grants and Entitlements not Restricted to Specific Programs | 7,690,101 | 8,022,976 | 7,941,897 | 7,707,534 |
| Investment Earnings | 289,285 | 257,364 | 510,822 | (74,145) |
| Miscellaneous | 64,092 | 45,558 | 65,853 | 46,084 |
| Transfers | 600,000 | 276,499 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>54,689,135</u> | <u>52,267,564</u> | <u>51,225,068</u> | <u>50,339,341</u> |
| Business-Type Activities: | | | | |
| Property Taxes Levied For: | | | | |
| Recreation | 905,455 | 825,947 | 825,721 | 824,640 |
| Investment Earnings | 42,418 | 27,407 | 52,006 | (10,286) |
| Miscellaneous | 13,470 | 48,860 | 39,148 | 69,029 |
| Transfers | (600,000) | (276,499) | 0 | 0 |
| <i>Total Business-Type Activities</i> | <u>361,343</u> | <u>625,715</u> | <u>916,875</u> | <u>883,383</u> |
| <i>Total Primary Government</i> | <u>\$ 55,050,478</u> | <u>\$ 52,893,279</u> | <u>\$ 52,141,943</u> | <u>\$ 51,222,724</u> |
| Change in Net Position | | | | |
| Governmental Activities | 7,903,132 | 4,080,040 | 2,324,948 | 2,743,686 |
| Business-Type Activities | (400,267) | 927,751 | 404,403 | 270,937 |
| <i>Total Primary Government</i> | <u>\$ 7,502,865</u> | <u>\$ 5,007,791</u> | <u>\$ 2,729,351</u> | <u>\$ 3,014,623</u> |

Source: School District financial records.

(1) Amounts have been restated to reflect a restatement related to GASB Statement No. 65.

| <u>2012 (1)</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 156,140 | 136,717 | 108,903 | 114,223 | 116,631 | 92,126 |
| 532,455 | 575,340 | 633,821 | 625,771 | 611,585 | 498,362 |
| 30,266 | 19,033 | 31,064 | 9,400 | 6,335 | 4,761 |
| 126,024 | 94,518 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 7,500 | 0 | 127,713 |
| 0 | 0 | 0 | 39,909 | 32,744 | 35,008 |
| 0 | 0 | 0 | 0 | 13,366 | 0 |
| <u>5,996,315</u> | <u>7,319,249</u> | <u>6,484,139</u> | <u>6,441,974</u> | <u>6,242,419</u> | <u>5,974,288</u> |
| 1,566,267 | 1,549,601 | 1,474,411 | 1,474,791 | 1,536,303 | 1,451,743 |
| 129,180 | 138,208 | 147,076 | 143,608 | 139,754 | 124,138 |
| <u>1,695,447</u> | <u>1,687,809</u> | <u>1,621,487</u> | <u>1,618,399</u> | <u>1,676,057</u> | <u>1,575,881</u> |
| <u>\$ 7,691,762</u> | <u>\$ 9,007,058</u> | <u>\$ 8,105,626</u> | <u>\$ 8,060,373</u> | <u>\$ 7,918,476</u> | <u>\$ 7,550,169</u> |
| (48,336,881) | (47,421,590) | (47,899,927) | (46,147,543) | (43,856,858) | (42,721,900) |
| (728,164) | (587,004) | (692,765) | (681,869) | (581,890) | (579,818) |
| <u>\$ (49,065,045)</u> | <u>\$ (48,008,594)</u> | <u>\$ (48,592,692)</u> | <u>\$ (46,829,412)</u> | <u>\$ (44,438,748)</u> | <u>\$ (43,301,718)</u> |
| \$ 37,410,095 | \$ 34,734,232 | \$ 34,226,326 | \$ 34,720,303 | \$ 37,569,616 | \$ 36,302,829 |
| 2,178,259 | 2,339,709 | 2,064,534 | 2,098,013 | 2,258,971 | 2,102,099 |
| 707,148 | 620,845 | 791,373 | 794,196 | 849,401 | 807,873 |
| 8,146,313 | 9,217,121 | 9,169,178 | 8,608,261 | 7,789,074 | 7,000,298 |
| 317,792 | 296,638 | 557,239 | 1,511,999 | 1,956,626 | 1,990,147 |
| 17,154 | 69,017 | 129,491 | 58,670 | 69,056 | 22,700 |
| 0 | 0 | 0 | 0 | (58,531) | 0 |
| <u>48,776,761</u> | <u>47,277,562</u> | <u>46,938,141</u> | <u>47,791,442</u> | <u>50,434,213</u> | <u>48,225,946</u> |
| 795,490 | 805,392 | 856,473 | 794,607 | 783,212 | 815,148 |
| 25,620 | 20,859 | 59,677 | 139,220 | 191,095 | 193,580 |
| 70,110 | 63,361 | 67,993 | 71,833 | 39,044 | 30,172 |
| 0 | 0 | 0 | 0 | 58,531 | 0 |
| <u>891,220</u> | <u>889,612</u> | <u>984,143</u> | <u>1,005,660</u> | <u>1,071,882</u> | <u>1,038,900</u> |
| <u>\$ 49,667,981</u> | <u>\$ 48,167,174</u> | <u>\$ 47,922,284</u> | <u>\$ 48,797,102</u> | <u>\$ 51,506,095</u> | <u>\$ 49,264,846</u> |
| 439,880 | (144,028) | (961,786) | 1,643,899 | 6,577,355 | 5,504,046 |
| 163,056 | 302,608 | 291,378 | 323,791 | 489,992 | 459,082 |
| <u>\$ 602,936</u> | <u>\$ 158,580</u> | <u>\$ (670,408)</u> | <u>\$ 1,967,690</u> | <u>\$ 7,067,347</u> | <u>\$ 5,963,128</u> |

Orange City School District
Cuyahoga County, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Nonspendable | \$ 121,344 | \$ 115,461 | \$ 115,562 | \$ 137,957 |
| Committed | 785,113 | 432,153 | 881,426 | 683,619 |
| Assigned | 3,100,147 | 953,807 | 2,515,877 | 3,851,512 |
| Unassigned | 30,488,645 | 26,445,365 | 25,950,263 | 24,805,537 |
| Reserved | 0 | 0 | 0 | 0 |
| Unreserved | 0 | 0 | 0 | 0 |
| <i>Total General Fund</i> | <u>34,495,249</u> | <u>27,946,786</u> | <u>29,463,128</u> | <u>29,478,625</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | 0 | 1,691 | 0 | 0 |
| Restricted | 11,314,568 | 10,553,119 | 9,986,832 | 9,700,263 |
| Committed | 1,761,524 | 4,862,100 | 2,110,726 | 1,728,501 |
| Unassigned (Deficit) | 0 | 0 | (745) | 0 |
| Reserved | 0 | 0 | 0 | 0 |
| Unreserved, Reported in: | | | | |
| Special Revenue Funds | 0 | 0 | 0 | 0 |
| Capital Projects Funds | 0 | 0 | 0 | 0 |
| <i>Total All Other Governmental Funds</i> | <u>13,076,092</u> | <u>15,416,910</u> | <u>12,096,813</u> | <u>11,428,764</u> |
| <i>Total Governmental Funds</i> | <u>\$ 47,571,341</u> | <u>\$ 43,363,696</u> | <u>\$ 41,559,941</u> | <u>\$ 40,907,389</u> |

Source: School District financial records.

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

Note: The School District implemented GASB 54 in fiscal year 2011.

| 2012 | 2011 | 2010 (1) | 2009 | 2008 | 2007 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 139,411 | \$ 226,453 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 3,405,003 | 2,870,700 | 0 | 0 | 0 | 0 |
| 25,694,026 | 24,606,148 | 0 | 0 | 0 | 0 |
| 0 | 0 | 4,509,530 | 6,056,237 | 5,148,703 | 4,806,799 |
| 0 | 0 | 23,818,349 | 25,289,018 | 26,035,339 | 22,494,931 |
| <u>29,238,440</u> | <u>27,703,301</u> | <u>28,327,879</u> | <u>31,345,255</u> | <u>31,184,042</u> | <u>27,301,730</u> |
| 5,572 | 6,646 | 0 | 0 | 0 | 0 |
| 9,505,152 | 10,923,564 | 0 | 0 | 0 | 0 |
| 51,446 | 61,668 | 0 | 0 | 0 | 0 |
| (63,290) | (815) | 0 | 0 | 0 | 0 |
| 0 | 0 | 5,355,107 | 4,436,359 | 2,757,346 | 2,595,005 |
| 0 | 0 | 386,082 | 488,701 | 521,337 | 472,190 |
| 0 | 0 | 3,147,047 | 3,246,177 | 3,282,849 | 2,834,842 |
| <u>9,498,880</u> | <u>10,991,063</u> | <u>8,888,236</u> | <u>8,171,237</u> | <u>6,561,532</u> | <u>5,902,037</u> |
| <u>\$ 38,737,320</u> | <u>\$ 38,694,364</u> | <u>\$ 37,216,115</u> | <u>\$ 39,516,492</u> | <u>\$ 37,745,574</u> | <u>\$ 33,203,767</u> |

Orange City School District
Cuyahoga County, Ohio
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Property Taxes | \$ 46,170,273 | \$ 44,079,060 | \$ 42,706,426 | \$ 42,765,503 |
| Intergovernmental | 9,731,326 | 9,998,159 | 9,776,606 | 9,373,306 |
| Investment Earnings | 424,439 | 275,632 | 550,868 | (115,043) |
| Tuition and Fees | 4,407,392 | 4,020,296 | 3,665,733 | 3,500,985 |
| Extracurricular | 253,743 | 238,123 | 427,478 | 248,088 |
| Rental Income | 115 | 9,031 | 15,290 | 3,120 |
| Charges for Services | 556,231 | 535,006 | 546,973 | 526,038 |
| Contributions and Donations | 357,936 | 56,271 | 58,435 | 67,021 |
| Other Local Revenues | 68,307 | 76,975 | 93,855 | 74,430 |
| <i>Total Revenues</i> | <u>61,969,762</u> | <u>59,288,553</u> | <u>57,841,664</u> | <u>56,443,448</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 18,779,228 | 18,953,256 | 18,561,146 | 17,961,767 |
| Special | 9,634,823 | 9,219,036 | 9,678,921 | 6,305,746 |
| Vocational | 459,480 | 257,428 | 254,227 | 337,679 |
| Other | 47,040 | 756,683 | 207,366 | 685,834 |
| Support Services: | | | | |
| Pupil | 3,373,974 | 3,565,742 | 3,465,007 | 3,545,909 |
| Instructional Staff | 1,567,081 | 1,500,935 | 1,184,272 | 3,988,800 |
| Board of Education | 92,969 | 87,062 | 78,372 | 69,126 |
| Administration | 3,741,499 | 3,562,187 | 3,458,087 | 3,332,557 |
| Fiscal | 1,333,807 | 1,405,752 | 1,312,083 | 1,338,823 |
| Business | 575,979 | 637,673 | 589,603 | 593,970 |
| Operations and Maintenance | 4,405,344 | 4,663,263 | 4,576,331 | 4,522,117 |
| Pupil Transportation | 3,406,636 | 3,590,541 | 3,664,747 | 3,714,548 |
| Central | 917,092 | 1,017,146 | 930,580 | 1,034,998 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 596,921 | 584,234 | 624,186 | 675,203 |
| Other Non-Instructional Services | 589,501 | 610,355 | 618,650 | 462,770 |
| Extracurricular Activities | 1,800,901 | 1,617,961 | 1,820,502 | 1,556,513 |
| Capital Outlay | 3,979,504 | 3,141,259 | 3,661,442 | 1,622,291 |
| Debt Service: | | | | |
| Principal Retirement | 1,057,830 | 1,767,470 | 1,626,488 | 1,633,920 |
| Interest and Fiscal Charges | 1,678,765 | 847,437 | 882,357 | 895,174 |
| Bond Issuance Costs | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>58,038,374</u> | <u>57,785,420</u> | <u>57,194,367</u> | <u>54,277,745</u> |
| <i>Excess Revenues</i> | | | | |
| <i>Over (Under) Expenditures</i> | 3,931,388 | 1,503,133 | 647,297 | 2,165,703 |

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 40,698,349 | \$ 37,568,424 | \$ 36,258,491 | \$ 38,961,368 | \$ 39,879,562 | \$ 39,797,661 |
| 10,081,139 | 11,607,573 | 11,222,623 | 10,366,538 | 9,538,474 | 8,588,456 |
| 343,606 | 323,414 | 650,832 | 1,745,195 | 1,782,271 | 1,963,335 |
| 3,777,544 | 4,063,652 | 3,791,794 | 3,545,092 | 2,898,200 | 3,787,434 |
| 221,695 | 242,272 | 334,765 | 202,404 | 202,607 | 216,845 |
| 5,540 | 7,760 | 7,210 | 6,685 | 7,230 | 7,140 |
| 587,011 | 576,596 | 568,207 | 566,407 | 491,963 | 466,038 |
| 18,886 | 7,389 | 14,643 | 14,270 | 0 | 0 |
| 33,558 | 85,049 | 153,446 | 63,958 | 107,769 | 190,711 |
| <u>55,767,328</u> | <u>54,482,129</u> | <u>53,002,011</u> | <u>55,471,917</u> | <u>54,908,076</u> | <u>55,017,620</u> |
| 18,675,485 | 19,391,253 | 18,440,370 | 18,365,083 | 17,385,174 | 17,305,337 |
| 6,300,173 | 6,510,388 | 6,402,902 | 6,205,744 | 5,725,646 | 5,289,978 |
| 420,324 | 343,264 | 262,377 | 315,725 | 272,615 | 303,665 |
| 0 | 0 | 0 | 0 | 0 | 37,728 |
| 3,702,792 | 3,708,056 | 3,691,059 | 3,250,828 | 3,471,402 | 3,299,577 |
| 3,989,498 | 4,124,229 | 4,194,566 | 4,019,019 | 3,649,596 | 3,511,311 |
| 78,336 | 167,112 | 82,545 | 160,757 | 110,200 | 143,355 |
| 3,359,159 | 2,988,770 | 2,992,936 | 2,837,225 | 2,872,172 | 2,787,210 |
| 1,357,424 | 1,214,690 | 1,232,620 | 1,157,298 | 1,171,481 | 1,151,052 |
| 545,458 | 581,137 | 547,326 | 555,661 | 537,479 | 510,033 |
| 4,347,981 | 4,634,784 | 4,755,829 | 4,771,091 | 4,608,092 | 4,278,812 |
| 3,637,659 | 3,679,320 | 3,897,232 | 3,539,067 | 3,424,859 | 3,511,181 |
| 1,033,121 | 1,166,158 | 1,317,455 | 1,153,880 | 1,200,502 | 1,085,252 |
| 682,617 | 660,242 | 638,399 | 660,210 | 585,191 | 618,018 |
| 640,367 | 686,326 | 528,768 | 660,266 | 578,947 | 513,872 |
| 1,566,991 | 1,626,184 | 1,734,254 | 1,526,210 | 1,500,950 | 1,490,130 |
| 2,491,781 | 1,770,222 | 2,351,391 | 2,290,812 | 1,298,161 | 2,326,830 |
| 1,536,508 | 1,401,117 | 1,331,956 | 1,246,794 | 1,247,432 | 881,536 |
| 936,879 | 968,001 | 931,582 | 986,089 | 1,024,672 | 1,009,126 |
| 0 | 52,627 | 0 | 0 | 0 | 183,859 |
| <u>55,302,553</u> | <u>55,673,880</u> | <u>55,333,567</u> | <u>53,701,759</u> | <u>50,664,571</u> | <u>50,237,862</u> |
| 464,775 | (1,191,751) | (2,331,556) | 1,770,158 | 4,243,505 | 4,779,758 |

(continued)

Orange City School District
Cuyahoga County, Ohio
Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|-------------------|---------------------|
| Other Financing Sources (Uses): | | | | |
| Issuance of Bonds | 0 | 0 | 0 | 0 |
| Transfers In | 110,000 | 5,176,000 | 3,410,000 | 2,610,000 |
| Transfers Out | (110,000) | (5,176,000) | (3,410,000) | (2,610,000) |
| Sale of Assets | 397 | 1,119 | 5,255 | 4,366 |
| Inception of Capital Lease | 275,860 | 299,503 | 0 | 0 |
| Sale of Refunding Bonds | 0 | 0 | 0 | 0 |
| Premium on Refunding Bonds Sold | 0 | 0 | 0 | 0 |
| Payment to Refunded Bond Escrow Agent | 0 | 0 | 0 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>276,257</u> | <u>300,622</u> | <u>5,255</u> | <u>4,366</u> |
| <i>Net Change in Fund Balances</i> | <u>\$ 4,207,645</u> | <u>\$ 1,803,755</u> | <u>\$ 652,552</u> | <u>\$ 2,170,069</u> |
| Capital Expenditures | \$ 4,445,125 | \$ 2,809,831 | \$ 2,950,324 | \$ 1,792,403 |
| Debt Service as a Percentage of Total Noncapital Expenditures | 5.11% | 4.76% | 4.63% | 4.82% |

Source: School District financial records.

Amounts have been restated from those reported in the original CAFR to correspond with the line items reported in the basic financial statements.

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| 0 | 2,670,000 | 0 | 0 | 0 | 0 |
| 110,000 | 110,000 | 2,115,000 | 2,659,000 | 260,319 | 2,706,700 |
| (531,819) | (110,000) | (2,115,000) | (2,659,000) | (260,319) | (2,706,700) |
| 0 | 0 | 924 | 760 | 3,612 | 0 |
| 0 | 0 | 30,255 | 0 | 294,690 | 0 |
| 0 | 0 | 0 | 0 | 0 | 18,354,970 |
| 0 | 0 | 0 | 0 | 0 | 841,741 |
| 0 | 0 | 0 | 0 | 0 | (19,012,852) |
| <u>(421,819)</u> | <u>2,670,000</u> | <u>31,179</u> | <u>760</u> | <u>298,302</u> | <u>183,859</u> |
| <u>\$ 42,956</u> | <u>\$ 1,478,249</u> | <u>\$ (2,300,377)</u> | <u>\$ 1,770,918</u> | <u>\$ 4,541,807</u> | <u>\$ 4,963,617</u> |
| \$ 2,928,806 | \$ 2,172,785 | \$ 2,384,310 | \$ 2,420,224 | \$ 1,422,166 | \$ 2,208,765 |
| 4.72% | 4.43% | 4.27% | 4.35% | 4.61% | 3.94% |

Orange City School District
Cuyahoga County, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years

| Collection Year | Real Property (1) | | Tangible Personal Property (2) | | Public Utility (3) | |
|-----------------|-------------------|------------------------|--------------------------------|------------------------|--------------------|------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2016 | \$ 1,043,260,120 | \$ 2,980,743,200 | \$ 0 | \$ 0 | \$ 11,012,300 | \$ 12,513,977 |
| 2015 | 1,002,217,530 | 2,863,478,657 | 0 | 0 | 10,763,950 | 12,231,761 |
| 2014 | 1,001,559,470 | 2,861,598,486 | 0 | 0 | 10,236,390 | 11,632,261 |
| 2013 | 995,704,210 | 2,844,869,171 | 0 | 0 | 9,282,780 | 10,548,614 |
| 2012 | 996,924,660 | 2,848,356,171 | 0 | 0 | 8,555,210 | 9,721,830 |
| 2011 | 997,502,800 | 2,850,008,000 | 348,980 | 5,583,680 | 8,224,500 | 9,346,023 |
| 2010 | 992,089,220 | 2,834,540,629 | 760,410 | 12,166,560 | 8,029,100 | 9,123,977 |
| 2009 | 1,028,000,490 | 2,937,144,257 | 13,781,055 | 220,496,880 | 7,496,850 | 8,519,148 |
| 2008 | 1,023,957,100 | 2,925,591,714 | 26,514,560 | 424,232,960 | 7,086,100 | 8,052,386 |
| 2007 | 1,017,969,380 | 2,908,483,943 | 31,382,118 | 251,056,944 | 9,449,280 | 10,737,818 |

Source: Cuyahoga County Fiscal Officer's Office

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.
- (2) Tangible personal property is assessed at various percentages of actual value.
- (3) Public utility personal property is assessed at various percentages of actual value.
- (4) This amount represents the gross millage.

Total

| Assessed Value | Estimated Actual Value | Percentage of Assessed Value to Estimated Actual Value | Total Direct Rate (4) |
|---------------------------|---------------------------------------|---|----------------------------------|
| \$ 1,054,272,420 | \$ 2,993,257,177 | 35.22% | \$ 91.20 |
| 1,012,981,480 | 2,875,710,419 | 35.23% | 91.10 |
| 1,011,795,860 | 2,873,230,747 | 35.21% | 91.10 |
| 1,004,986,990 | 2,855,417,785 | 35.20% | 91.10 |
| 1,005,479,870 | 2,858,078,001 | 35.18% | 91.10 |
| 1,006,076,280 | 2,864,937,703 | 35.12% | 86.10 |
| 1,000,878,730 | 2,855,831,166 | 35.05% | 86.00 |
| 1,049,278,395 | 3,166,160,285 | 33.14% | 86.00 |
| 1,057,557,760 | 3,357,877,060 | 31.49% | 86.00 |
| 1,058,800,778 | 3,170,278,705 | 33.40% | 86.00 |

Orange City School District
Cuyahoga County, Ohio
Direct And Overlapping Property Tax Rates
(Rate Per \$1,000 of Assessed Value)
Last Ten Years

| Tax Year/ Collection | Overlapping Rates | | | Direct Rates | | | | | |
|-------------------------|-------------------|---------|---------|--------------|---------|---------|------------|---------|----------|
| | Year | County | City | Library | General | Bond | Voted | | |
| Permanent Improvement | | | | | | | Recreation | Unvoted | |
| 2015/2016 | \$ 20.93 | \$ 7.10 | \$ 2.50 | \$ 81.55 | \$ 2.50 | \$ 1.00 | \$ 0.95 | \$ 5.20 | \$ 91.20 |
| 2014/2015 | 20.93 | 9.50 | 2.50 | 81.55 | 2.40 | 1.00 | 0.95 | 5.20 | 91.10 |
| 2013/2014 | 20.03 | 9.50 | 2.50 | 81.55 | 2.40 | 1.00 | 0.95 | 5.20 | 91.10 |
| 2012/2013 | 18.30 | 9.50 | 2.50 | 81.55 | 2.40 | 1.00 | 0.95 | 5.20 | 91.10 |
| 2011/2012 | 18.30 | 9.50 | 2.50 | 81.55 | 2.40 | 1.00 | 0.95 | 5.20 | 91.10 |
| 2010/2011 | 18.40 | 9.50 | 2.50 | 76.55 | 2.40 | 1.00 | 0.95 | 5.20 | 86.10 |
| 2009/2010 | 18.40 | 9.50 | 2.50 | 76.55 | 2.30 | 1.00 | 0.95 | 5.20 | 86.00 |
| 2008/2009 | 18.10 | 9.50 | 2.50 | 76.55 | 2.30 | 1.00 | 0.95 | 5.20 | 86.00 |
| 2007/2008 | 18.20 | 9.50 | 2.00 | 76.55 | 2.30 | 1.00 | 0.95 | 5.20 | 86.00 |
| 2006/2007 | 18.20 | 9.50 | 2.00 | 76.55 | 2.30 | 1.00 | 0.95 | 5.20 | 86.00 |

Source: Cuyahoga County Fiscal Officer's Office

Orange City School District
Cuyahoga County, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2015 and December 31, 2006

| December 31, 2015 | | | |
|-----------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Real Estate Assessed Value |
| Chagrin Retail L.L.C. | \$ 19,012,600 | 1 | 1.82% |
| Village Chagrin Partners | 6,643,430 | 2 | 0.64% |
| Lakes of Orange | 3,940,330 | 3 | 0.38% |
| Landerwood Consolidated LLC | 4,481,470 | 4 | 0.43% |
| Chagrin Boulevard LLC | 4,035,470 | 5 | 0.39% |
| Raintree Holdings LLC | 3,967,190 | 6 | 0.38% |
| CY Beachwood Owner LLC | 3,339,980 | 7 | 0.32% |
| Landerwood Crossing LLC | 3,290,000 | 8 | 0.32% |
| HV Holdings, Inc. | 3,125,710 | 9 | 0.30% |
| A M Castle Co. | 2,945,260 | 10 | 0.28% |
| Total | <u>\$ 54,781,440</u> | | <u>5.26%</u> |
| Total Assessed Values | <u>\$ 1,043,260,120</u> | | |

| December 31, 2006 | | | |
|-------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Real Estate Assessed Value |
| Chagrin Retail L.L.C. | \$ 19,373,350 | 1 | 1.90% |
| HRP NOM L.P. | 7,148,940 | 2 | 0.70% |
| Village Chagrin Partners | 6,372,310 | 3 | 0.63% |
| The Park Synagogue | 5,442,780 | 4 | 0.53% |
| Lowe's Home Center, Inc. | 4,606,350 | 5 | 0.45% |
| Gotham King Fee Owner, L.L.C. | 4,355,510 | 6 | 0.43% |
| Olympic Steel | 4,014,890 | 7 | 0.39% |
| AM Castle and Company | 3,996,060 | 8 | 0.39% |
| Harp Midam Beachwood Hotel | 3,582,810 | 9 | 0.35% |
| Lander Circle Company | 3,223,890 | 10 | 0.32% |
| Total | <u>\$ 62,116,890</u> | | <u>6.09%</u> |
| Total Assessed Values | <u>\$ 1,017,969,380</u> | | |

Source: Cuyahoga County Fiscal Officer's Office

Orange City School District
Cuyahoga County, Ohio
Principal Taxpayers
Public Utility Tax
December 31, 2015 and December 31, 2006

| December 31, 2015 | | | |
|---|-------------------------------|-------------|---|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total District Public Utility Assessed Value</u> |
| Cleveland Electric Illuminating Company | \$ 8,612,970 | 1 | 78.21% |
| American Transmission | 1,406,030 | 2 | 12.77% |
| East Ohio Gas | 987,900 | 3 | 8.97% |
| Total | <u>\$ 11,006,900</u> | | <u>99.95%</u> |
| Total Assessed Values | <u>\$ 11,012,300</u> | | |

| December 31, 2006 | | | |
|---|-------------------------------|-------------|---|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total District Public Utility Assessed Value</u> |
| Cleveland Electric Illuminating Company | \$ 5,583,200 | 1 | 59.09% |
| Ohio Bell Telephone Company | 1,290,050 | 2 | 13.65% |
| East Ohio Gas | 718,710 | 3 | 7.61% |
| American Transmission | 593,320 | 4 | 6.28% |
| New Par | 493,570 | 5 | 5.22% |
| New Cingular Wireless PCS L.L.C. | 222,820 | 6 | 2.36% |
| Total | <u>\$ 8,901,670</u> | | <u>94.21%</u> |
| Total Assessed Values | <u>\$ 9,449,280</u> | | |

Source: Cuyahoga County Fiscal Officer's Office

Orange City School District
Cuyahoga County, Ohio
Property Tax Levies And Collections
Last Ten Years

| Tax Year/ Collection Year | Total Levy | Current Collection | Percent of Current Levy Collected | Delinquent Collection (2) | Total Collection | Total Collection As a Percent of Total Levy (2) | Outstanding Delinquent Taxes (1) | Total Delinquent Taxes As a Percent of Total Levy |
|--|-----------------------|-------------------------------|--|--------------------------------------|-----------------------------|--|---|--|
| 2015/2016 | \$ 50,243,016 | \$ 48,679,116 | 96.89% | \$ 1,038,785 | \$ 49,717,901 | 98.95% | \$ 1,876,375 | 3.73% |
| 2014/2015 | 49,338,211 | 46,399,765 | 94.04% | 1,172,551 | 47,572,316 | 96.42% | 1,823,292 | 3.70% |
| 2013/2014 | 49,115,107 | 46,933,918 | 95.56% | 1,321,499 | 48,255,417 | 98.25% | 2,266,057 | 4.61% |
| 2012/2013 | 49,115,107 | 46,933,918 | 95.56% | 1,325,819 | 48,259,737 | 98.26% | 2,266,057 | 4.61% |
| 2011/2012 | 48,471,730 | 46,663,798 | 96.27% | 1,549,229 | 48,213,027 | 99.47% | 2,533,593 | 5.23% |
| 2010/2011 | 43,265,150 | 41,477,690 | 95.87% | 1,661,999 | 43,139,689 | 99.71% | 2,374,780 | 5.49% |
| 2009/2010 | 43,039,829 | 41,677,187 | 96.83% | 1,423,661 | 43,100,848 | 100.14% | 2,792,126 | 6.49% |
| 2008/2009 | 46,312,377 | 41,844,144 | 90.35% | 1,200,055 | 43,044,199 | 92.94% | 1,636,581 | 3.53% |
| 2007/2008 | 44,567,977 | 42,867,026 | 96.18% | 1,575,408 | 44,442,434 | 99.72% | 3,199,238 | 7.18% |
| 2006/2007 | 45,354,998 | 42,835,059 | 94.44% | 1,645,469 | 44,480,528 | 98.07% | 2,331,806 | 5.14% |

Source: Cuyahoga County Fiscal Officer's Office

- (1) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.
- (2) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the County to get this information in the future.

Orange City School District
Cuyahoga County, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| <u>Governmental Activities</u> | | | | | | |
|--------------------------------|-------------------------------------|-----------------------|---|---------------------------|-------------------------------|--|
| <u>Fiscal Year</u> | <u>General Obligation Bonds (4)</u> | <u>Capital Leases</u> | <u>(1) Total Primary Government</u> | <u>(2) Per Capita</u> | <u>(2) Per Enrollment</u> | <u>(2) Total Debt as a Percentage of Personal Income</u> |
| 2016 | \$ 20,359,366 | \$ 414,203 | \$ 20,773,569 | (3) | \$ 10,050 | (3) |
| 2015 | 22,010,509 | 267,763 | 22,278,272 | 1,550 | 10,262 | 1.14% |
| 2014 | 23,530,963 | 5,730 | 23,536,693 | 1,638 | 10,588 | 1.48% |
| 2013 | 24,877,957 | 12,218 | 24,890,175 | 1,748 | 11,197 | 0.86% |
| 2012 | 26,117,290 | 56,138 | 26,173,428 | 1,838 | 11,659 | 1.69% |
| 2011 | 27,228,004 | 127,646 | 27,355,650 | 1,928 | 11,946 | 1.87% |
| 2010 | 25,578,611 | 193,763 | 25,772,374 | 1,814 | 11,394 | 2.16% |
| 2009 | 26,574,579 | 220,464 | 26,795,043 | 1,986 | 11,595 | 1.81% |
| 2008 | 27,522,004 | 272,258 | 27,794,262 | 2,068 | 11,639 | 1.62% |
| 2007 | 28,527,516 | 0 | 28,527,516 | 2,115 | 12,022 | 1.73% |

Sources: School District Financial Records

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

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

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

(4) General obligation bonds are reported net of premiums, discounts and other adjustments.

Orange City School District
Cuyahoga County, Ohio
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value of Property | Per Capita |
|--------------------|--|--|--|---|-------------------|
| | General Obligation Bonds (1) | Less: Restricted for Debt Service | Net General Bonded Debt Outstanding | | |
| 2016 | \$ 20,359,366 | \$ 4,430,182 | \$ 15,929,184 | 0.53% | (2) |
| 2015 | 22,010,509 | 2,685,509 | 19,325,000 | 0.67% | \$ 1,345 |
| 2014 | 23,530,963 | 2,828,644 | 20,702,319 | 0.72% | 1,440 |
| 2013 | 24,877,957 | 1,831,512 | 23,046,445 | 0.81% | 1,619 |
| 2012 | 26,117,290 | 3,728,136 | 22,389,154 | 0.78% | 1,572 |
| 2011 | 27,228,004 | 3,342,046 | 23,885,958 | 0.83% | 1,683 |
| 2010 | 25,578,611 | 3,029,772 | 22,548,839 | 0.79% | 1,587 |
| 2009 | 26,574,579 | 2,763,181 | 23,811,398 | 0.75% | 1,765 |
| 2008 | 27,522,004 | 2,478,446 | 25,043,558 | 0.75% | 1,864 |
| 2007 | 27,535,222 | 2,099,607 | 25,435,615 | 0.80% | 1,886 |

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

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

(2) Personal income information can be found on the Demographic and Economic Statistics table. The information for 2016 was not readily available.

Orange City School District
Cuyahoga County, Ohio
Direct And Overlapping Governmental Activities Debt
As of June 30, 2016

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| Orange City School District | \$ 20,773,569 | 100.00% | \$ 20,773,569 |
| <i>Total Direct Debt</i> | <u>20,773,569</u> | | <u>20,773,569</u> |
| Overlapping Debt: | | | |
| Cuyahoga County | 173,037,000 | 3.83% | 6,627,317 |
| Village Of Orange | 400,000 | 94.38% | 377,520 |
| City Of Bedford Heights | 850,000 | 11.34% | 96,390 |
| Village Of Moreland Hills | 127,274 | 80.17% | 102,036 |
| City Of Pepper Pike | 2,560,457 | 98.95% | 2,533,572 |
| City Of Warrensville Heights | 10,700,000 | 3.41% | 364,870 |
| Village Of Woodmere | 1,640,000 | 100.00% | 1,640,000 |
| Village Of Huntington Valley | 5,250,000 | 88.72% | 4,657,800 |
| <i>Total Overlapping Debt</i> | <u>194,564,731</u> | | <u>16,399,505</u> |
| <i>Total Direct And Overlapping Debt</i> | <u>\$ 215,338,300</u> | | <u>\$ 37,173,074</u> |

Source: Ohio Municipal Advisory Council

Note: 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 2015 collection year.

Orange City School District
Cuyahoga County, Ohio
Legal Debt Margin Information
Last Ten Fiscal Years

| Fiscal Year | Assessed Value (2) | Voted Debt Limit (1) | Total Debt Applicable to Limit (3) | Debt Service Available Balance | Voted Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit | Unvoted Legal Debt Margin (1) |
|--------------------|---------------------------|-----------------------------|---|---------------------------------------|--------------------------------|---|--------------------------------------|
| 2016 | \$ 1,054,272,420 | \$ 94,884,518 | \$ 19,046,560 | \$ 4,407,537 | \$ 80,245,495 | 15.43% | \$ 1,054,272 |
| 2015 | 1,012,981,480 | 91,168,333 | 19,974,970 | 4,191,931 | 75,385,294 | 17.31% | 1,012,981 |
| 2014 | 1,011,795,860 | 91,061,627 | 21,522,696 | 4,129,608 | 73,668,539 | 19.10% | 1,011,796 |
| 2013 | 1,004,986,990 | 90,448,829 | 22,121,029 | 3,933,451 | 72,261,251 | 20.11% | 1,004,987 |
| 2012 | 1,005,479,870 | 90,493,188 | 22,918,189 | 3,711,201 | 71,286,200 | 21.22% | 1,005,480 |
| 2011 (2) | 1,005,727,300 | 90,515,457 | 24,383,189 | 3,287,546 | 69,419,814 | 23.31% | 1,005,727 |
| 2010 (2) | 1,000,118,320 | 90,010,649 | 23,048,189 | 2,871,393 | 69,833,853 | 22.42% | 1,000,118 |
| 2009 (2) | 1,035,497,340 | 93,194,761 | 24,323,189 | 2,751,041 | 71,622,613 | 23.15% | 1,035,497 |
| 2008 (2) | 1,031,043,200 | 92,793,888 | 25,518,189 | 2,377,383 | 69,653,082 | 24.94% | 1,031,043 |
| 2007 (2) | 1,027,418,660 | 92,467,679 | 26,743,189 | 2,065,087 | 67,789,577 | 26.69% | 1,027,419 |

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

- (1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.
- (2) The District's total assessed valuation for the respective collection year is not utilized as the base for determining current direct debt limitations. Consistent with House Bill 530, adjustments are made to exclude substantially all tangible personal property values from this calculation. Adjusted values were obtained from the Ohio Department of Taxation.
- (3) Total Debt applicable to limit excludes accreted interest on capital appreciation bonds.

Orange City School District
Cuyahoga County, Ohio
Demographic and Economic Statistics
Last Ten Years

| Year | Population (1) | Average Income by Return (5) | Personal Income (5) | Per Capita Income | Median Age (1) | School Enrollment (3) | Unemployment Rates (4) | | |
|------|----------------|------------------------------------|------------------------|----------------------|-------------------|--------------------------|------------------------|-------|------------------|
| | | | | | | | Cuyahoga County | Ohio | United States |
| 2016 | (2) | (2) | (2) | (2) | 49.3 | 2,067 | 5.6% | 5.0% | 4.9% |
| 2015 | 14,372 | \$ 290,417 | \$ 1,946,371,921 | \$ 135,428 | 51.2 | 2,171 | 6.7% | 5.2% | 5.3% |
| 2014 | 14,373 | 228,421 | 1,588,439,132 | 110,515 | 51.1 | 2,216 | 7.9% | 5.5% | 6.1% |
| 2013 | 14,239 | 307,155 | 2,903,570,821 | 203,917 | 49.2 | 2,223 | 8.0% | 7.2% | 7.6% |
| 2012 | 14,239 | 230,528 | 1,552,833,536 | 109,055 | 49.2 | 2,245 | 7.5% | 7.2% | 8.2% |
| 2011 | 14,190 | 224,370 | 1,461,094,740 | 102,967 | 40.2 | 2,290 | 7.9% | 8.8% | 9.1% |
| 2010 | 14,211 | 183,625 | 1,191,176,755 | 83,821 | 41.5 | 2,262 | 9.7% | 10.5% | 9.5% |
| 2009 | 13,493 | 218,640 | 1,477,129,812 | 109,474 | 41.5 | 2,311 | 10.2% | 11.1% | 9.5% |
| 2008 | 13,437 | 218,640 | 1,718,478,448 | 127,892 | 41.5 | 2,388 | 8.1% | 6.7% | 5.7% |
| 2007 | 13,490 | 237,468 | 1,646,839,811 | 122,079 | 41.5 | 2,373 | 6.5% | 5.8% | 4.7% |

Sources:

- (1) Information obtained from the U.S. Census Bureau website (www.census.gov).
City of Pepper Pike Geographic Area.
- (2) Information not readily available for this calendar year.
- (3) Obtained from School District Records.
- (4) Obtained from the Ohio Department of Job and Family Services.
- (5) Obtained from the Ohio Department of Taxation.

Orange City School District
Cuyahoga County, Ohio
Principal Employers
December 31, 2015 And Nine Years Ago

| December 31, 2015 | | |
|-----------------------------------|------------------|-------------|
| Employer | Employees | Rank |
| Ursuline College | 560 | 1 |
| Orange City School District (1) | 551 | 2 |
| Beech Brook | 327 | 3 |
| Country Club, Inc. | 298 | 4 |
| Heinens, Inc. | 279 | 5 |
| Beechmont, Inc. | 201 | 6 |
| Apple, Inc. | 170 | 7 |
| Red Lobster Restaurants, LLC | 169 | 8 |
| Chagrin Valley Country Club | 151 | 9 |
| Bravo Brio Restaurant Group, Inc. | 136 | 10 |
| Total | <u>2,842</u> | |

| December 31, 2006 | | |
|---------------------------------|------------------|-------------|
| Employer | Employees | Rank |
| Orange City School District (1) | 616 | 1 |
| Ursuline College | 362 | 2 |
| Sky Financial Group | 126 | 3 |
| City of Pepper Pike | 101 | 4 |
| Stern Advertising | 80 | 5 |
| Beech Brook | 78 | 6 |
| Merrill Lynch Pierce Fenner | 75 | 7 |
| Chagrin Valley Country Club | 60 | 8 |
| National City Corporation | 51 | 9 |
| Wachovia Shared Resources | 43 | 10 |
| Total | <u>1,592</u> | |

Source: Regional Income Tax Agency

(1) Includes substitute and seasonal employees.

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

Orange City School District
Cuyahoga County, Ohio
Staffing Statistics
Full Time Equivalents (FTE) by Type and Function
Last Ten Fiscal Years

| Type | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Professional Staff: | | | | | | | | | | |
| Teaching Staff: | | | | | | | | | | |
| Elementary | 77.1 | 82.3 | 82.3 | 82.3 | 82.3 | 85.8 | 85.0 | 84.6 | 84.6 | 84.1 |
| Middle | 49.3 | 49.5 | 49.5 | 49.5 | 47.9 | 50.9 | 50.9 | 50.9 | 49.5 | 48.5 |
| High | 67.5 | 69.6 | 69.6 | 67.6 | 67.0 | 68.0 | 67.0 | 67.0 | 66.9 | 66.9 |
| Others | 19.1 | 19.3 | 19.3 | 18.9 | 17.9 | 18.9 | 18.7 | 18.7 | 17.7 | 17.7 |
| Administration: | | | | | | | | | | |
| District | 19.0 | 20.0 | 20.0 | 21.0 | 20.0 | 21.0 | 21.0 | 20.0 | 20.0 | 20.0 |
| Auxiliary Positions: | | | | | | | | | | |
| Counselors | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Nurses | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Speech | 4.6 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 | 5.3 |
| Mental Health Specialists | 4.0 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 |
| Others | 6.6 | 8.6 | 8.6 | 8.6 | 8.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 |
| Support Staff: | | | | | | | | | | |
| Supervisors | 9.0 | 10.0 | 10.0 | 10.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| Secretarial | 33.0 | 33.0 | 33.0 | 33.4 | 33.4 | 33.4 | 32.5 | 32.5 | 33.5 | 33.5 |
| Aides | 56.5 | 60.0 | 59.0 | 59.0 | 58.0 | 60.0 | 60.0 | 60.0 | 57.5 | 53.5 |
| Technical | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Cooks | 8.2 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.6 |
| Custodial | 26.1 | 26.0 | 26.0 | 26.0 | 26.0 | 25.3 | 25.3 | 25.3 | 25.3 | 25.3 |
| Maintenance | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Bus Driver | 31.2 | 31.6 | 31.6 | 31.6 | 31.6 | 32.9 | 32.9 | 32.9 | 32.9 | 32.1 |
| Bus Aides | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Mechanics | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Total | 436.2 | 451.9 | 450.9 | 449.9 | 445.7 | 460.8 | 457.9 | 456.5 | 452.5 | 447.7 |
| Function | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Instruction: | | | | | | | | | | |
| Regular | 152.9 | 158.2 | 159.2 | 156.8 | 154.6 | 161.6 | 161.1 | 160.7 | 160.2 | 159.2 |
| Special | 54.0 | 51.6 | 50.6 | 50.6 | 49.6 | 51.1 | 49.6 | 49.6 | 47.6 | 47.1 |
| Vocational | 1.0 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Support Services: | | | | | | | | | | |
| Pupil | 28.2 | 36.9 | 36.9 | 36.9 | 35.9 | 36.4 | 36.4 | 36.4 | 36.4 | 36.5 |
| Instructional staff | 68.0 | 65.0 | 64.0 | 64.0 | 64.0 | 67.0 | 67.0 | 67.0 | 65.0 | 62.0 |
| Administration | 21.0 | 22.0 | 22.0 | 23.0 | 22.0 | 23.0 | 23.0 | 22.0 | 22.5 | 22.5 |
| Fiscal | 5.8 | 5.6 | 5.6 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Business | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Operations and maintenance | 43.1 | 44.0 | 44.0 | 44.0 | 45.0 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 |
| Pupil transportation | 39.6 | 39.1 | 39.1 | 39.1 | 39.1 | 40.9 | 40.9 | 40.9 | 40.9 | 40.6 |
| Central | 7.0 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.0 | 10.0 | 10.0 | 10.0 |
| Food Service Operations | 8.7 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.1 | 9.0 |
| Extracurricular activities | 2.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| Total Governmental Activities | 436.2 | 451.9 | 450.9 | 449.9 | 445.7 | 460.8 | 457.9 | 456.5 | 452.5 | 447.7 |

Source: School District records

Orange City School District
Cuyahoga County, Ohio
Operating Indicators by Function
Last Ten Fiscal Years

| Function | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular and Special | | | | | | | | | | |
| Enrollment (Students) | 2,067 | 2,171 | 2,216 | 2,223 | 2,245 | 2,290 | 2,199 | 2,311 | 2,388 | 2,373 |
| Graduates | 161 | 159 | 185 | 190 | 181 | 172 | 150 | 201 | 187 | 180 |
| Support Services: | | | | | | | | | | |
| Board of Education | | | | | | | | | | |
| Regular Meetings per Year | 16 | 21 | 18 | 23 | 22 | 22 | 21 | 24 | 24 | 24 |
| Special Meetings per Year | 20 | 17 | 20 | 16 | 12 | 12 | 17 | 11 | 22 | 21 |
| Administration | | | | | | | | | | |
| Student Attendance Rate | 95.8% | 95.6% | 95.0% | 95.6% | 95.6% | 95.7% | 95.8% | 96.0% | 96.5% | 95.9% |
| Fiscal | | | | | | | | | | |
| Nonpayroll Checks | | | | | | | | | | |
| Issued | 5,278 | 5,589 | 5,511 | 5,538 | 5,389 | 6,018 | 6,636 | 6,588 | 6,619 | 6,424 |
| Operations and Maintenance | | | | | | | | | | |
| Work Orders Completed | 411 | 397 | 390 | 573 | 438 | 629 | 416 | 500 | 500 | 500 |
| Square Footage | | | | | | | | | | |
| Maintained | 548,700 | 548,700 | 548,700 | 548,700 | 548,700 | 534,881 | 534,881 | 534,881 | 534,881 | 534,881 |
| Pupil Transportation | | | | | | | | | | |
| Avg. Students Transported | | | | | | | | | | |
| Daily (1) | 1,293 | 1,382 | 1,391 | 1,391 | 1,381 | 1,525 | 1,440 | 2,242 | 2,462 | 2,592 |
| Food Service Operations | | | | | | | | | | |
| Meals Served to Students | 186,851 | 168,969 | 182,556 | 182,590 | 184,677 | 170,930 | 195,915 | 188,754 | 207,577 | 192,466 |
| Number of Students With | | | | | | | | | | |
| Free or Reduced Lunches | 257 | 284 | 278 | 251 | 282 | 203 | 224 | 222 | 218 | 174 |

Source: School District Records

(1) Figure includes public and nonpublic riders.

Orange City School District
Cuyahoga County, Ohio
Capital Asset Statistics
Last Ten Fiscal Years

| Governmental Activities | | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2014 | 2013 |
| Land | \$ 6,315,782 | \$ 6,315,782 | \$ 6,315,782 | \$ 6,370,150 |
| Construction in Progress | 0 | 645,323 | 1,148,798 | 330,459 |
| Land Improvements | 3,669,484 | 4,021,647 | 4,379,666 | 3,881,682 |
| Buildings | 33,663,785 | 30,289,257 | 28,916,233 | 29,429,013 |
| Equipment | 1,068,447 | 1,309,712 | 1,233,820 | 1,390,872 |
| Vehicles | 1,356,142 | 1,607,377 | 1,545,465 | 1,580,642 |
| Total Governmental Activities | | | | |
| Capital Assets, Net | <u>\$ 46,073,640</u> | <u>\$ 44,189,098</u> | <u>\$ 43,539,764</u> | <u>\$ 42,982,818</u> |
| Business-Type Activities | | | | |
| | 2016 | 2015 | 2014 | 2013 |
| Construction in Progress | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Land Improvements | 19,330 | 22,143 | 24,956 | 27,769 |
| Buildings | 2,984,180 | 3,149,210 | 3,317,269 | 3,484,755 |
| Equipment | 6,317 | 4,896 | 0 | 0 |
| Vehicles | 0 | 0 | 0 | 0 |
| Total Business-Type Activities | | | | |
| Capital Assets, Net | <u>\$ 3,009,827</u> | <u>\$ 3,176,249</u> | <u>\$ 3,342,225</u> | <u>\$ 3,512,524</u> |

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| \$ 6,370,150 | \$ 6,370,150 | \$ 6,370,150 | \$ 6,370,150 | \$ 6,370,150 | \$ 6,370,150 |
| 80,263 | 1,724,343 | 1,431,742 | 1,424,838 | 55,103 | 7,657 |
| 4,138,845 | 4,052,380 | 4,338,252 | 4,603,316 | 4,925,063 | 5,213,189 |
| 30,349,086 | 28,014,968 | 27,973,225 | 27,231,377 | 27,698,365 | 28,168,267 |
| 914,936 | 927,018 | 1,005,328 | 1,101,286 | 1,181,011 | 869,790 |
| 1,665,297 | 1,723,068 | 1,714,578 | 1,685,540 | 1,585,559 | 1,541,672 |
| <u>\$ 43,518,577</u> | <u>\$ 42,811,927</u> | <u>\$ 42,833,275</u> | <u>\$42,416,507</u> | <u>\$41,815,251</u> | <u>\$42,170,725</u> |

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 0 | \$ 0 | \$ 631,180 | \$ 0 | \$ 0 | \$ 0 |
| 30,582 | 33,395 | 36,632 | 44,728 | 44,728 | 49,292 |
| 3,654,394 | 3,783,272 | 1,949,230 | 2,131,584 | 2,131,584 | 2,170,785 |
| 2,304 | 3,610 | 4,916 | 17,696 | 17,696 | 18,066 |
| 0 | 2,507 | 7,522 | 23,601 | 23,601 | 29,717 |
| <u>\$ 3,687,280</u> | <u>\$ 3,822,784</u> | <u>\$ 2,629,480</u> | <u>\$ 2,217,609</u> | <u>\$ 2,217,609</u> | <u>\$ 2,267,860</u> |

Orange City School District
Cuyahoga County, Ohio
School Building Information
Last Ten Fiscal Years

| | 2016 | 2015 | 2014 | 2013 |
|----------------------------------|-------------|-------------|-------------|-------------|
| Orange High School (1973) | | | | |
| Square feet | 215,886 | 215,886 | 215,886 | 215,886 |
| Capacity (All) | 960 | 960 | 960 | 960 |
| Enrollment | 681 | 681 | 698 | 712 |
| Brady Middle School (1965) | | | | |
| Square feet | 99,760 | 99,760 | 99,760 | 99,760 |
| Capacity (All) | 720 | 720 | 720 | 720 |
| Enrollment | 500 | 500 | 498 | 473 |
| Moreland Hills Elementary (2001) | | | | |
| Square feet | 124,875 | 124,875 | 124,875 | 124,875 |
| Capacity (All) | 1,440 | 1,440 | 1,440 | 1,440 |
| Enrollment | 883 | 883 | 917 | 943 |
| Gund School (1978) | | | | |
| Square feet | 6,000 | 6,000 | 6,000 | 6,000 |
| Capacity (All) | 84 | 84 | 84 | 84 |
| Enrollment | 81 | 81 | 70 | 67 |
| New Directions (1989) | | | | |
| Square feet | 26,400 | 26,400 | 26,400 | 26,400 |
| Capacity (All) | 38 | 38 | 38 | 38 |
| Enrollment | 26 | 26 | 33 | 28 |

Source: School District records

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

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 215,886 | 215,886 | 215,886 | 215,886 | 215,886 | 215,886 |
| 960 | 960 | 960 | 960 | 960 | 960 |
| 701 | 765 | 719 | 688 | 715 | 737 |
| 99,760 | 86,138 | 86,138 | 86,138 | 86,138 | 86,138 |
| 720 | 720 | 720 | 720 | 720 | 720 |
| 516 | 484 | 496 | 521 | 570 | 532 |
| 124,875 | 124,875 | 124,875 | 124,875 | 124,875 | 124,875 |
| 1,440 | 1,440 | 1,440 | 1,440 | 1,440 | 1,440 |
| 947 | 957 | 881 | 997 | 1,006 | 1,023 |
| 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 84 | 84 | 84 | 84 | 84 | 84 |
| 60 | 58 | 68 | 79 | 68 | 53 |
| 26,400 | 26,400 | 26,400 | 26,400 | 1,800 | 1,800 |
| 38 | 38 | 38 | 38 | 30 | 30 |
| 21 | 26 | 35 | 26 | 29 | 28 |

Orange City School District
Cuyahoga County, Ohio
Operating Statistics
Last Ten Fiscal Years

| Fiscal Year | Total Governmental Funds | | Governmental Activities | | Enrollment (2) | Percent Change of Enrollment |
|--------------------|---------------------------------|-----------------------|--------------------------------|-----------------------|-----------------------|-------------------------------------|
| | Expenditures (1) | Cost per Pupil | Expenses (1) | Cost per Pupil | | |
| 2016 | \$ 55,301,779 | \$ 26,755 | \$ 53,334,284 | \$ 25,803 | 2,067 | -4.79% |
| 2015 | 55,170,513 | 25,412 | 54,448,707 | 25,080 | 2,171 | -2.03% |
| 2014 | 54,685,522 | 24,678 | 54,404,797 | 24,551 | 2,216 | -0.31% |
| 2013 | 51,748,651 | 23,279 | 52,319,586 | 23,536 | 2,223 | -0.98% |
| 2012 | 52,829,166 | 23,532 | 52,759,592 | 23,501 | 2,245 | -1.97% |
| 2011 | 53,252,135 | 23,254 | 53,390,294 | 23,315 | 2,290 | 1.24% |
| 2010 | 53,070,029 | 23,462 | 53,120,554 | 23,484 | 2,262 | -2.12% |
| 2009 | 51,468,876 | 22,271 | 51,302,966 | 22,199 | 2,311 | -3.22% |
| 2008 | 48,392,467 | 20,265 | 48,802,279 | 20,436 | 2,388 | 0.63% |
| 2007 | 48,163,341 | 20,296 | 47,530,379 | 20,030 | 2,373 | 0.00% |

Source: School District records

- (1) Debt Service totals have been excluded.
- (2) Enrollment derived from School District attendance records.
- (3) Teaching staff headcount represents full-time equivalents.

| Teaching Staff (3) | Pupil/Teacher Ratio | Student Attendance Percentage |
|---------------------------|----------------------------|--------------------------------------|
| 220.7 | 9.37 | 95.6% |
| 220.7 | 9.84 | 95.6% |
| 220.7 | 10.04 | 95.6% |
| 239.0 | 9.30 | 95.6% |
| 227.3 | 9.88 | 95.6% |
| 240.5 | 9.52 | 95.7% |
| 221.6 | 10.21 | 95.8% |
| 221.2 | 10.45 | 96.0% |
| 218.7 | 10.92 | 96.5% |
| 217.2 | 10.93 | 95.9% |

Orange City School District
Cuyahoga County, Ohio
Teacher Statistics
June 30, 2016

| Degree | Number of Teachers | Percentage of Total | Pay Range |
|--------------------|--------------------------|---------------------------|----------------------|
| Associate's Degree | (1) | n/a | (1) |
| Bachelor's Degree | 23.00 | 11.30% | \$44,191 - \$84,522 |
| Master's Degree | 213.00 | 87.02% | \$49,029 - \$104,803 |
| Ph.D. | 1.00 | 1.67% | \$52,029 - \$105,803 |
| | <u>237.00</u> | <u>100.00%</u> | |

| Years of Experience | Number of Teachers | Percentage of Total |
|---------------------|--------------------------|---------------------------|
| 0 - 5 | 42.00 | 17.72% |
| 6 - 10 | 39.00 | 16.46% |
| 11 and over | 156.00 | 65.82% |
| | <u>237.00</u> | <u>100.00%</u> |

Source: School District Personnel Records

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



Dave Yost • Auditor of State

ORANGE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 21, 2017