

# Comprehensive Annual Financial Report

**North Olmsted City School District** 6-12 CAMPUS COMING 2018



PARTNERSHIP • EXCELLENCE • CITIZENSHIP • SCHOLARSHIP



## North Olmsted City School District

**For the Fiscal Year Ended June 30, 2016  
North Olmsted, Ohio**

**Back of cover.**

# **NORTH OLMSTED CITY SCHOOL DISTRICT**

**North Olmsted, Ohio**

**Comprehensive**

**Annual Financial Report**

**For the Fiscal Year Ended June 30, 2016**

Prepared by

Treasurer's Office  
Robert J. Matson CPA  
Treasurer

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## INTRODUCTORY SECTION

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**North Olmsted City School District**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017  
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*North Olmsted City School District  
Administrative Offices  
26669 Butternut Ridge Road  
North Olmsted, Ohio 44070*



February 24, 2017

Members of the North Olmsted Board of Education and  
Residents of North Olmsted City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the North Olmsted City School District for the year ended June 30, 2016. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles 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 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 School District. This report will provide the taxpayers of the North Olmsted City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Olmsted Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

### **THE REPORTING ENTITY**

North Olmsted City School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) 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". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Olmsted City School District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the City of North Olmsted, the Cuyahoga County Public Library and the Parent Teacher Association. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

The School District is a member of the North Coast Council, the Polaris Career Center, the North Olmsted City Schools Education Foundation and the Ohio Schools Council Association. The relationship of these jointly governed organizations with the School District is described in more detail in Note 15 of the basic financial statements.

## **ORGANIZATIONAL STRUCTURE**

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer. The District is one of over 876 public school districts and community schools in the State of Ohio. The District provides education services to approximately 3,850 students in kindergarten through twelfth grade. The District also provides a wide range of services preschool-aged children, special education and vocational type academic programs.

## **SCHOOL DISTRICT**

The North Olmsted City School District is located in western Cuyahoga County, approximately 17 miles southwest of downtown Cleveland. The School District encompasses the entire City of North Olmsted, a community with a population of approximately 32,000. The City is primarily residential with a significant commercial tax base of retail businesses.

The School District was chartered in 1831 by the Ohio State legislature two years after the name "Olmstead" was assigned to the area. The region was named after Aaron Olmstead, an investor and Revolutionary War soldier who purchased land in the area in 1794. The exact time and reason for changing to the current spelling is unclear from the historical records. In 1837, under the auspices of the Office of the State Superintendent of Common School Education, Township Trustees were authorized to levy compulsory taxes for the support of public education. In 1853 State laws were enacted to create locally elected boards of education to govern local school districts. Today, the North Olmsted Board of Education is comprised of five members, elected at large, with staggered four year terms.

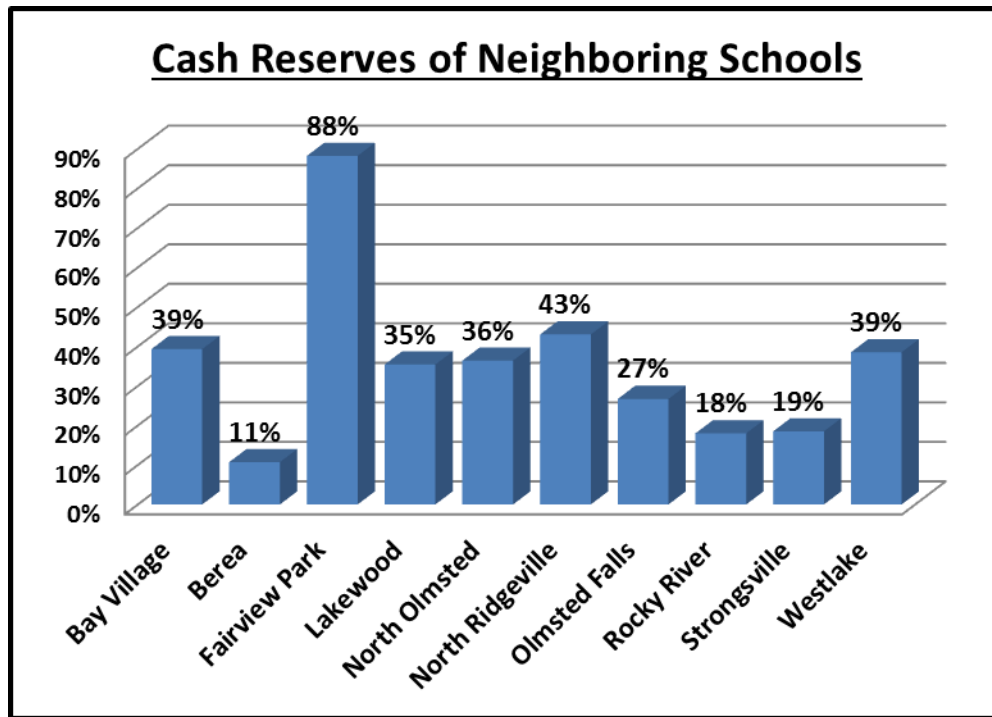
Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in Section 3301.07(D) of the Ohio Revised Code, to provide educational services authorized by charter and further mandated by State and Federal agencies. Under Ohio law, the School District is a separate and distinct unit of government with its own taxing authority.

## **ECONOMIC CONDITION AND OUTLOOK**

For the third year in a row, operating expenditures have exceeded operating revenues. Based upon the District's "October 2016 Five Year Financial Forecast", the annual operating deficits will continue to get progressively larger over the next five years. These future operating deficits can be temporarily funded with the District's cash reserves until the reserves are exhausted and the Board of Education will have to place a property tax levy before the voters. In Ohio, inflationary growth in the property tax collections is severely restricted through legislative actions. Most school districts in Ohio are required to periodically seek additional funding through new tax levies to off-set increase operating costs caused by inflation, unfunded state mandates, and the adoption of new academic programs. It is time for the Board of Education to seriously consider placing a new operation levy on the ballot in the near future to avoid serious disruptions in our academic programs as experienced by neighboring school districts.

There will be a great deal of discussion about the size of the District's cash reserves. North Olmsted's cash reserves have not been excessive. Over the years, the reserves have been adequate to meet the daily needs of the District during the great recession and avoid disrupted reductions in programing and personnel. The single largest cause of business failure in the private sector is inadequate cash reserves. Below is an analysis of the cash reserves of

neighboring school districts in Cuyahoga and Lorain Counties as of June 30, 2016. Because of the size difference of each district's operating budget, cash reserves need to be compared as a percentage of annual operating budgets.



In November 2014, the Community approved an \$80.6 million construction bond levy. Proceeds from the sale of the bonds will allow the District to replace its 85 year old Middle School and 53 year old High School with a state of the art sixth through twelfth grade educational campus, a performing arts center, and a new high school athletic complex. The School District will receive approximately \$9.0 million in matching funds from the State of Ohio for this project. Principal and interest accrued on the bonds will be paid with the real estate taxes collected from the new 5.4 mill bond levy. Construction is scheduled to be completed for the start of the 2018-19 school year. The Administration is currently working on a redistricting plan that could result in the closing of two elementary buildings and potentially save the District \$900,000 annually in operating expenses when the new building is completed.

Moody's Investment Service recognized the financial stability of the District when they assigned an Aa2 credit rating to these bonds. In their report, Moody's identified the following strengths of the District:

1. A capable and strong management team.
2. Conservative management practices.
3. Strong General Fund and reserve balances.
4. Willingness to timely request additional funds from the voters.
5. Willingness to proactively address cuts in expenditures

The market values of residential homes are showing signs of recovering from the recession. During the 2015 tax year, the County Fiscal Officer performed his triennial reappraisal of property values in Cuyahoga County. Change in property values for Westside communities ranged from a low of -2.2% in Berea, to a high of 9.6% in Rocky River. North Olmsted experienced 2.0%

increase in residential property values. The average market value of a home in Olmsted is now \$127,401. Below is a chart of changes in market values of neighboring communities.

<u>City</u>	<u>Number of Homes</u>	<u>Average Market Value</u>		<u>Percent Change</u>
		<u>2014</u>	<u>2015</u>	
Bay Village	6,237	217,231	235,649	8.5%
Berea	6,385	127,992	125,163	-2.2%
Brook Park	7,176	101,729	99,632	-2.1%
Brooklyn	3,608	96,794	94,979	-1.9%
Fairview Park	6,253	136,236	144,847	6.3%
Lakewood	15,459	126,070	135,428	7.4%
Middleburg Hts	5,808	139,647	140,066	0.3%
North Olmsted	11,832	124,882	127,401	2.0%
North Royalton	10,400	185,193	187,528	1.3%
Olmsted Falls	3,353	138,162	140,904	2.0%
Olmsted Township	3,501	170,269	174,556	2.5%
Rocky River	7,937	207,089	226,924	9.6%
Strongsville	15,718	189,323	194,441	2.7%
Westlake	11,441	238,446	251,689	5.6%

## **MAJOR INITIATIVES - FISCAL YEAR 2016**

### **Excellence in Academics**

U.S. News and World Report reviewed 31,242 public high schools for their annual rankings. North Olmsted High School earned a Bronze Award – one of only 129 in the state of Ohio to earn the Bronze award. The High School is ranked as a National School of Excellence.

The Class of 2016 had three students named as National Merit Commended Scholars and sixteen seniors earned Academic Letters.

The High School offers 34 different Honors or Advanced Placement classes for students. Students can earn college credit by taking the Advanced Placement exam and earning a qualifying score. Students can also earn college credit while still in high school by enrolling in the College Credit Plus Program at North Olmsted High School.

Seventy-two seniors were awarded the Presidential Award of Educational Excellence and seventy-nine earned Honors diplomas.

The North Olmsted High School Class of 2016 earned over \$7 million in scholarship offers to universities and colleges across the country to further their studies.

Forty-seven North Olmsted community organizations awarded scholarship awards totaling over \$87,000 to the graduating Class of 2016 at the annual Seniors Honors Night.

Our partnership with Polaris Career Center is expanding and we have developed satellite programs in Biomedical Science, Video Game Design and Computer Networking Technology.

Students can earn a 3-year Computer Networking Technology certificate in Microsoft Technology, CompTIAA+ and Cisco Certified Network Associate. Students also can earn college credit through the Post-Secondary Options Program (PSOP.)

The District formally joined in a partnership with Lorain County Community College (LCCC) and the MyUniversity Program to allow students to earn college credit for free while still in high school by offering college level classes at the high school, including chemistry and Spanish.

### **Excellence in the Arts**

The annual spring musical, "All Shook Up" was well attended by the community. The community and performers are looking forward to the construction of the planned Performing Arts Center instead of performing in the High School cafeteria.

Many students performed in the annual OBOBA (Orange and Black One Big Act) talent show and helped direct the spring musical and the Eagles Nest Theater drama productions.

North Olmsted High School art students supplied original artwork for a community calendar called the Town Planner which is distributed to every home and business in North Olmsted.

The Education Foundation supports and promotes the arts and invites the students to display their original artwork at their annual fundraiser at Springvale Ballroom. Students are allowed to sell their artwork to community members and retain the proceeds.

### **Excellence in Community Service**

During the summer of 2016, the School District continued its partnership with the North Olmsted City Recreation Department and Horizon Activity Centers to serve as host sites for an USDA sponsored Summer Meals Program. The program provides no cost breakfasts, lunches and snacks to children ages 1 through 18 during the months of June, July and August.

Students in the SITES (Social Involvement Through Education and Service) perform thousands of hours of volunteer service to the community throughout the year and during "Outreach Week" in the Greater Cleveland. The SITES students lead numerous service projects at schools, hospitals and civic organizations and are an integral part of the annual "Salute to Veterans" celebration in November.

The SITES and Link Crew High School programs and the WEB (Where Everyone Belongs" program at the Middle School have been nationally recognized as best practices for service and efforts to have older students mentor younger students to support students as they transition from Middle School to High School.

Senior SITES students sponsored the annual Seniorfest dance for senior citizens at Springvale Ballroom, and helped with a district-wide Day of Giving in December to stock the local food pantry and adopt needy families for the holidays.

### **Excellence in Athletics**

Nineteen student athletes signed with different colleges to continue their athletic careers after high school. The Boys Golf team was SWC runner-up and broke a school record for team low score at 306. A senior golfer set eight school records and was named the SWC Most Valuable Player. Boys Golf also had three Academic All Ohio honorees.

Both Boys and Girls Soccer teams received the Academic All Ohio Team Award for high academic accomplishments.

The Boys Basketball team took 1<sup>st</sup> Place in the SWC and broke the school record for most wins in the history of the school. One senior had a career 1000 points.

The Hockey team was Baron Cup runner-up and SWC Champions. The Hockey team took 1<sup>st</sup> place honors in the Greater Cleveland High School Hockey League in the West White division. Their new coach was named Coach of the Year and had an impressive record earning them a move up to the Red division for 2017.

The Girls Bowling team was a State Qualifier and finished 6<sup>th</sup> in Ohio. Girls Bowling team members broke four school team records and their coach was named Coach of the Year. Girls Swimming had a State Qualifier who took 11<sup>th</sup> place in the State of Ohio.

### **Other Accomplishments:**

Throughout the school year the District hosted a number of community forums and meetings to keep the residents informed on the progress of the new academic campus, including a State of the Schools evening event in March at Springvale Ballroom.

The residents value the strong history of the district and held a “Lights Out” decommissioning ceremony for the High School stadium - complete with fireworks – as part of the process of clearing land and buildings for the new campus.



In February 2016 the district held a parent meeting about realigning the district into new grade configurations (K-6) in anticipation of closing Butternut Primary and converting to the Board of Education Administrative Offices.

On March 4, 2016 the final portion of the Middle School demolition was completed and many residents and students came by to take photos.



In March 2016 the historic home next to the Board offices was moved by the historical society as part of the plan to finish clearing the land for the new campus.

The oldest trees cleared from the site were preserved and carved into Eagle sculptures during the community home days and will be repurposed in the new buildings and on the campus.



Construction of the District's new Middle/High School campus, state of the art performing art center and new sport stadium is on time and on budget. Construction is schedule to be completed for the start of the 2018-19 school year.



## **LONG-TERM FINANCIAL PLANNING**

As part of the District's long-term planning, the Treasurer prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expenses over the next five years and is accompanied by financial assumptions. The Board of Education reviews this document on a quarterly basis for changes that might impact their district financial decisions. The School District's five year financial forecast and the assumptions used in its preparation can be found on the District's website "[www.northolmstedschools.org](http://www.northolmstedschools.org)".

## **FINANCIAL POLICIES IMPACTING THE FINANCIAL STATEMENTS**

The Board of Education has adopted guidelines to maintain a prudent level of financial resources to protect the School District against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. To achieve this goal, the Board of Education has established a budget stabilization fund, a medical claims reserve fund, and a contingency fund to finance the next 27<sup>th</sup> pay period scheduled to occur during the 2016-17 fiscal year. A detailed discussion of these funds is provided in Notes 10.C and 18 to the basic financial statements.

The Board of Education has also adopted administrative procedures to compare actual expenditures to budget monthly and quarterly for the purpose of taking appropriate actions to bring the budget into balance.

## **FINANCIAL INFORMATION**

### **Internal Accounting and Budgetary Control**

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

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure. A permanent appropriation measure is subsequently adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. The legal level of appropriations is at the fund/object level for the General Fund, fund/special cost center for Miscellaneous State and Federal Grants, and at the fund level for all other funds. All budgets are maintained at the object account level within a function and fund. All purchase order requests must be approved by either the Superintendent or Assistant Superintendent 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 which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. The basis of accounting and the various funds utilized by the North Olmsted City Schools are fully described in Note 1 of the Notes to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Note 1.

## **Financial Presentation**

The School District has prepared its financial statements following the guidelines of GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". GASB 34 creates basic financial statements for reporting on the School District's financial activities 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 businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The District has no 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.

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the School District. This discussion follows the Independent Auditor's Report and provides an assessment of the School District's finances for fiscal year 2016 and a discussion of current issues affecting the School District in the future. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter of transmittal.

## **Financial Highlight - Internal Service Fund**

During fiscal year 2016, only one activity, the Self-Insurance Fund, is reported as an internal service fund. The Self-Insurance Fund accounts for the revenue and expenses associated with the School District's medical, prescription drug and dental benefits provided to its employees. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss insurance policy with a maximum threshold of \$125,000.

As of June 30, 2016, the Self-Insurance Fund had net position of \$ 1,181,198. Over the years, to help off-set rising health care costs, the Unions agreed to pay 15.0 percent of the cost of the monthly insurance premiums, double the co-pays for prescription drugs, requirement the mandatory use of generic drugs, and the enrollment of spouses in a coordination of benefit program. These changes have saved the District over \$9.0 million in medical expenditures.

## **Financial Highlight - Agency Fund**

Included in this category are student managed activities assets held by the School District in a trustee capacity. Total assets in the fund at June 30, 2016 was \$ 137,673.

## **INDEPENDENT AUDIT**

State statutes and federal regulations require the School District to be subjected to periodical examinations by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. The Auditor of State was selected to render an opinion on the School District's financial statements for the year ended June 30, 2016. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school districts in Ohio. North Olmsted City School District adopted and has been in conformance with this system beginning with its financial report for the 1979 year.

## **AWARDS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Olmsted City School District for its Comprehensive Annual Financial Report for the year ended June 30, 2015. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for (31) thirty-one consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ASBO International Certificate of Excellence**

The School District received the Association of School Business Officials (ASBO) International Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2015. The Certificate of Excellence in Financial Reporting Program was designed by ASBO International to enable school business officials to achieve a high standard of financial reporting.

Since its inception in 1972, the program has gained the distinction of being a prestigious national award recognized by: accounting professionals; underwriters; securities analysts; bond rating agencies; state and federal agencies. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to ASBO.

## ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the School District to the taxpayers of North Olmsted City School District. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office, administrators and employees of the School District. Assistance from the County Auditor's office staff and outside agencies made possible the fair presentation of statistical data. In addition, special appreciation is expressed to Robbie Cerney from the firm of Costin & Company, CPA, Inc. for the advice and guidance rendered to the production of this report.

Respectfully submitted,



*Robert J. Matson, CPA  
Chief Financial Officer*



*Dr. Michael E. Zalar  
Superintendent of Schools*

North Olmsted City School District  
Principal Officials  
June 30, 2016

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**Board of Education**



Linda Cleary

Tom Herbster

Kim Rahm

John J. Lasko, Jr

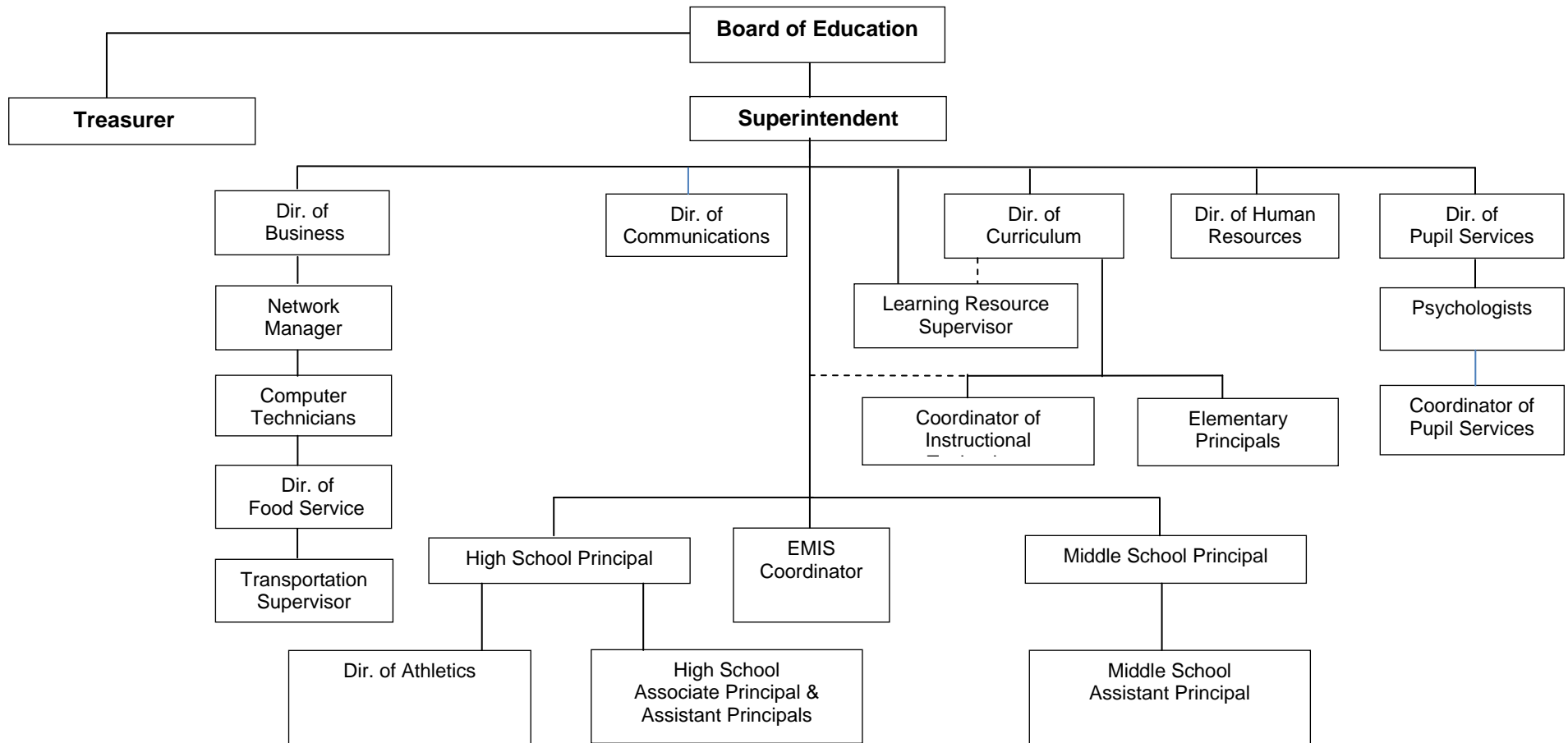
Terry Groden

**Administration**

Dr. Michael E. Zalar  
Ms. Anne Pyros  
Mr. Robert J. Matson, CPA  
Ms. Mary Kurtz  
Mr. Michael Diamond  
Ms. Lisa Ryan-Curtin  
Ms. Vera Brewer

Superintendent  
Associate Superintendent  
Treasurer  
Assistant to the Treasurer  
Director of Human Resources  
Director of Pupil Services  
Communications Manager

## North Olmsted School District Organizational Chart





Government Finance Officers Association

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

Presented to

**North Olmsted 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**

**North Olmsted 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

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## FINANCIAL SECTION

**Back of Divider Page**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

North Olmsted City School District  
Cuyahoga County  
26669 Butternut Ridge Road  
North Olmsted, Ohio 44070

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 North Olmsted 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, each major fund, and the aggregate remaining fund information of the North Olmsted 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 February 24, 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, appearing to read "Dave Yost". The signature is fluid and cursive, with a large loop at the end of the last name.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

February 24, 2017

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**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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The management discussion and analysis of North Olmsted City School District's 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 management discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and notes to those respective 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 \$ 7,072,741 from the previous year.

The General Fund maintains a strong unrestricted cash balance of \$ 20.9 million at June 30, 2016.

Revenues for governmental activities totaled \$ 75.2 million in fiscal year 2016 as compared to \$ 56.7 million in fiscal year 2015.

In fiscal year 2016, 91.9 percent of total revenue consisted of general revenues while program revenues accounted for the remaining balance of 8.1 percent.

In fiscal year 2016, total program expenses increased 16.8 percent from the previous year to \$ 68.2 million. Instructional expenses made up 53.9 percent of this total while support services accounted for 35.5 percent. Other expenses rounded out the remaining 10.6 percent.

### **Using this Annual 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 North Olmsted 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 North Olmsted City Schools District, the General Fund is by far the most significant fund.

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**Reporting the School District as a Whole**

*Statement of Net Position and the Statement of Activities*

*The Statement of Net Position and Statement of Activities* have been prepared using the accrual basis of accounting, similar to the method used by most private-sector companies. Accrual 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 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 performance, demographic and socioeconomic factors and willingness of the community to support the School District. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Position and the Statement of Activities, the School District is classified as governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service operation and extracurricular activities.

**Reporting the School District's Most Significant Funds**

*Governmental Fund Financial Statements*

The governmental fund financial statements 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 governmental fund financial statements focus on the School District's most significant funds. The School District has only one major governmental fund, the General Fund.

*Governmental Funds*

The School District's activities are reported as governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are 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.

**The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2016 compared to 2015.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

**TABLE I**  
Total Net Position

	2016	2015
Assets		
Current and other assets	\$ 153,403,531	\$ 158,586,792
Total capital assets, net	17,781,263	14,895,829
Total assets	<u>171,184,794</u>	<u>173,482,621</u>
Deferred outflows of resources		
Pension	9,365,974	5,395,198
Total deferred outflows of resources	<u>9,365,974</u>	<u>5,395,198</u>
Liabilities		
Current liabilities	10,550,080	10,313,705
Long term liabilities		
Due within one year	4,329,554	4,816,677
Net pension liability	86,797,719	76,097,248
Due in more than one year	85,773,145	89,587,199
Total liabilities	<u>187,450,498</u>	<u>180,814,829</u>
Deferred inflows of resources		
Property taxes levied for next year	30,535,620	38,504,568
Pension	6,921,970	10,988,483
Total deferred inflows of resources	<u>37,457,590</u>	<u>49,493,051</u>
Net position		
Net investment in capital assets	10,438,753	11,996,135
Restricted	7,780,083	4,549,341
Unrestricted	(62,576,156)	(67,975,537)
Total net position	<u>\$ (44,357,320)</u>	<u>\$ (51,430,061)</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." 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.

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.

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GASB 68 requires the net pension liability to equal 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.

Total assets decreased by \$ 2,297,827. This decrease can be attributed to decreases of \$ 6,325,858 in equity in pooled cash and \$ 1,497,387 in depreciable capital assets, offset with increases of \$ 1,160,096 in taxes receivable and \$ 4,382,821 in nondepreciable capital assets.

Total liabilities increased by \$ 6,635,669. Long-term liabilities, excluding net pension liability, decreased \$ 4,301,177 while accounts and contracts payable increased by \$ 1,017,000. Net pension liability increased \$ 10,700,471.

To determine the overall financial performance of the School District one must consider the relative changes in net position. By comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources, one can see that the overall position of the School District has declined as evidenced by the increase in net position of \$ 7,072,741. A change in net position indicates how an entity is providing for future generations.

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**Governmental Activities**

The vast majority of revenues supporting all Governmental Activities are general revenues. General revenue totaled \$ 69.4 million or 92.2 percent of the total revenue. The most significant portion of the general revenues is local property tax. Property tax revenue in fiscal year 2016 increased \$ 15,775,061 from the previous year. The increase in tax revenue is due primarily to an increase in the amount of property taxes available for advance from the Cuyahoga County Auditor. The remaining amount of revenue received is in the form of program revenues amounting to \$ 6.1 million or only 8.3 percent of total revenue. Program revenues are derived from fees for services, sales from fund raising activities, operating grants, interest and contributions. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

Table 2 summarizes the revenue, expenses and changes in net position for fiscal years 2016 compared to 2015.

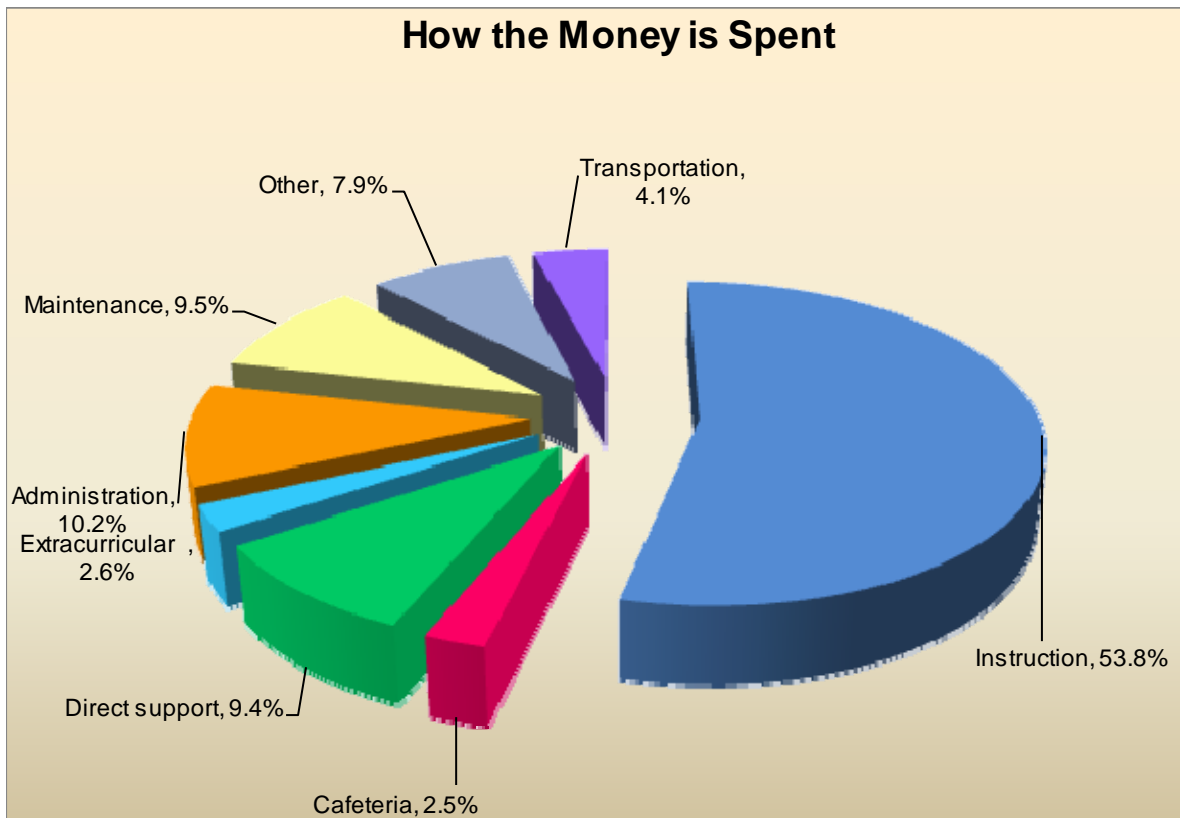
**Table 2**  
**Changes in Net Position**

	2016	2015
Revenues		
Program revenues		
Charges for services and sales	\$ 1,409,104	\$ 2,238,283
Operating grants, interest and contributions	2,729,075	2,852,264
Capital grants, interest and contributions	1,726,623	16,200
Total program revenues	<u>5,864,802</u>	<u>5,106,747</u>
General revenues		
Property taxes	52,708,697	36,933,636
Payments in lieu of taxes	1,751,712	-
Grants and entitlements not restricted to specific purposes	14,264,543	14,381,637
Investment earnings	597,240	48,469
Miscellaneous	57,786	183,511
Total general revenues	<u>69,379,978</u>	<u>51,547,253</u>
Total revenues	<u>75,244,780</u>	<u>56,654,000</u>
Program expenses		
Instruction	36,708,821	32,907,990
Supporting services		
Pupil and instructional staff	6,391,489	6,351,820
Board of education, administration, fiscal services and business	6,922,674	6,206,303
Operation and maintenance	6,531,521	4,232,445
Pupil transportation	2,775,744	2,227,350
Central services	1,585,301	1,499,463
Operation of non-instructional services		
Food service operation	1,671,826	1,616,164
Community services	188,730	205,356
Extracurricular activities	1,791,145	1,675,700
Interest and fiscal charges	3,604,788	1,444,138
Total expenses	<u>68,172,039</u>	<u>58,366,729</u>
Increase (decrease) in net position	7,072,741	(1,712,729)
Net position at beginning of year	(51,430,061)	(49,717,332)
Net position at end of year	<u><u>\$ (44,357,320)</u></u>	<u><u>\$ (51,430,061)</u></u>

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Approximately 63.2 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 10.2 percent of the budget is spent on administrative expenses. The remaining 26.6 percent of the budget is used to maintain the facilities, transport students, providing school lunches, offering sport and extracurricular programs to students. The relationship of these expenses is illustrated in the graph below.



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One method to evaluate the effective use of funds is to compare our cost per pupil with those of neighboring school districts. Based upon the Ohio Department of Education "2015 District Profile Report (Cupp Report)", (the most recent data available), the cost per pupil among the 31 school districts within Cuyahoga County varies from a low of \$ 10, at Garfield Heights to a high of \$ 21,628 at Orange. North Olmsted City School's cost per pupil of \$ 14,676 was ranked the 21st lowest within the County. A comparison of some of the neighboring school districts' cost per pupil can be found in Table 3.

**Table 3**  
Cost per Pupil as of June 30, 2015  
(the most recent data available)

<u>School District</u>	<u>Cost per Pupil</u>	<u>Ranking in Cuyahoga County</u>
Bay Village	\$ 12,242	9
Berea	11,826	6
Fairview Park	11,630	5
Lakewood	12,643	11
<b>North Olmsted</b>	14,676	21
Olmsted Falls	11,337	4
Rocky River	12,520	10
Strongsville	12,685	12
Westlake	13,272	14
Source: Ohio Department of Education		

The Statement of Activities shows the total net cost of program services. Table 4 shows the total cost of services for governmental activities and the net cost of those services. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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**Table 4**  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Program expenses				
Instruction	\$ 36,708,821	32,907,990	\$(33,569,141)	\$(30,927,034)
Supporting services				
Pupil and instructional staff	6,391,489	6,351,820	(5,503,843)	(5,414,269)
Board of education, administration, fiscal services and business	6,922,674	6,206,303	(6,905,913)	(6,173,491)
Operation and maintenance	6,531,521	4,232,445	(6,515,236)	(3,967,146)
Pupil transportation	2,775,744	2,227,350	(2,659,542)	(2,136,347)
Central services	1,585,301	1,499,463	(1,569,101)	(1,483,263)
Operation of non-instructional services				
Food service operation	1,671,826	1,616,164	(317,855)	(168,516)
Community services	188,730	205,356	(163,954)	(185,443)
Extracurricular activities	1,791,145	1,675,700	(1,497,864)	(1,360,335)
Interest and fiscal charges	3,604,788	1,444,138	(3,604,788)	(1,444,138)
Total expenses	<u>\$ 68,172,039</u>	<u>\$ 58,366,729</u>	<u>\$(62,307,237)</u>	<u>\$(53,259,982)</u>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax funded approximately 77.3 percent of the total expenses in 2016, compared to 63.3 percent in 2015. Grants and entitlements not restricted to specific programs funded 20.9 percent of expenses, while program revenues funded only 8.6 percent.

The primary source of general revenue is property taxes levied. In fiscal years 2016 and 2015, property taxes accounted for 76.2 and 71.7 percent, respectively, of general revenue. Clearly, the North Olmsted community is by far the greatest source of financial support for the students of the North Olmsted City Schools.

#### **School District Funds**

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful for assessing the School District's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The School District's major funds are accounted for using the modified accrual basis of accounting. As of June 30, 2016, the School District's governmental funds reported combined ending fund balances of \$ 110,662,039 an increase of \$ 2,954,851 in comparison with the prior year.

Total revenue increased \$ 18,270,525 (32.0%) over the prior year, primarily due to increases in taxes, payments in lieu of taxes and intergovernmental revenue of \$ 15,457,461, \$ 1,751,712 and \$ 1,470,140 respectively. The increase in taxes revenue is due to an increase in the amount available for advance from the County Auditor.

Total expenditures increased by \$ 11,468,774 (18.8%) over the prior year, primarily due to increases in capital outlay, principal and interest of \$ 5,306,677, \$ 3,599,688 and \$ 3,401,646 respectively. These increases are due to the construction of new building facilities and scheduled debt service payments.



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The net change in fund balance for the year was most significant in the General Fund which increased \$ 8,491,791, primarily due to increases in taxes revenue and payments in lieu of taxes.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund unrestricted cash balance of \$ 20.9 million at June 30, 2016. This cash reserve allows the School District to insulate itself from the effects of fluctuations in revenue due to adverse economic conditions and prevents the need to make dramatic cuts in programs and services.

**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 fund to be budgeted is the main operating fund of the School District, the General Fund.

During fiscal year 2016, the School District amended its General Fund Budget several times. For the General Fund, the final budget basis revenue estimate was \$ 53,998,000 which was the same as the original estimate and \$ 698,018, less than actual. The final budget basis expenditures estimate totaled \$ 57,472,736, which was \$ 1,202,132, above the original budget estimate. Actual expenditures were \$ 56,129,187 which was \$ 1,343,549 less than final budget basis expenditures. The final budget basis of net other financing sources (uses) estimate totaled \$ 246,899, which was \$ 61,101, less than the original budget estimate. Actual net other sources (uses) were \$ 1,343,549, less than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 18,463,624.

**North Olmsted City School District**  
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**Capital Assets and Debt Administration**

**Capital Assets**

All capital assets, except land and construction in progress, are reported net of depreciation. At the end of fiscal 2016, the School District had \$ 17.8 million invested in net capital assets. Table 5 shows fiscal 2016 values compared to fiscal 2015.

**Table 5**  
**Capital Assets**  
**(Net of Accumulated Depreciation)**

	2016	2015
Land	\$ 1,504,554	\$ 1,490,054
Construction in progress	4,368,321	-
Land improvements	880,534	1,074,566
Buildings and improvements	8,560,783	10,320,165
Furniture and equipment	1,023,754	1,145,821
Vehicles	1,443,317	865,223
Total net capital assets	<u>\$ 17,781,263</u>	<u>\$ 14,895,829</u>

During fiscal 2016, the School District purchased \$ 5,260,475 of capital assets. More information on capital assets is presented in Note 8 of the notes to the basic financial statements.

**Debt Administration**

At June 30, 2016, the School District had \$ 176,900,416 in long-term obligations, an increase of \$ 6,399,292. \$ 4,329,554 of the long-term obligations are due within one year. Table 6 shows fiscal 2016 values compared to fiscal 2015.

**Table 6**  
**Outstanding Debt Year-End**

	2016	2015
Term and serial bonds	\$ 79,450,000	\$ 83,382,000
Unamortized bond premium	5,960,689	6,352,903
Capital leases	80,191	104,598
Compensated absences	4,611,817	4,564,375
Net pension liability	86,797,719	76,097,248
Total outstanding debt	<u>\$ 176,900,416</u>	<u>\$ 170,501,124</u>

The School District's overall legal debt margin was \$ 4,932,483 which included an unvoted debt margin of \$ 778,406.

More information on debt is presented in Note 13 of the notes to the basic financial statements.

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### **School District Outlook**

During fiscal years 2008 and 2009, the North Olmsted City Schools, like most school districts in Ohio, faced a serious decline in operating revenues due to the nationwide economic recession, the real estate foreclosure crisis, and cutbacks in state funding. The Board of Education was able to stabilize the District's finances through a combination of budgetary cuts, employee concessions, and community support of a new operating levy.

The District is now on the downside of the current operating levy life cycle. Expenditures have exceeded operating revenues. The operating deficit will get progressively larger over the next five years because of stagnant growth in operating revenues while expenditures continue to increase due to inflation, the addition of new programs and the introduction of new unfunded state mandates. These future operating deficits can be temporarily funded with the District's cash reserves until they are exhausted in fiscal year 2020. It is anticipated the Board of Education will have to consider placing a levy to the voters in fiscal year 2018 or 2019. A copy of the District's Financial Forecast and the major assumptions used in its preparation are posted on the District's website at [www.northolmstedschools.org/treasurer](http://www.northolmstedschools.org/treasurer).

In November 2014, the residents of the North Olmsted approved an \$80.5 million capital bond levy for the purpose of constructing a new middle/high school complex scheduled to be completed in September of 2018. The completion of this construction project will enable the District to reduce its operating and maintenance costs, and allow the Administration to reorganize and consolidate the number of buildings within the district.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers 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. The North Olmsted City School District has committed itself to financial excellence for many years. The School District was the first school district in Ohio to receive the Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting in 1985 and has received the award for thirty consecutive years. The District has also received the Association of School Business Officials (ASBO) Certificate of Achievement for Excellence in Financial Reporting for the past twenty-seven years. In September 2015, the School District was recognized by Auditor of State Dave Yost with the presentation of his Ohio Auditor of State Award with Distinction.

If you have any questions about this report or need additional financial information, contact Robert J. Matson, CPA, and Treasurer at North Olmsted City School District, 26669 Butternut Ridge Road, North Olmsted, Ohio 44070, by telephone at 440-779-3551 or by email at [Robert.matson@nocseagles.org](mailto:Robert.matson@nocseagles.org).

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NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash	\$ 108,436,805
Accounts receivable and other	164,863
Intergovernmental receivables	98,004
Inventories and supplies	23,222
Prepaid expenses	30,257
Taxes receivable	44,650,380
Capital assets	
Nondepreciable capital assets	5,872,875
Depreciable capital assets	11,908,388
<b>Total assets</b>	<b>171,184,794</b>
<b>Deferred outflow s of resources</b>	
Pension	9,365,974
<b>Total deferred outflow s of resources</b>	<b>9,365,974</b>
<b>Liabilities</b>	
Accounts and contracts payable	\$ 1,576,614
Accrued salaries, w ages and benefits	7,015,905
Accrued interest payable	894,976
Claims payable	636,300
Intergovernmental payable	426,285
Long-term liabilities	
Due w ithin one year	4,329,554
Net pension liability	86,797,719
Due in more than one year	85,773,145
<b>Total liabilities</b>	<b>187,450,498</b>
<b>Deferred inflow s of resources</b>	
Property taxes levied for next year	30,535,620
Pension	6,921,970
<b>Total deferred inflow s of resources</b>	<b>37,457,590</b>
<b>Net position</b>	
Net investment in capital assets	10,438,753
Restricted for:	
Debt service	5,330,035
Capital projects	681,579
Set-asides	223,073
Food service	122,761
Extracurricular activities	167,713
State grants	73,472
Federal grants	252
Self insurance	1,181,198
Unrestricted	(62,576,156)
<b>Total net position</b>	<b>\$ (44,357,320)</b>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
Governmental activities:					
Instruction					
Regular	\$ 27,158,690	\$ 301,106	\$ 1,009,954	\$ 1,673,613	\$ (24,174,017)
Special	8,799,360	155,007	-	-	(8,644,353)
Vocational	380,299	-	-	-	(380,299)
Other instruction	370,472	-	-	-	(370,472)
Supporting services					
Pupil	5,324,218	108,005	773,082	-	(4,443,131)
Instructional staff	1,067,271	-	6,559	-	(1,060,712)
Board of education	399,128	-	-	-	(399,128)
Administration	4,838,034	-	-	-	(4,838,034)
Fiscal services	1,499,411	16,761	-	-	(1,482,650)
Business	186,101	-	-	-	(186,101)
Operation and maintenance	6,531,521	16,285	-	-	(6,515,236)
Pupil transportation	2,775,744	68,860	10,532	36,810	(2,659,542)
Central services	1,585,301	-	-	16,200	(1,569,101)
Operation of non-instructional services					
Food service operation	1,671,826	449,799	904,172	-	(317,855)
Community services	188,730	-	24,776	-	(163,954)
Extracurricular activities	1,791,145	293,281	-	-	(1,497,864)
Interest and fiscal charges	3,604,788	-	-	-	(3,604,788)
Total	<u>\$ 68,172,039</u>	<u>\$ 1,409,104</u>	<u>\$ 2,729,075</u>	<u>\$ 1,726,623</u>	<u>(62,307,237)</u>

General revenues

Property taxes levied for:

General purposes 46,483,789

Debt service 4,986,986

Capital improvements 1,237,922

Payments in lieu of taxes 1,751,712

Grants and entitlements not  
restricted to specific purposes 14,264,543

Investment earnings 597,240

Miscellaneous 57,786

Total general revenues 69,379,978

Change in net position 7,072,741

Net position at beginning of year (51,430,061)

Net position at end of year \$ (44,357,320)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -  
GOVERNMENTAL FUNDS

JUNE 30, 2016

	General Fund	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in pooled cash	\$ 20,898,693	\$ 4,932,483	\$ 63,930,519	\$ 16,634,539	\$ 106,396,234
Restricted cash	223,073	-	-	-	223,073
Receivables, net of allowance					
Taxes, current	38,960,430	3,845,556	-	1,034,194	43,840,180
Taxes, delinquent	720,000	71,100	-	19,100	810,200
Accounts and other	155,347	7,527	-	1,989	164,863
Intergovernmental receivables	39,267	-	-	58,737	98,004
Interfund receivables	508,946	-	-	-	508,946
Inventories and supplies	-	-	-	23,222	23,222
Prepaid expenses	30,257	-	-	-	30,257
<b>Total assets</b>	<b>\$ 61,536,013</b>	<b>\$ 8,856,666</b>	<b>\$ 63,930,519</b>	<b>\$ 17,771,781</b>	<b>\$ 152,094,979</b>
<b>Liabilities</b>					
Accounts and contracts payable	\$ 368,254	\$ -	\$ 919,782	\$ 288,578	\$ 1,576,614
Accrued salaries, wages and benefits	6,758,055	-	-	257,850	7,015,905
Intergovernmental payable	384,789	-	-	41,496	426,285
Interfund payable	-	-	-	508,946	508,946
Matured compensated absences	431,326	-	-	13,053	444,379
<b>Total liabilities</b>	<b>7,942,424</b>	<b>-</b>	<b>919,782</b>	<b>1,109,923</b>	<b>9,972,129</b>
<b>Deferred inflows of resources</b>					
Property taxes levied for next year and unavailable resources	28,024,179	2,702,755	-	733,877	31,460,811
<b>Total deferred inflows of resources</b>	<b>28,024,179</b>	<b>2,702,755</b>	<b>-</b>	<b>733,877</b>	<b>31,460,811</b>
<b>Fund balances (deficits)</b>					
Nonspendable	30,257	-	-	23,222	53,479
Restricted	-	6,153,911	63,010,737	16,175,041	85,339,689
Committed	1,951,073	-	-	-	1,951,073
Assigned	2,289,888	-	-	-	2,289,888
Unassigned	21,298,192	-	-	(270,282)	21,027,910
<b>Total fund balances (deficits)</b>	<b>25,569,410</b>	<b>6,153,911</b>	<b>63,010,737</b>	<b>15,927,981</b>	<b>110,662,039</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 61,536,013</b>	<b>\$ 8,856,666</b>	<b>\$ 63,930,519</b>	<b>\$ 17,771,781</b>	<b>\$ 152,094,979</b>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016

Total governmental fund balances			\$ 110,662,039
Amount reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			17,781,263
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflow s in the funds.			
Property taxes receivable	810,200		
Miscellaneous	114,991		
			925,191
Unamortized premiums on bonds issued are not recognized in the funds.			(5,960,689)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(894,976)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflow s/outflow s are not reported in governmental funds			
Deferred outflow s - pension	9,365,974		
Deferred inflow s - pension	(6,921,970)		
Net pension liability	(86,797,719)		
			(84,353,715)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences payable	(4,167,440)		
Bonds payable	(79,450,000)		
Capital lease payable	(80,191)		
			(83,697,631)
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.			1,181,198
Net position of governmental activities			\$ (44,357,320)

See accompanying notes to the basic financial statements.



NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenue					
Taxes	\$ 46,562,489	\$ 4,957,086	\$ -	\$ 1,240,222	\$ 52,759,797
Payments in lieu of taxes	1,630,453	79,745	-	41,514	1,751,712
Tuition and fees	371,636	-	-	-	371,636
Interest	83,477	-	411,696	102,067	597,240
Intergovernmental	13,860,510	136,573	1,673,613	3,049,545	18,720,241
Charges for services	15,640	-	-	441,807	457,447
Extracurricular	83,496	-	-	292,277	375,773
Other	250,383	-	-	8,996	259,379
Total revenues	<u>62,858,084</u>	<u>5,173,404</u>	<u>2,085,309</u>	<u>5,176,428</u>	<u>75,293,225</u>
Expenditures					
Current					
Instruction					
Regular	24,470,535	-	-	1,256,805	25,727,340
Special	8,411,792	-	-	-	8,411,792
Vocational	347,958	-	-	-	347,958
Other instruction	366,167	-	-	-	366,167
Supporting services					
Pupil	4,333,520	-	-	829,266	5,162,786
Instructional staff	1,007,314	-	-	6,409	1,013,723
Board of education	397,846	-	-	-	397,846
Administration	3,604,384	-	-	8,098	3,612,482
Fiscal services	1,417,551	-	45,110	9,490	1,472,151
Business	174,666	-	-	3,784	178,450
Operation and maintenance	3,839,105	-	-	213,755	4,052,860
Pupil transportation	2,367,735	-	-	738,913	3,106,648
Central services	1,496,771	-	-	4,099	1,500,870
Operation of non-instructional services					
Food service operation	151,896	-	-	1,506,753	1,658,649
Community services	19,950	-	-	165,056	185,006
Extracurricular activities	1,473,403	-	-	269,968	1,743,371
Capital outlay	-	-	4,946,568	469,984	5,416,552
Debt service					
Principal	279,407	3,677,000	-	-	3,956,407
Interest	55,107	3,972,209	-	-	4,027,316
Total expenditures	<u>54,215,107</u>	<u>7,649,209</u>	<u>4,991,678</u>	<u>5,482,380</u>	<u>72,338,374</u>
Excess (deficiency) of revenues over expenditures	<u>8,642,977</u>	<u>(2,475,805)</u>	<u>(2,906,369)</u>	<u>(305,952)</u>	<u>2,954,851</u>
Other financing sources (uses)					
Transfers-in	-	-	-	151,186	151,186
Transfers-out	(151,186)	-	-	-	(151,186)
Total other financing sources (uses)	<u>(151,186)</u>	<u>-</u>	<u>-</u>	<u>151,186</u>	<u>-</u>
Net change in fund balances	8,491,791	(2,475,805)	(2,906,369)	(154,766)	2,954,851
Fund balances, beginning of year	<u>17,077,619</u>	<u>8,629,716</u>	<u>65,917,106</u>	<u>16,082,747</u>	<u>107,707,188</u>
Fund balances, end of year	<u>\$ 25,569,410</u>	<u>\$ 6,153,911</u>	<u>\$ 63,010,737</u>	<u>\$ 15,927,981</u>	<u>\$ 110,662,039</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds		\$ 2,954,851
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which net capital outlay exceeded depreciation expense in the current period.		
	Capital outlay, net	\$ 3,907,069
	Depreciation expense	<u>(1,021,635)</u>
		2,885,434
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property taxes	(51,100)
	Miscellaneous revenues	69,028
	Intergovernmental receivables	<u>45,963</u>
		63,891
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities		
		3,956,407
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
	(Increase) decrease in accrued interest payable	30,314
	Amortization of bond premiums	<u>392,214</u>
		422,528
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		4,802,249
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(7,465,431)
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	(463,335)
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 fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(83,853)</u>
Change in net position of governmental activities		<u>\$ 7,072,741</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 38,905,000	\$ 38,905,000	\$ 38,556,503	\$ (348,497)
Payment in lieu of taxes	100,000	100,000	1,550,138	1,450,138
Tuition and fees	819,000	819,000	580,881	(238,119)
Interest	52,000	52,000	83,477	31,477
Intergovernmental	14,013,000	14,013,000	13,817,089	(195,911)
Other	109,000	109,000	107,930	(1,070)
Total revenues	53,998,000	53,998,000	54,696,018	698,018
Expenditures				
Current				
Instruction				
Regular	25,949,320	26,164,831	25,782,743	382,088
Special	8,452,128	8,724,484	8,663,449	61,035
Vocational	360,572	357,643	355,294	2,349
Other instruction	325,045	404,100	366,562	37,538
Supporting services				
Pupil	4,488,625	4,555,504	4,500,631	54,873
Instructional staff	1,085,211	1,124,292	1,039,761	84,531
Board of education	443,801	538,407	434,735	103,672
Administration	3,628,018	3,777,192	3,634,566	142,626
Fiscal services	1,528,094	1,475,924	1,409,484	66,440
Business	192,776	202,000	182,182	19,818
Operation and maintenance	3,924,699	4,127,840	3,989,005	138,835
Pupil transportation	2,405,906	2,420,103	2,320,973	99,130
Central services	1,509,256	1,649,161	1,546,474	102,687
Operation of non-instructional				
Food service operation	80,853	85,300	84,818	482
Community services	24,500	25,895	21,196	4,699
Extracurricular activities	1,550,000	1,518,260	1,475,603	42,657
Capital outlay	14,500	14,500	14,500	-
Debt service				
Principal	255,000	255,000	255,000	-
Interest and fiscal charges	52,300	52,300	52,211	89
Total expenditures	56,270,604	57,472,736	56,129,187	1,343,549
Excess (deficiency) of revenues over expenditures	(2,272,604)	(3,474,736)	(1,433,169)	2,041,567
Other financing sources (uses)				
Transfers-in	212,000	211,030	211,030	-
Advances-in	696,000	696,000	488,999	(207,001)
Refund prior year expenditure	-	-	288,267	288,267
Advances-out	(500,000)	(508,946)	(508,946)	-
Transfers-out	(100,000)	(151,185)	(151,185)	-
Total other financing sources (uses)	308,000	246,899	328,165	81,266
Net change in fund balance	(1,964,604)	(3,227,837)	(1,105,004)	2,122,833
Fund balance, beginning of year	19,107,181	19,107,181	19,107,181	-
Prior year encumbrances appropriated	461,447	461,447	461,447	-
Fund balance, end of year	\$ 17,604,024	\$ 16,340,791	\$ 18,463,624	\$ 2,122,833

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION -  
INTERNAL SERVICE FUND  
JUNE 30, 2016

	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 1,817,498
Total assets	<u>1,817,498</u>
Liabilities	
Current liabilities	
Claims payable	<u>636,300</u>
Total liabilities	<u>636,300</u>
Net position	
Unrestricted	<u><u>\$ 1,181,198</u></u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Self Insurance</u>
Operating revenues	
Charges for services	<u>\$ 8,266,964</u>
Operating expenses	
Purchased services	1,080,751
Claims	<u>7,270,066</u>
Total operating expenses	<u>8,350,817</u>
Operating loss	(83,853)
Net position, beginning of year	<u>1,265,051</u>
Net position, end of year	<u><u>\$ 1,181,198</u></u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS -  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Self Insurance</u>
Cash flows from operating activities	
Cash received from interfund services	\$ 8,266,964
Cash payments for claims	(7,205,766)
Cash payments for goods and services	(1,080,751)
Net cash used in operating activities	<u>(19,553)</u>
Net decrease in cash and cash equivalents	(19,553)
Cash and cash equivalents, beginning of year	<u>1,837,051</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,817,498</u></u>
Reconciliation of operating income to net cash used in operating activities:	
Operating loss	<u>\$ (83,853)</u>
Adjustments	
Increase in claims payable	64,300
Total adjustments	<u>64,300</u>
Net cash used in operating activities	<u><u>\$ (19,553)</u></u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUND  
JUNE 30, 2016

	Agency Fund
Assets	
Equity in pooled cash and equivalents	\$ 137,673
Total assets	<u>\$ 137,673</u>
Liabilities	
Accounts payable	\$ 780
Due to students	136,893
Total liabilities	<u>\$ 137,673</u>

See accompanying notes to the basic financial statements.

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NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The North Olmsted City School District (the School District) was 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 is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the School District. Average daily membership on, or as of, October 1, 2015 was 3,858. The School District employs 317 certificated and 278 non-certificated employees.

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. 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.

Within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity 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 organizations' 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 organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or 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. The School District has no component units.

The School District is associated with the North Coast Council, the Polaris Career Center, the North Olmsted City Schools Education Foundation, the Ohio Schools Council, and the Northern Buckeye Education Council, which are considered to be jointly governed organizations. The School District also participates in a public risk pool managed by the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations and their relationships with the School District are described in more detail in Notes 10 and 15 of these financial statements.

B. BASIS OF PRESENTATION

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. However, internal fund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities of the School District at 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. 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 for the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function 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 financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories 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 and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The General Fund is the operating fund of the school district and is used to account for all financial resources, except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related costs.

Classroom Facilities Fund – The Classroom Facilities Fund is used to account for monies received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund

The proprietary fund focuses on the determination of the changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund – The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental claims of School District employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the 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 School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in the total 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 and deferred outflows of resources along with current liabilities and deferred inflows of resources 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, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and 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 activity.

E. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or 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 fiscal year end.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, grants, investment earnings, tuition, and student fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 are reported on the government-wide statement of net position for deferred charges on refunding and for pension. 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. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position 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, pension, and unavailable revenue. Property 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 on both the government-wide statement of net position and 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 delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

Expenditures/Expenses

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETARY PROCESS

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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund/object level for the General Fund. The legal level of budgetary control is at the fund, special cost center level for the Miscellaneous State Grants Fund and Miscellaneous Federal Grants Fund. For all other funds the legal level of budgetary control is at the fund level.

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 statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that were in effect at the time the final appropriations were passed by the Board of Education.

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

G. CASH AND INVESTMENTS

Cash received by the School District is deposited in one central bank account with individual fund balance integrity maintained through School District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$ 83,477, none of which was assigned from other funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

During fiscal year 2016, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, commercial paper, U.S. treasury notes, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

The School District has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year. Investment in STAR Ohio is measured 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.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. INVENTORY

Inventories are presented on a first-in, first-out basis and are expensed/expensed when used. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at the lower of cost or market.

I. PREPAID EXPENSES

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

J. RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. Restricted assets include the amount required by State statute to be set aside to create a reserve for budget stabilization.

K. CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$ 2,500. 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 capitalized. The majority of capital outlay is made from the Permanent Improvements Fund. Actual amounts capitalized for reporting purposes may differ due to the capitalization policy.

All reported capital assets, other than 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:

Asset	Estimated useful life
Land improvements	25 - 30 years
Buildings	60 - 80 years
Building improvements	25 years
Furniture and equipment	8 - 35 years
Vehicles	15 years

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental column of the statement of net position.

M. COMPENSATED ABSENCES

Vacation benefits are accrued as a liability in the government wide financial statements as the benefits are earned if the employees' 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.

Sick leave benefits are accrued in the government wide financial statements as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The liability includes employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

O. NET POSITION

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investments 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. Net position is reported as restricted when there are limitations imposed on its 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. Net position restricted for other purposes include money for scholarships and data communications support. The government-wide statement of net position reports \$ 7,780,083 of restricted net position, none of which are restricted by enabling legislation.

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



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. 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 category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually 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, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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. 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 or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

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 used only to report a deficit 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 either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of this fund. Revenues and expenses not meeting those definitions are reported as non-operating.

R. 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.

S. INTERFUND TRANSACTIONS

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

T. ESTIMATES

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 72, "Fair Value Measurement and Application" The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. The School District incorporated the corresponding GASB 72 guidance into their fiscal year 2016 financial statements; however, there is no effect on beginning net position/fund balance.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

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." The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees and inactive employees—are provided with pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations. The implementation of GASB Statement No. 73 did not have an effect on the financial statement of the School District.

GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of GASB Statement No. 76 did not have an effect on the financial statement of the School District.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants" establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The School District participates in STAR Ohio which implemented GASB Statement No. 79 for the fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there is no effect on beginning net position/fund balance.

GASB Statement No. 82, Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73" improves consistency in the application of pension accounting. These changes were incorporated in the School District's fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances 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 Balances - Budget (Non-GAAP Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis statements are the following:

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
	General Fund
Budget basis	\$ (1,105,004)
Adjustments, increase (decrease)	
Revenue accruals	7,105,245
Expenditure accruals	2,023,551
Funds budgeted elsewhere **	(170,278)
Encumbrances	638,277
GAAP basis, as reported	<u>\$ 8,491,791</u>

\*\* As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", 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 Miscellaneous Local Projects Fund, Rotary Fund, Public Support Services Fund, and the Other Grants Fund.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 4 – FUND BALANCES**

Fund balance is 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 the government funds. The constraints placed on a fund for the major governmental funds and all other governmental funds are presented below:

Fund balances	General Fund	Debt Service Fund	School Facilities Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Inventory	\$ -	\$ -	\$ -	\$ 23,222	\$ 23,222
Prepaid items	30,257	-	-	-	30,257
Total nonspendable	<u>30,257</u>	<u>-</u>	<u>-</u>	<u>23,222</u>	<u>53,479</u>
<b>Restricted</b>					
Food service operations	-	-	-	131,839	131,839
Classroom facilities and maintenance	-	-	-	585,220	585,220
Athletics	-	-	-	167,713	167,713
Non-public schools	-	-	-	25,025	25,025
Data communications	-	-	-	50,100	50,100
Other purposes	-	-	-	252	252
Debt service	-	6,153,911	-	-	6,153,911
Capital improvements	-	-	63,010,737	15,214,892	78,225,629
Total restricted	<u>-</u>	<u>6,153,911</u>	<u>63,010,737</u>	<u>16,175,041</u>	<u>85,339,689</u>
<b>Committed</b>					
27th pay reserve	1,728,000	-	-	-	1,728,000
Other purposes	223,073	-	-	-	223,073
Total committed	<u>1,951,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,951,073</u>
<b>Assigned</b>					
Student instruction	182,649	-	-	-	182,649
Student and staff support	2,098,785	-	-	-	2,098,785
Other	8,454	-	-	-	8,454
Total assigned	<u>2,289,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,289,888</u>
<b>Unassigned (deficit)</b>	<u>21,298,192</u>	<u>-</u>	<u>-</u>	<u>(270,282)</u>	<u>21,027,910</u>
<b>Total fund balances</b>	<u>\$ 25,569,410</u>	<u>\$ 6,153,911</u>	<u>\$ 63,010,737</u>	<u>\$ 15,927,981</u>	<u>\$ 110,662,039</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 5 - DEPOSITS AND INVESTMENTS**

**A. LEGAL REQUIREMENTS**

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

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

Protection of the 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 may be invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 2 percent and be marked to market daily, and 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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the School District's deposits was \$ 21,312,090 and the bank balance was \$ 22,592,695. Of the bank balance, \$ 15,156,062 was covered by federal depository insurance and \$ 7,436,633 was uninsured. Of the remaining balance \$ 7,436,633 was collateralized with securities held by the pledging institution's trust department not in the School District's name.

At fiscal year end, the School District had \$ 2,091 in cash on hand which is included on the balance sheet of the School District as part of "Equity in pooled cash".

C. INVESTMENTS

As of June 30, 2016, the School District had the following investments:

	Fair Value	Investment Maturities		
		Less than 1 year	1 - 2 years	3 years and longer
STAR Ohio	\$ 5,462,510	\$ 5,462,510	\$ -	\$ -
Money Market	27,132	27,132		
Commercial paper	23,154,922	23,154,922	-	-
Federal Agency Notes and Discount Notes	58,615,733	17,706,708	32,979,656	7,929,369
	<u>\$ 87,260,297</u>	<u>\$ 46,351,272</u>	<u>\$ 32,979,656</u>	<u>\$ 7,929,369</u>

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 1G, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

D. INTEREST RATE RISK

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

E. CREDIT RISK

The School District follows the Ohio Revised Code that limits its investment choices as discussed in Note 5 - A above. STAR Ohio carries a rating of AAAm by Standard and Poor's and is an authorized investment under the Ohio Revised Code. Commercial paper of \$ 19,185,897 and \$ 3,969,025 carries a rating of A-1+ and A-1, respectively, by Standard and Poor's. The Federal agency notes and the Federal agency discount notes are rated AA+ and A-1+, respectively, by Standard and Poor's.

F. CONCENTRATION OF CREDIT RISK

The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2015:

	Fair Value	Percentage of Investments
STAR Ohio	\$ 5,462,510	6%
Money Market	27,132	0%
Commerical paper	23,154,922	27%
Federal Agency Notes and Discount Notes	58,615,733	67%
	<u>\$ 87,260,297</u>	<u>100%</u>

G. CUSTODIAL CREDIT RISK

For an investment, custodial risk is the risk that, in the event of the 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. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 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 semi-annually, 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 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 2015 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.



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 6 - PROPERTY TAXES (continued)**

Tangible personal property tax revenue received during calendar 2016 (other than public utility property tax) represents the collection of 2016 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2016 were levied after October 1, 2015, on the value as of December 31, 2015. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30; however this year the settlement was late.

The School District receives property taxes from Cuyahoga County. The County Auditor 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 to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the late settlement of tangible personal property taxes and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

The amount available as an advance at June 30, 2016, was \$ 11,764,546 in the General Fund, \$ 1,213,901 in the Bond Retirement Fund and \$ 326,113 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2015, was \$ 3,653,059 in the General Fund, \$ 369,945 in the Bond Retirement Fund and \$ 101,412 in the Permanent Improvements Fund.

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

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

	2015 Second Half Collections		2016 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 511,970,570	65.84 %	\$ 522,085,730	67.07 %
Other Commercial	250,048,570	32.16	240,462,420	30.89
Public Utility Tangible	15,583,130	2.00	15,858,060	2.04
	<u>\$ 777,602,270</u>	<u>100.00 %</u>	<u>\$ 778,406,210</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>\$ 96.90</u>		<u>\$ 96.90</u>	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2016, consisted of property taxes, accounts, interfund and due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Disposals	Balance June 30, 2016
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,490,054	\$ 14,500	\$ -	\$ 1,504,554
Construction in progress	-	4,368,321	-	4,368,321
Total nondepreciable capital assets	<u>1,490,054</u>	<u>4,382,821</u>	<u>-</u>	<u>5,872,875</u>
Depreciable capital assets				
Land improvements	1,874,235	-	299,626	1,574,609
Buildings and improvements	24,880,819	-	3,036,283	21,844,536
Furniture and equipment	3,583,540	123,861	490,456	3,216,945
Vehicles	2,487,753	753,793	18,344	3,223,202
Total capital assets being depreciated	<u>32,826,347</u>	<u>877,654</u>	<u>3,844,709</u>	<u>29,859,292</u>
Less accumulated depreciation				
Land improvements	799,669	69,616	175,210	694,075
Buildings and improvements	14,560,654	635,257	1,912,158	13,283,753
Furniture and equipment	2,437,719	141,063	385,591	2,193,191
Vehicles	1,622,530	175,699	18,344	1,779,885
Total accumulated depreciation	<u>19,420,572</u>	<u>1,021,635</u>	<u>2,491,303</u>	<u>17,950,904</u>
Depreciable capital assets, net of accumulated depreciation	<u>13,405,775</u>	<u>(143,981)</u>	<u>1,353,406</u>	<u>11,908,388</u>
Governmental activities capital assets, net	<u>\$ 14,895,829</u>	<u>\$ 4,238,840</u>	<u>\$ 1,353,406</u>	<u>\$ 17,781,263</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 278,043
Special	42,726
Vocational	17,430
Supporting services	
Pupil	733
Instructional staff	28,242
Administration	40,628
Fiscal	4,436
Business	4,254
Operation and maintenance of plant	384,589
Pupil transportation	163,121
Central services	26,904
Operation of non-instructional services	
Food service	14,421
Auxiliary services	3,692
Extracurricular activities	12,416
Total depreciation expense	<u>\$ 1,021,635</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 9 - INTERFUND ASSETS/LIABILITIES**

On the fund financial statements at June 30, 2016, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 508,946	\$ -
Nonmajor governmental funds	-	508,946
	<u>\$ 508,946</u>	<u>\$ 508,946</u>

These amounts are represented as "Interfund Receivable/Payable" on the balance sheet. The loans were made to support programs and projects in the Special Revenue Funds until permanent funding is received. All interfund balances are expected to be repaid within one year.

**NOTE 10 - RISK MANAGEMENT**

**A. PROPERTY AND LIABILITY**

The District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2015, the District contracted with Liberty Mutual Insurance for property, liability and auto insurance. General liability coverage is \$ 1 million per occurrence, \$ 2 million aggregate with a \$ 5 million supplemental umbrella policy. Automobile liability coverage is \$ 1 million for each occurrence with a \$ 5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from prior years. Position bonds of \$ 75,000 are maintained for the Superintendent and Board President and \$ 100,000 for the Treasurer from Ohio Casualty Insurance Company. The District provides life insurance, disability and accidental death and dismemberment insurance to its employees, through Fort Dearborn Life Insurance Company.

**B. WORKERS' COMPENSATION**

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The intent of the GRRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRRP. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRRP. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 10 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS

The District provides employee medical, surgical, prescription drug and dental benefits through a self-insurance program administered by Medical Mutual of Ohio. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of \$ 125,000.

The claim liability of \$ 636,300, reported at June 30, 2016 was estimated by Medical Mutual of Ohio and is based on the requirements of Governmental Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liability during the year ended June 30, 2016 and 2015 are summarized below. Incurred claims and claims payments are not segregated between current and prior years claims due to the impracticability of obtaining such information.

	June 30, 2016	June 30, 2015
Unpaid claims, beginning of year	\$ 572,000	\$ 819,300
Incurred claims	7,270,066	5,964,460
Claims payments	(7,205,766)	(6,211,760)
Unpaid claims, end of year	<u>\$ 636,300</u>	<u>\$ 572,000</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

A. NET PENSION LIABILITY (continued)

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.

B. 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](http://www.ohsers.org) under Employers/Audit Resources.

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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year 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.

The School District's contractually required contribution to SERS was \$ 1,025,294 for fiscal year 2016. Of this amount \$ 147,209 is reported as an intergovernmental payable.

C. 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 Web site at [www.strsoh.org](http://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. 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS) (continued)

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 \$ 3,776,955 for fiscal year 2016. Of this amount \$ 132,509 is reported as an intergovernmental payable.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

D. 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>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 16,268,151	\$ 70,529,568	\$ 86,797,719
Pension expense	\$ 1,560,434	\$ 5,904,997	\$ 7,465,431
Proportion of the net pension liability prior measurement date	0.298269%	0.250795%	

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>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 273,195	\$ 3,236,888	\$ 3,510,083
Changes in proportionate share and difference between School District contributions and proportionated share of contributions	-	1,053,642	1,053,642
School District contributions subsequent to the measurement date	<u>1,025,294</u>	<u>3,776,955</u>	<u>4,802,249</u>
Total deferred outflows of resources	<u>\$ 1,298,489</u>	<u>\$ 8,067,485</u>	<u>\$ 9,365,974</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 742,638	\$ 5,488,054	\$ 6,230,692
Changes in proportionate share and difference between School District contributions and proportionated share of contributions	<u>691,278</u>	<u>-</u>	<u>691,278</u>
	<u>\$ 1,433,916</u>	<u>\$ 5,488,054</u>	<u>\$ 6,921,970</u>



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

\$ 4,802,249 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 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2017	\$ (442,469)	\$ (834,298)	\$ (1,276,767)
2018	(442,469)	(834,298)	(1,276,767)
2019	(558,482)	(1,369,215)	(1,927,697)
2020	282,699	1,840,287	2,122,986
	<u>\$ (1,160,721)</u>	<u>\$ (1,197,524)</u>	<u>\$ (2,358,245)</u>

E. 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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 percent
COLA or Ad Hoc COLA	3 percent
Investment rate of return	7.75 percent of net of investments expense, including inflation
Actuarial cost method	Early 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.

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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	1.00%	0.00%
U.S. stocks	22.50%	5.00%
Non-U.S. 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%
	<u>100.00%</u>	

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 earning 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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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	<u>\$ 20,585,623</u>	<u>\$ 16,268,151</u>	<u>\$ 9,250,397</u>

F. 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 increases	2.75 percent at age 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 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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>	

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

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 payment 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	\$ 88,864,630	\$ 70,529,568	\$ 39,416,764

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. 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](http://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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (continued)

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, 0 percent of covered payroll was allocated to health care. 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. For fiscal year 2016, the School District's surcharge obligation was. For fiscal year 2015, the School District's surcharge obligation was \$ 147,209.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$ 147,209, \$ 67,442, and \$ 164,260, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. 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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. 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 \$ 261,547, respectively. The full amount has been contributed for fiscal year 2014.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 13 - LONG-TERM OBLIGATIONS**

The original issue date, interest rate, original issuance and date of maturity for each of the School District's bond obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General obligation bonds				
Energy conservation	2013	1.95%	\$ 3,315,000	2025
School Facilities Improvement Series A	2015	.8% - 3.00%	\$ 8,577,000	2018
School Facilities Improvement Series B	2015	1.5% - 5.0%	\$ 72,000,000	2049

The energy conservation bonds issued in 2013 were for the installation, modification and remodeling of school buildings to conserve energy. The school facilities improvement bonds issued in 2015 are for construction a new middle school building and a new high school building.

Changes in the School District's long-term obligations during fiscal year 2016 were as follows:

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016	Amounts Due In One Year
General obligation bonds					
Energy conservation	\$ 2,805,000	\$ -	\$ 255,000	\$ 2,550,000	\$ 260,000
Facilities improvements	80,577,000	-	3,677,000	76,900,000	3,600,000
Total general obligation bonds	83,382,000	-	3,932,000	79,450,000	3,860,000
Unamortized bond premium	6,352,903	-	392,214	5,960,689	-
Net pension liability					
STRS	61,002,024	9,527,544	-	70,529,568	-
SERS	15,095,224	1,172,927	-	16,268,151	-
Total net pension liability	76,097,248	10,700,471	-	86,797,719	-
Capital lease	104,598	-	24,407	80,191	25,175
Compensated absences	4,564,375	907,714	860,270	4,611,819	444,379
Total long-term obligations	\$ 170,501,124	\$ 11,608,185	\$ 5,208,891	\$ 176,900,418	\$ 4,329,554

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

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

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 3,860,000	\$ 3,317,915	\$ 7,177,915
2018	1,655,000	3,289,921	4,944,921
2019	1,250,000	3,268,880	4,518,880
2020	1,270,000	3,247,510	4,517,510
2021	1,295,000	3,223,244	4,518,244
2022 - 2026	6,970,000	15,483,833	22,453,833
2027 - 2031	7,550,000	14,023,750	21,573,750
2032 - 2036	10,350,000	11,796,250	22,146,250
2037 - 2041	13,750,000	8,811,250	22,561,250
2042 - 2046	18,200,000	4,855,250	23,055,250
2047 - 2049	13,300,000	812,000	14,112,000
Totals	<u>\$ 79,450,000</u>	<u>\$ 72,129,803</u>	<u>\$ 151,579,803</u>

The School District's overall legal debt margin was \$ 4,932,483, which included an unvoted debt margin of \$ 778,406.

Bonds payable were repaid from the Debt Service Fund. The government pays obligations related to employee compensation from the fund benefitting from their service.

NOTE 14 – CAPITAL LEASE

The School District has entered into a lease agreement for copiers. The lease agreement meets the criteria of a capital lease for accounting purposes and, therefore has been recorded at the present value of future minimum lease payments as of the inception date.

Capital assets acquired by lease have been capitalized and depreciated as follows:

	Cost	Depreciation	Net
Copier equipment	<u>\$ 126,317</u>	<u>\$ 48,421</u>	<u>\$ 77,896</u>

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2015.

	Year ending June 30,	Amount
Total future minimum lease payments	2017	\$ 27,303
	2018	27,303
	2019	27,303
	2020	2,275
		<u>84,184</u>
Less amount representing interest		(3,993)
Net present value of minimum lease payments		<u>\$ 80,191</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 15 - JOINTLY GOVERNED ORGANIZATION

A. NORTHERN BUCKEYE EDUCATION COUNCIL

The Northern Buckeye Education Council (the "Council") is a 40 entity consortium organized under Chapter 167 of the Ohio Revised Code as a not-for profit Council of Governments and is directed by a thirteen member Board of Directors. The purpose of the Council is to provide educational entities in greater northwestern Ohio access to a variety of cooperative administrative services thereby reducing the cost of obtaining these services. Currently the Council provides data processing and internet access services through its Northwest Ohio Computer Association (NWOCA) subsidiary; assists in the preparation of financial reports and offers in-service training sessions to employees of its member entities.

Financial information can be obtained by contacting the Council at 209 Nolan Parkway, P.O. Box 407, Archbold, Ohio 43502. During the year ended June 30, 2016, the School District paid \$ 140,765 to the Council.

B. POLARIS CAREER CENTER

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

C. NORTH OLMSTED CITY SCHOOLS EDUCATION FOUNDATION

The North Olmsted City Schools Education Foundation (Foundation) is a jointly governed organization established by the Ohio Revised Code to support and enhance educational opportunities for the youth of the North Olmsted Community. The trustees of the Foundation consist of five ex officio trustees and up to fifteen members selected by a nominating committee appointed by the ex officio trustees.

The ex officio trustees are composed of the following individuals: the Superintendent of the North Olmsted City School District, a member of the North Olmsted Board of Education, a member of the North Olmsted PTA Council, a member of the North Olmsted City Schools' Financial Advisory Board, and a member of the Community Education Advisory Board. All trustees are voting members. The Foundation is responsible for approving its own budgets, appointing personnel, creation of committees, and accounting and financial related activities. Financial information can be obtained by contacting Carrie Copfer, c/o The North Olmsted Board of Education, 26669 Butternut Ridge Road, North Olmsted, Ohio 44070.



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 15 - JOINTLY GOVERNED ORGANIZATION (continued)

D OHIO SCHOOLS COUNCIL

The Ohio Schools Council Association (Council) is a jointly governed organization among 200 school districts. The organization was formed to purchase quality products and services at the lowest possible cost to the member School Districts. Each School District supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating School 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 \$ 2,160 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director/Treasurer 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. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. In June 2010, the Council entered into an agreement with Compass Energy Gas Services LLC to be the natural gas supplier and program manager beginning October 1, 2010 through March 31, 2013. The contract with Compass Energy Gas Services LLC was extended for an additional three years beginning 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). School 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 School Districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

NOTE 16 - INTERFUND TRANSFERS

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

	Transfer from:
	<u>General Fund</u>
Transfer to:	
Nonmajor	
governmental funds	\$ 151,186
Total transfers-out	<u>\$ 151,186</u>

Transfers from the General Fund were to provide for payment of expenditures in the Food Service Fund.

NOTE 17 - CONTINGENCIES

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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2016.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 18 - FOUNDATION FUNDING**

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

**NOTE 19 - 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 the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District has set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for capital improvements and budget stabilization during fiscal year 2016.

	Capital Maintenance	Budget Stabilization
Set-aside reserve balances as of June 30, 2015	\$ -	\$ 223,073
Set-aside balance carried forward	-	-
Current year set-aside requirement	657,928	-
Qualifying offsets and disbursements	(1,203,820)	-
Total	<u>\$ (545,892)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ -</u>	<u>\$ -</u>
Set-aside reserve balance as of June 30, 2016	<u>\$ -</u>	<u>\$ 223,073</u>

Although the School District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero for capital maintenance set-aside, this amount may not be used to reduce the set-aside requirement for future years.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 20 – COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are the following deficit fund balances.

Special Revenue Funds:		
Limited English Proficiency	\$	11,228
Alternative Education	\$	1,020
Title VIB	\$	114,303
Title I	\$	127,804
Preschool	\$	8,701
Title II-A	\$	7,226

These deficits resulted from adjustments for accrued liabilities. The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

NOTE 21 – CONTRACTUAL COMMITMENTS

At June 30, 2016 the School District had contractual commitments for the following:

<u>Project</u>	<u>Estimated Total Cost</u>	<u>Expended To Date</u>	<u>Outstanding Commitments</u>
School buildings construction	<u>\$89,565,000</u>	<u>\$4,368,331</u>	<u>\$85,196,669</u>

## REQUIRED SUPPLEMENTARY INFORMATION

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2015	2014	2013
School District's proportion of the net pension liability	0.285101%	0.298269%	0.298269%
School District's proportionate share of the net pension liability	\$ 16,268,151	\$ 15,095,224	\$ 17,737,100
School District's covered-employee payroll	\$ 7,689,192	\$ 8,191,847	\$ 6,744,335
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.57%	184.27%	262.99%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2015	2014	2013
School District's proportion of the net pension liability	0.2551991%	0.250795%	0.250795%
School District's proportionate share of the net pension liability	\$ 70,529,568	\$ 61,002,024	\$ 72,665,211
School District's covered-employee payroll	\$ 26,541,248	\$ 26,154,685	\$ 24,369,023
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	265.74%	233.24%	298.19%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available

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NORTH OLMSTED CITY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO  
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Contractually required contribution	<u>\$ 1,025,294</u>	<u>\$ 1,084,003</u>	<u>\$ 1,135,390</u>	<u>\$ 933,416</u>
Contributions in relation to the contractually required contribution	<u>(1,025,294)</u>	<u>(1,084,003)</u>	<u>(1,135,390)</u>	<u>(933,416)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered-employee payroll	\$ 7,323,529	\$ 8,224,609	\$ 8,191,847	\$ 6,744,335
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>
\$ 1,053,712	\$ 931,964	\$ 1,008,253	\$ 726,876	\$ 701,045	\$ 808,372
<u>(1,053,712)</u>	<u>(931,964)</u>	<u>(1,008,253)</u>	<u>(726,876)</u>	<u>(701,045)</u>	<u>(808,372)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,834,290	\$ 7,414,193	\$ 7,446,477	\$ 7,386,951	\$ 7,138,951	\$ 7,569,026
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

NORTH OLMSTED CITY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM OF OHIO  
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Contractually required contribution	<u>\$ 3,776,955</u>	<u>\$ 3,738,592</u>	<u>\$ 3,400,109</u>	<u>\$ 3,167,973</u>
Contributions in relation to the contractually required contribution	<u>(3,776,955)</u>	<u>(3,738,592)</u>	<u>(3,400,109)</u>	<u>(3,167,973)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered-employee payroll	\$ 26,978,250	\$ 26,704,226	\$ 26,154,685	\$ 24,369,023
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,433,177	\$ 3,235,398	\$ 3,323,424	\$ 3,155,308	\$ 3,199,543	\$ 3,151,946
<u>(3,433,177)</u>	<u>(3,235,398)</u>	<u>(3,323,424)</u>	<u>(3,155,308)</u>	<u>(3,199,543)</u>	<u>(3,151,946)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,409,054	\$ 24,887,677	\$ 25,564,800	\$ 24,271,600	\$ 24,611,869	\$ 24,245,738
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Food Service - This fund accounts for all transactions related to the operations of the School District's food service program which provides lunches to students and the staff.

Classroom Facilities Maintenance - This fund is used to account for the proceeds from a levy for the maintenance of facilities.

Athletics – This fund accounts for gate receipts and fund raising activities and all operating costs (except supplemental coaching contracts) of the District's Athletic Program.

Auxiliary Service – This fund accounts for State funds received for non-public schools located within the school district as provided by state law. Funds are used primarily for educational supplies, materials, and testing.

Data Communications – This fund provides support costs for data communication links to connect a school district electronically to the data acquisition site.

Alternative Education – This fund is used to account for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State Grants – This fund is used for various monies received from the State of Ohio to develop and support a parent mentoring program, a safe-school hotline, and school improvement incentive programs.

Race to the Top - To account for monies for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Title VI-B – This fund accounts for Federal revenues in support of program expenditures related to Special Education.

Limited English Proficiency – This fund provides support for programs designed to help immigrant children develop academic literacy in the English language.

Title I – This fund accounts for Federal monies to implement a variety of programs intended to provide supplemental instruction for children of low income families identified as educationally disadvantaged.

Preschool – This fund accounts for Federal monies supporting programs for handicapped services for children ages 2 through 5 to ready them for the school environment.

Title II-A – This fund accounts for Federal revenue used to hire additional teachers in grade 1 through 3 and provide professional development support.

Miscellaneous Federal Grants – This fund is used to account for various Federally funded programs under the Serve and Learn American Grant Program.

(continued)

## **NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (concluded)**

### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and related costs.

### **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Permanent Improvements – This fund accounts for monies raised through a tax levy and restricted in use for the acquisition, construction, or improvement of capital facilities and equipment.

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in pooled cash	\$ 1,566,671	\$ 15,067,868	\$ 16,634,539
Receivables, net of allowance			
Taxes, current	-	1,034,194	1,034,194
Taxes, delinquent	-	19,100	19,100
Accounts and other	-	1,989	1,989
Intergovernmental receivables	58,737	-	58,737
Inventories and supplies	23,222	-	23,222
<b>Total assets</b>	<b>\$ 1,648,630</b>	<b>\$ 16,123,151</b>	<b>\$ 17,771,781</b>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 107,500	\$ 181,078	\$ 288,578
Accrued salaries, wages and benefits	257,850	-	257,850
Intergovernmental payable	41,496	-	41,496
Interfund payable	508,946	-	508,946
Matured compensated absences	13,053	-	13,053
<b>Total liabilities</b>	<b>928,845</b>	<b>181,078</b>	<b>1,109,923</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for next year and unavailable resources	6,696	727,181	733,877
<b>Total deferred inflows of resources</b>	<b>6,696</b>	<b>727,181</b>	<b>733,877</b>
<b>Fund balances (deficits)</b>			
Nonspendable	23,222	-	23,222
Restricted	960,149	15,214,892	16,175,041
Unassigned	(270,282)	-	(270,282)
<b>Total fund balances (deficits)</b>	<b>713,089</b>	<b>15,214,892</b>	<b>15,927,981</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 1,648,630</b>	<b>\$ 16,123,151</b>	<b>\$ 17,771,781</b>

NORTH OLMSTED CITY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenue			
Taxes	\$ 390,000	\$ 850,222	\$ 1,240,222
Payments in lieu of taxes	-	41,514	41,514
Interest	520	101,547	102,067
Intergovernmental	2,898,917	150,628	3,049,545
Charges for services	441,807	-	441,807
Extracurricular	292,277	-	292,277
Other	8,996	-	8,996
Total revenues	<u>4,032,517</u>	<u>1,143,911</u>	<u>5,176,428</u>
Expenditures			
Current			
Instruction			
Regular	953,843	302,962	1,256,805
Supporting services			
Pupil	829,266	-	829,266
Instructional staff	6,409	-	6,409
Administration	-	8,098	8,098
Fiscal services	-	9,490	9,490
Business	-	3,784	3,784
Operation and maintenance	-	213,755	213,755
Pupil transportation	3,258	735,655	738,913
Central services	4,099	-	4,099
Operation of non-instructional services			
Food service operation	1,506,753	-	1,506,753
Community services	165,056	-	165,056
Extracurricular activities	269,968	-	269,968
Capital outlay	-	469,984	469,984
Total expenditures	<u>3,738,652</u>	<u>1,743,728</u>	<u>5,482,380</u>
Excess (deficiency) of revenues over expenditures	<u>293,865</u>	<u>(599,817)</u>	<u>(305,952)</u>
Other financing sources (uses)			
Transfers-in	151,186	-	151,186
Total other financing sources (uses)	<u>151,186</u>	<u>-</u>	<u>151,186</u>
Net change in fund balances	445,051	(599,817)	(154,766)
Fund balances, beginning of year	<u>268,038</u>	<u>15,814,709</u>	<u>16,082,747</u>
Fund balances, end of year	<u>\$ 713,089</u>	<u>\$ 15,214,892</u>	<u>\$ 15,927,981</u>



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NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2016

	Food Service	Classroom Facilities and Maintenance	Athletics
<b>Assets</b>			
Equity in pooled cash	\$ 271,818	\$ 585,220	\$ 185,982
Intergovernmental receivables	56,100	-	-
Inventories and supplies	23,222	-	-
<b>Total assets</b>	<b>\$ 351,140</b>	<b>\$ 585,220</b>	<b>\$ 185,982</b>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 66,695	\$ -	\$ 18,269
Accrued salaries, wages and benefits	79,701	-	-
Intergovernmental payable	32,571	-	-
Interfund payable	-	-	-
Matured compensated absences	13,053	-	-
<b>Total liabilities</b>	<b>192,020</b>	<b>-</b>	<b>18,269</b>
<b>Deferred inflow s of resources</b>			
Property taxes levied for next year and unavailable resources	4,059	-	-
<b>Total deferred inflow s of resources</b>	<b>4,059</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficits)</b>			
Nonspendable	23,222	-	-
Restricted	131,839	585,220	167,713
Unassigned	-	-	-
<b>Total fund balances (deficits)</b>	<b>155,061</b>	<b>585,220</b>	<b>167,713</b>
<b>Total liabilities, deferred inflow s of resources and fund balances (deficits)</b>	<b>\$ 351,140</b>	<b>\$ 585,220</b>	<b>\$ 185,982</b>

Auxiliary Service	Data Communications	Alternative Education	Miscellaneous State Grants
\$ 40,635	\$ 50,100	\$ 4,569	\$ -
91	-	-	-
-	-	-	-
<u>\$ 40,726</u>	<u>\$ 50,100</u>	<u>\$ 4,569</u>	<u>\$ -</u>
\$ 5,786	\$ -	\$ -	\$ -
8,732	-	-	-
1,092	-	-	-
-	-	5,589	-
-	-	-	-
<u>15,610</u>	<u>-</u>	<u>5,589</u>	<u>-</u>
91	-	-	-
<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
25,025	50,100	-	-
-	-	(1,020)	-
<u>25,025</u>	<u>50,100</u>	<u>(1,020)</u>	<u>-</u>
<u>\$ 40,726</u>	<u>\$ 50,100</u>	<u>\$ 4,569</u>	<u>\$ -</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

(CONCLUDED)

	Race to the Top	Title VIB	Limited English Proficiency	Title I
<b>Assets</b>				
Equity in pooled cash	\$ -	\$ 145,681	\$ 11,585	\$ 228,089
Intergovernmental receivables	-	2,546	-	-
Inventories and supplies	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 148,227</b>	<b>\$ 11,585</b>	<b>\$ 228,089</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ -	\$ 12,261	\$ -	\$ 1,829
Accrued salaries, wages and benefits	-	52,338	5,887	111,192
Intergovernmental payable	-	860	257	6,403
Interfund payable	-	194,525	16,669	236,469
Matured compensated absences	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>259,984</b>	<b>22,813</b>	<b>355,893</b>
<b>Deferred inflow s of resources</b>				
Property taxes levied for next year and unavailable resources	-	2,546	-	-
<b>Total deferred inflow s of resources</b>	<b>-</b>	<b>2,546</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficits)</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	(114,303)	(11,228)	(127,804)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>(114,303)</b>	<b>(11,228)</b>	<b>(127,804)</b>
<b>Total liabilities, deferred inflow s of resources and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 148,227</b>	<b>\$ 11,585</b>	<b>\$ 228,089</b>

Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ 42,740	\$ 252	\$ 1,566,671
-	-	-	58,737
-	-	-	23,222
<u>\$ -</u>	<u>\$ 42,740</u>	<u>\$ 252</u>	<u>\$ 1,648,630</u>
\$ -	\$ 2,660	\$ -	\$ 107,500
-	-	-	257,850
313	-	-	41,496
8,388	47,306	-	508,946
-	-	-	13,053
<u>8,701</u>	<u>49,966</u>	<u>-</u>	<u>928,845</u>
-	-	-	6,696
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,696</u>
-	-	-	23,222
-	-	252	960,149
<u>(8,701)</u>	<u>(7,226)</u>	<u>-</u>	<u>(270,282)</u>
<u>(8,701)</u>	<u>(7,226)</u>	<u>252</u>	<u>713,089</u>
<u>\$ -</u>	<u>\$ 42,740</u>	<u>\$ 252</u>	<u>\$ 1,648,630</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES–  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Food Service	Classroom Facilities and Maintenance	Athletics
Revenue			
Taxes	\$ -	\$ 390,000	\$ -
Interest	378	-	-
Intergovernmental	904,172	-	-
Charges for services	441,807	-	-
Extracurricular	-	-	292,277
Other	7,992	-	1,004
Total revenues	<u>1,354,349</u>	<u>390,000</u>	<u>293,281</u>
Expenditures			
Current			
Instruction			
Regular	-	-	-
Supporting services			
Pupil	-	-	-
Instructional staff	-	-	-
Pupil transportation	-	-	-
Central services	-	-	-
Operation of non-instructional services			
Food service operation	1,506,753	-	-
Community services	-	-	-
Extracurricular activities	-	-	269,968
Total expenditures	<u>1,506,753</u>	<u>-</u>	<u>269,968</u>
Excess (deficiency) of revenues over expenditures	<u>(152,404)</u>	<u>390,000</u>	<u>23,313</u>
Other financing sources (uses)			
Transfers-in	150,000	-	-
Total other financing sources (uses)	<u>150,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,404)	390,000	23,313
Fund balances, beginning of year	<u>157,465</u>	<u>195,220</u>	<u>144,400</u>
Fund balances, end of year	<u>\$ 155,061</u>	<u>\$ 585,220</u>	<u>\$ 167,713</u>

Auxiliary Service	Data Communications	Alternative Education	Miscellaneous State Grants
\$ -	\$ -	\$ -	\$ -
142	-	-	-
161,142	16,200	70,523	-
-	-	-	-
-	-	-	-
-	-	-	-
161,284	16,200	70,523	-
-	-	-	-
-	-	51,554	34
-	-	18,009	-
-	-	-	-
-	-	-	-
-	4,099	-	-
-	-	-	-
139,937	-	-	-
-	-	-	-
139,937	4,099	69,563	34
-	-	-	-
21,347	12,101	960	(34)
-	-	-	-
-	-	-	-
21,347	12,101	960	(34)
3,678	37,999	(1,980)	34
\$ 25,025	\$ 50,100	\$ (1,020)	\$ -

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

(CONCLUDED)

	Race to the Top	Title VIB	Limited English Proficiency	Title I
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Intergovernmental	-	719,930	44,788	871,268
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Other	-	-	-	-
Total revenues	-	719,930	44,788	871,268
Expenditures				
Current				
Instruction				
Regular	-	4,865	3,454	800,096
Supporting services				
Pupil	-	743,541	44,959	-
Instructional staff	-	-	1,558	4,851
Pupil transportation	-	3,258	-	-
Central services	-	-	-	-
Operation of non-instructional services				
Food service operation	-	-	-	-
Community services	-	13,104	-	8,951
Extracurricular activities	-	-	-	-
Total expenditures	-	764,768	49,971	813,898
Excess (deficiency) of revenues over expenditures	-	(44,838)	(5,183)	57,370
Other financing sources (uses)				
Transfers-in	1,186	-	-	-
Total other financing sources (uses)	1,186	-	-	-
Net change in fund balances	1,186	(44,838)	(5,183)	57,370
Fund balances, beginning of year	(1,186)	(69,465)	(6,045)	(185,174)
Fund balances, end of year	\$ -	\$ (114,303)	\$ (11,228)	\$ (127,804)



Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 390,000
-	-	-	520
14,352	96,542	-	2,898,917
-	-	-	441,807
-	-	-	292,277
-	-	-	8,996
14,352	96,542	-	4,032,517
-	93,840	-	953,843
22,757	-	-	829,266
-	-	-	6,409
-	-	-	3,258
-	-	-	4,099
-	-	-	1,506,753
-	3,064	-	165,056
-	-	-	269,968
22,757	96,904	-	3,738,652
(8,405)	(362)	-	293,865
-	-	-	151,186
-	-	-	151,186
(8,405)	(362)	-	445,051
(296)	(6,864)	252	268,038
\$ (8,701)	\$ (7,226)	\$ 252	\$ 713,089

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Student Activities Fund			
	Beginning Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016
Assets				
Equity in pooled cash and equivalents	\$ 139,389	\$ 180,717	\$ 182,433	\$ 137,673
Total assets	<u>\$ 139,389</u>	<u>\$ 180,717</u>	<u>\$ 182,433</u>	<u>\$ 137,673</u>
Liabilities				
Accounts payable	\$ 9,261	\$ 780	\$ 9,261	\$ 780
Due to students	130,128	179,937	173,172	136,893
Total liabilities	<u>\$ 139,389</u>	<u>\$ 180,717</u>	<u>\$ 182,433</u>	<u>\$ 137,673</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Taxes	\$ 38,905,000	\$ 38,905,000	\$ 38,556,503	\$ (348,497)
Payments in lieu of taxes	100,000	100,000	1,550,138	1,450,138
Tuition and fees	819,000	819,000	580,881	(238,119)
Interest	52,000	52,000	83,477	31,477
Intergovernmental	14,013,000	14,013,000	13,817,089	(195,911)
Other	109,000	109,000	107,930	(1,070)
Total revenues	53,998,000	53,998,000	54,696,018	698,018
Expenditures				
Current				
Instruction				
Regular				
Salaries	17,056,800	17,011,300	16,948,203	63,097
Benefits	6,477,354	6,405,200	6,305,290	99,910
Purchased services	1,465,772	1,617,250	1,569,670	47,580
Materials and supplies	910,362	1,072,691	911,384	161,307
Capital outlay	12,832	32,190	23,648	8,542
Other	26,200	26,200	24,548	1,652
Total regular	25,949,320	26,164,831	25,782,743	382,088
Special				
Salaries	5,759,400	5,795,400	5,783,072	12,328
Benefits	2,187,144	2,275,500	2,240,034	35,466
Purchased services	502,084	650,084	639,356	10,728
Materials and supplies	3,500	3,500	987	2,513
Total special	8,452,128	8,724,484	8,663,449	61,035
Vocational				
Salaries	252,600	252,600	252,576	24
Benefits	95,925	95,400	93,967	1,433
Purchased services	1,011	330	330	-
Materials and supplies	11,036	9,313	8,421	892
Total vocational	360,572	357,643	355,294	2,349
Other instruction				
Salaries	101,500	78,500	78,248	252
Benefits	38,545	29,600	29,110	490
Purchased services	185,000	296,000	259,204	36,796
Total other instruction	325,045	404,100	366,562	37,538
Total instruction	35,087,065	35,651,058	35,168,048	483,010

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

GENERAL FUND (continued)				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Supporting services				
Pupil				
Salaries	2,905,900	2,915,800	2,887,542	28,258
Benefits	1,103,521	1,158,500	1,140,345	18,155
Purchased services	461,464	463,464	458,700	4,764
Materials and supplies	17,740	17,740	14,044	3,696
Total pupil	4,488,625	4,555,504	4,500,631	54,873
Instructional staff				
Salaries	555,000	561,100	552,824	8,276
Benefits	210,762	244,300	240,372	3,928
Purchased services	183,025	186,268	142,574	43,694
Materials and supplies	119,414	119,914	98,294	21,620
Capital outlay	17,010	12,710	5,697	7,013
Total instructional staff	1,085,211	1,124,292	1,039,761	84,531
Board of education				
Salaries	25,000	25,000	18,430	6,570
Benefits	9,494	4,100	4,009	91
Purchased services	409,307	509,307	412,296	97,011
Total board of education	443,801	538,407	434,735	103,672
Administration				
Salaries	2,403,900	2,471,800	2,467,250	4,550
Benefits	912,886	993,400	982,208	11,192
Purchased services	232,708	232,878	120,807	112,071
Materials and supplies	40,024	40,614	30,084	10,530
Capital outlay	500	500	-	500
Other	38,000	38,000	34,217	3,783
Total administration	3,628,018	3,777,192	3,634,566	142,626
Fiscal services				
Salaries	434,000	449,800	449,678	122
Benefits	164,812	236,500	232,863	3,637
Purchased services	5,815	20,815	10,848	9,967
Materials and supplies	3,824	3,824	2,929	895
Capital outlay	199,658	50,000	12,270	37,730
Other	719,985	714,985	700,896	14,089
Total fiscal services	1,528,094	1,475,924	1,409,484	66,440
Business				
Salaries	79,200	81,600	80,830	770
Benefits	30,076	36,900	36,371	529
Purchased services	83,500	83,500	64,981	18,519
Total business	192,776	202,000	182,182	19,818

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

GENERAL FUND (continued)				Variance with
	Budget Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Operation and maintenance				
Salaries	1,870,800	1,886,800	1,857,110	29,690
Benefits	710,440	861,500	848,010	13,490
Purchased services	1,154,136	1,162,507	1,090,794	71,713
Materials and supplies	151,810	168,520	150,506	18,014
Capital outlay	34,213	34,213	31,713	2,500
Other	3,300	14,300	10,872	3,428
Total operation and maintenance	3,924,699	4,127,840	3,989,005	138,835
Pupil transportation				
Salaries	1,124,700	1,117,600	1,109,218	8,382
Benefits	427,107	514,100	505,915	8,185
Purchased services	463,000	465,863	455,403	10,460
Materials and supplies	365,518	286,742	232,822	53,920
Capital outlay	25,581	35,798	17,615	18,183
Total pupil transportation	2,405,906	2,420,103	2,320,973	99,130
Central services				
Salaries	624,300	655,000	653,033	1,967
Benefits	237,079	331,900	327,079	4,821
Materials and supplies	561,002	578,936	509,602	69,334
Capital outlay	82,576	77,826	55,590	22,236
Capital outlay	4,299	5,499	1,170	4,329
Total central services	1,509,256	1,649,161	1,546,474	102,687
Total supporting services	19,206,386	19,870,423	19,057,811	812,612
Operation of non-instructional				
Food service operation				
Salaries	58,600	58,600	58,497	103
Benefits	22,253	26,700	26,321	379
Total food service operation	80,853	85,300	84,818	482
Community services				
Purchased services	24,500	25,895	21,196	4,699
Total community services	24,500	25,895	21,196	4,699

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND (concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Extracurricular activities				
Academic and subject oriented				
Salaries	338,000	316,500	298,807	17,693
Benefits	128,356	116,000	114,019	1,981
Total academic and subject oriented	466,356	432,500	412,826	19,674
Sports oriented				
Salaries	764,300	742,800	735,122	7,678
Benefits	290,244	307,900	302,997	4,903
Purchased services	25,500	31,460	21,158	10,302
Other	3,600	3,600	3,500	100
Total sports oriented	1,083,644	1,085,760	1,062,777	22,983
Total extracurricular activities	1,550,000	1,518,260	1,475,603	42,657
Capital outlay	14,500	14,500	14,500	-
Debt service				
Principal	255,000	255,000	255,000	-
Interest and fiscal charges	52,300	52,300	52,211	89
Total debt service	307,300	307,300	307,211	89
Total expenditures	56,270,604	57,472,736	56,129,187	1,343,549
Excess (deficiency) of revenues over expenditures	(2,272,604)	(3,474,736)	(1,433,169)	2,041,567
Other financing sources (uses)				
Transfers-in	212,000	211,030	211,030	-
Advances-in	696,000	696,000	488,999	(207,001)
Refund prior year expenditure	-	-	288,267	288,267
Advances-out	(500,000)	(508,946)	(508,946)	-
Transfers-out	(100,000)	(151,185)	(151,185)	-
Total other financing sources (uses)	308,000	246,899	328,165	81,266
Net change in fund balance	(1,964,604)	(3,227,837)	(1,105,004)	2,122,833
Fund balance, beginning of year	19,107,181	19,107,181	19,107,181	-
Prior year encumbrances appropriated	461,447	461,447	461,447	-
Fund balance, end of year	\$ 17,604,024	\$ 16,340,791	\$ 18,463,624	\$ 2,122,833

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,174,000	\$ 4,060,000	\$ 4,113,130	\$ 53,130
Payments in lieu of taxes	-	72,000	72,218	218
Intergovernmental	69,000	138,000	136,573	(1,427)
Total revenues	4,243,000	4,270,000	4,321,921	51,921
Expenditures				
Debt service				
Principal	3,677,000	3,677,000	3,677,000	-
Interest and fiscal charges	3,972,300	3,972,300	3,972,208	92
Total debt service	7,649,300	7,649,300	7,649,208	92
Total expenditures	7,649,300	7,649,300	7,649,208	92
Excess (deficiency) of revenues over expenditures	(3,406,300)	(3,379,300)	(3,327,287)	52,013
Net change in fund balance	(3,406,300)	(3,379,300)	(3,327,287)	52,013
Fund balance, beginning of year	8,259,771	8,259,771	8,259,771	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 4,853,471	\$ 4,880,471	\$ 4,932,484	\$ 52,013

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

CLASSROOM FACILITIES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 400,000	\$ 420,000	\$ 411,696	\$ (8,304)
Intergovernmental		1,673,613	1,673,613	-
Total revenues	400,000	2,093,613	2,085,309	(8,304)
Expenditures				
Current				
Supporting services				
Fiscal services				
Purchased services	-	50,500	45,110	5,390
Total fiscal services	-	50,500	45,110	5,390
Total supporting services	-	50,500	45,110	5,390
Capital outlay	65,909,000	66,509,000	7,498,679	59,010,321
Total expenditures	65,909,000	66,559,500	7,543,789	59,015,711
Excess (deficiency) of revenues over expenditures	(65,509,000)	(64,465,887)	(5,458,480)	59,007,407
Net change in fund balance	(65,509,000)	(64,465,887)	(5,458,480)	59,007,407
Fund balance, beginning of year	65,127,584	65,127,584	65,127,584	-
Prior year encumbrances appropriated	789,522	789,522	789,522	-
Fund balance, end of year	\$ 408,106	\$ 1,451,219	\$ 60,458,626	\$ 59,007,407



NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

FOOD SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Interest	\$ -	\$ 290	\$ 378	\$ 88
Charges for services	542,954	423,527	441,807	18,280
Intergovernmental	734,900	712,500	798,009	85,509
Other	56,000	64,200	64,208	8
Total revenues	1,333,854	1,200,517	1,304,402	103,885
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	490,454	493,101	477,560	15,541
Benefits	184,351	210,657	202,020	8,637
Purchased services	805,400	825,886	806,817	19,069
Materials and supplies	4,000	6,100	6,014	86
Total food service operation	1,484,205	1,535,744	1,492,411	43,333
Total operation of non-instructional	1,484,205	1,535,744	1,492,411	43,333
Total expenditures	1,484,205	1,535,744	1,492,411	43,333
Excess (deficiency) of revenues over expenditures	(150,351)	(335,227)	(188,009)	147,218
Other financing sources (uses)				
Transfers-in	100,000	150,000	150,000	-
Total other financing sources (uses)	100,000	150,000	150,000	-
Net change in fund balance	(50,351)	(185,227)	(38,009)	147,218
Fund balance, beginning of year	154,697	154,697	154,697	-
Prior year encumbrances appropriated	50,886	50,886	50,886	-
Fund balance, end of year	\$ 155,232	\$ 20,356	\$ 167,574	\$ 147,218

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NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

ATHLETIC FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Extracurricular	\$ 388,600	\$ 293,304	\$ 295,707	\$ 2,403
Other	-	700	1,004	304
Total revenues	388,600	294,004	296,711	2,707
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	41,750	43,640	39,463	4,177
Materials and supplies	5,300	5,300	5,247	53
Capital outlay	37,928	37,928	31,824	6,104
Other	353,117	296,748	224,166	72,582
Total sports oriented	438,095	383,616	300,700	82,916
Total extracurricular activities	438,095	383,616	300,700	82,916
Total expenditures	438,095	383,616	300,700	82,916
Excess (deficiency) of revenues over expenditures	(49,495)	(89,612)	(3,989)	85,623
Net change in fund balance	(49,495)	(89,612)	(3,989)	85,623
Fund balance, beginning of year	134,117	134,117	134,117	-
Prior year encumbrances appropriated	30,695	30,695	30,695	-
Fund balance, end of year	\$ 115,317	\$ 75,200	\$ 160,823	\$ 85,623

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

AUXILIARY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ 114	\$ 142	\$ 28
Intergovernmental	149,570	161,142	161,142	-
Total revenues	149,570	161,256	161,284	28
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	51,605	52,672	43,919	8,753
Benefits	9,712	9,805	8,218	1,587
Purchased services	46,668	46,666	45,611	1,055
Materials and supplies	36,245	36,250	29,954	6,296
Capital outlay	52,261	62,187	47,811	14,376
Other	5,983	6,450	6,450	-
Total community services	202,474	214,030	181,963	32,067
Total operation of non-instructional	202,474	214,030	181,963	32,067
Total expenditures	202,474	214,030	181,963	32,067
Excess (deficiency) of revenues over expenditures	(52,904)	(52,774)	(20,679)	32,095
Other financing sources (uses)				
Advances-out	-	(130)	(130)	-
Total other financing sources (uses)	-	(130)	(130)	-
Net change in fund balance	(52,904)	(52,904)	(20,809)	32,095
Fund balance, beginning of year	9,629	9,629	9,629	-
Prior year encumbrances appropriated	43,275	43,275	43,275	-
Fund balance, end of year	\$ -	\$ -	\$ 32,095	\$ 32,095

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

DATA COMMUNICATIONS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 16,200	\$ 16,200	\$ 16,200	\$ -
Total revenues	16,200	16,200	16,200	-
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	36,675	36,675	-	36,675
Capital outlay	17,524	17,524	4,099	13,425
Total central services	54,199	54,199	4,099	50,100
Total supporting services	54,199	54,199	4,099	50,100
Total expenditures	54,199	54,199	4,099	50,100
Excess (deficiency) of revenues over expenditures	(37,999)	(37,999)	12,101	50,100
Net change in fund balance	(37,999)	(37,999)	12,101	50,100
Fund balance, beginning of year	37,999	37,999	37,999	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 50,100	\$ 50,100

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 74,133	\$ 76,112	\$ 70,523	\$ (5,589)
Total revenues	74,133	76,112	70,523	(5,589)
Expenditures				
Current				
Instruction				
Regular				
Purchased services	51,554	51,554	51,554	-
Total regular	51,554	51,554	51,554	-
Total instruction	51,554	51,554	51,554	-
Supporting services				
Pupil				
Purchased services	24,950	22,578	18,009	4,569
Total pupil	24,950	22,578	18,009	4,569
Total supporting services	24,950	22,578	18,009	4,569
Total expenditures	76,504	74,132	69,563	4,569
Excess (deficiency) of revenues over expenditures	(2,371)	1,980	960	(1,020)
Other financing sources (uses)				
Advances-in	-	-	5,589	5,589
Advances-out	-	(4,351)	(4,351)	-
Total other financing sources (uses)	-	(4,351)	1,238	5,589
Net change in fund balance	(2,371)	(2,371)	2,198	4,569
Fund balance, beginning of year	2,371	2,371	2,371	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 4,569	\$ 4,569

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction				
Regular				
Capital outlay	\$ 35	\$ 35	\$ 35	\$ -
Total regular	35	35	35	-
Total instruction	35	35	35	-
Total expenditures	35	35	35	-
Net change in fund balance	(35)	(35)	(35)	-
Fund balance, beginning of year	35	35	35	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	RACE TO THE TOP FUND		Actual	Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final		
Other financing sources (uses)				
Transfers-in		1,186	1,186	-
Advances-out	-	(1,186)	(1,186)	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 780,266	\$ 914,454	\$ 719,930	\$ (194,524)
Total revenues	780,266	914,454	719,930	(194,524)
Expenditures				
Current				
Instruction				
Regular				
Capital outlay	5,654	5,000	4,865	135
Total regular	5,654	5,000	4,865	135
Total instruction	5,654	5,000	4,865	135
Supporting services				
Pupil				
Salaries	287,885	294,339	256,658	37,681
Benefits	237,015	222,840	159,835	63,005
Purchased services	276,891	308,302	306,904	1,398
Materials and supplies	25,798	30,719	28,914	1,805
Capital outlay	5,000	-	-	-
Total pupil	832,589	856,200	752,311	103,889
Pupil transportation				
Purchased services	49,946	25,000	2,563	22,437
Total pupil transportation	49,946	25,000	2,563	22,437
Total supporting services	882,535	881,200	754,874	126,326
Operation of non-instructional				
Community services				
Salaries	11,404	12,904	10,306	2,598
Benefits	1,635	2,123	1,756	367
Total community services	13,039	15,027	12,062	2,965
Total operation of non-instructional	13,039	15,027	12,062	2,965
Total expenditures	901,228	901,227	771,801	129,426
Excess (deficiency) of revenues over expenditures	(120,962)	13,227	(51,871)	(65,098)
Other financing sources (uses)				
Advances-in	-	-	194,525	194,525
Advances-out	-	(134,189)	(134,189)	-
Total other financing sources (uses)	-	(134,189)	60,336	194,525
Net change in fund balance	(120,962)	(120,962)	8,465	129,427
Fund balance, beginning of year	116,470	116,470	116,470	-
Prior year encumbrances appropriated	4,492	4,492	4,492	-
Fund balance, end of year	\$ -	\$ -	\$ 129,427	\$ 129,427



NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 31,809	\$ 61,457	\$ 44,788	\$ (16,669)
Total revenues	31,809	61,457	44,788	(16,669)
Expenditures				
Current				
Instruction				
Regular				
Materials and supplies	-	5,129	3,454	1,675
Total regular	-	5,129	3,454	1,675
Total instruction	-	5,129	3,454	1,675
Supporting services				
Pupil				
Salaries	38,593	36,216	30,329	5,887
Benefits	8,061	13,745	11,703	2,042
Purchased services	917	3,175	3,202	(27)
Total pupil	47,571	53,136	45,234	7,902
Instructional staff				
Purchased services	1,115	3,566	1,558	2,008
Total instructional staff	1,115	3,566	1,558	2,008
Total supporting services	48,686	56,702	46,792	9,910
Total expenditures	48,686	61,831	50,246	11,585
Excess (deficiency) of revenues over expenditures	(16,877)	(374)	(5,458)	(5,084)
Other financing sources (uses)				
Advances-in	-	-	16,669	16,669
Advances-out	-	(16,503)	(16,503)	-
Total other financing sources (uses)	-	(16,503)	166	16,669
Net change in fund balance	(16,877)	(16,877)	(5,292)	11,585
Fund balance, beginning of year	16,877	16,877	16,877	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 11,585	\$ 11,585

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	TITLE   FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 817,829	\$ 1,107,738	\$ 871,268	\$ (236,470)
Total revenues	817,829	1,107,738	871,268	(236,470)
Expenditures				
Current				
Instruction				
Regular				
Salaries	688,819	724,059	608,945	115,114
Benefits	281,046	254,783	194,652	60,131
Purchased services	21,600	15,000	-	15,000
Materials and supplies	61,292	70,981	70,299	682
Total regular	1,052,757	1,064,823	873,896	190,927
Total instruction	1,052,757	1,064,823	873,896	190,927
Supporting services				
Instructional staff				
Purchased services	5,675	3,500	350	3,150
Materials and supplies	9,813	5,179	4,501	678
Total instructional staff	15,488	8,679	4,851	3,828
Administration				
Salaries	11,000	7,500	-	7,500
Benefits	2,750	2,000	-	2,000
Materials and supplies	713	500	-	500
Total administration	14,463	10,000	-	10,000
Total supporting services	29,951	18,679	4,851	13,828
Operation of non-instructional				
Community services				
Salaries	8,272	8,211	7,108	1,103
Benefits	1,851	1,498	1,218	280
Purchased services	2,715	2,700	1,110	1,590
Materials and supplies	700	350	-	350
Total community services	13,538	12,759	9,436	3,323
Total operation of non-instructional	13,538	12,759	9,436	3,323
Total expenditures	1,096,246	1,096,261	888,183	208,078
Excess (deficiency) of revenues over expenditures	(278,417)	11,477	(16,915)	(28,392)
Other financing sources (uses)				
Advances-in	-	-	236,469	236,469
Advances-out	-	(289,894)	(289,894)	-
Total other financing sources (uses)	-	(289,894)	(53,425)	236,469
Net change in fund balance	(278,417)	(278,417)	(70,340)	208,077
Fund balance, beginning of year	242,591	242,591	242,591	-
Prior year encumbrances appropriated	35,826	35,826	35,826	-
Fund balance, end of year	\$ -	\$ -	\$ 208,077	\$ 208,077

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

PRESCHOOL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 22,443	\$ 22,739	\$ 14,351	\$ (8,388)
Total revenues	22,443	22,739	14,351	(8,388)
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	14,583	16,200	17,820	(1,620)
Benefits	7,860	6,243	4,623	1,620
Total pupil	22,443	22,443	22,443	-
Total supporting services	22,443	22,443	22,443	-
Total expenditures	22,443	22,443	22,443	-
Excess (deficiency) of revenues over expenditures	-	296	(8,092)	(8,388)
Other financing sources (uses)				
Advances-in	-	-	8,388	8,388
Advances-out	-	(296)	(296)	-
Total other financing sources (uses)	-	(296)	8,092	8,388
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

TITLE II-A FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 101,381	\$ 143,714	\$ 96,542	\$ (47,172)
Total revenues	101,381	143,714	96,542	(47,172)
Expenditures				
Current				
Instruction				
Regular				
Benefits	137	-	-	-
Purchased services	129,923	132,238	93,752	38,486
Materials and supplies	2,711	150	150	-
Total regular	132,771	132,388	93,902	38,486
Total instruction	132,771	132,388	93,902	38,486
Supporting services				
Community services				
Purchased services	4,389	4,525	4,455	70
Total community services	4,389	4,525	4,455	70
Total operation of non-instructional	4,389	4,525	4,455	70
Total expenditures	137,160	136,913	98,357	38,556
Excess (deficiency) of revenues over expenditures	(35,779)	6,801	(1,815)	(8,616)
Other financing sources (uses)				
Advances-in	-	-	47,306	47,306
Advances-out	-	(42,580)	(42,580)	-
Total other financing sources (uses)	-	(42,580)	4,726	47,306
Net change in fund balance	(35,779)	(35,779)	2,911	38,690
Fund balance, beginning of year	35,499	35,499	35,499	-
Prior year encumbrances appropriated	280	280	280	-
Fund balance, end of year	\$ -	\$ -	\$ 38,690	\$ 38,690

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Benefits	252	252	-	252
Total food service operation	252	252	-	252
Total operation of non-instructional	252	252	-	252
Total expenditures	252	252	-	252
Excess (deficiency) of revenues over expenditures	(252)	(252)	-	252
Net change in fund balance	(252)	(252)	-	252
Fund balance, beginning of year	252	252	252	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 252	\$ 252

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ 6,000	\$ 6,000	\$ -
Total revenues	-	6,000	6,000	-
Expenditures				
Current				
Extracurricular activities				
Academic and subject oriented				
Other	-	3,000	3,000	-
Total academic and subject oriented	-	3,000	3,000	-
Total extracurricular activities	-	3,000	3,000	-
Total expenditures	-	3,000	3,000	-
Excess (deficiency) of revenues over expenditures	-	3,000	3,000	-
Net change in fund balance	-	3,000	3,000	-
Fund balance, beginning of year	750	750	750	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 750	\$ 3,750	\$ 3,750	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

ROTARY FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ 16,000	\$ 15,000	\$ 15,640	\$ 640
Total revenues	16,000	15,000	15,640	640
Expenditures				
Current				
Supporting services				
Pupil transportation				
Purchased services	20,000	20,000	18,750	1,250
Total pupil transportation	20,000	20,000	18,750	1,250
Total supporting services	20,000	20,000	18,750	1,250
Total expenditures	20,000	20,000	18,750	1,250
Excess (deficiency) of revenues over expenditures	(4,000)	(5,000)	(3,110)	1,890
Other financing sources (uses)				
Transfers-out	(156,637)	(156,637)	(136,637)	20,000
Total other financing sources (uses)	(156,637)	(156,637)	(136,637)	20,000
Net change in fund balance	(160,637)	(161,637)	(139,747)	21,890
Fund balance, beginning of year	199,164	199,164	199,164	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 38,527	\$ 37,527	\$ 59,417	\$ 21,890

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

PUBLIC SUPPORT SERVICES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 189,965	\$ 78,430	\$ 83,496	\$ 5,066
Other	290,675	106,955	121,299	14,344
Total revenues	480,640	185,385	204,795	19,410
Expenditures				
Current				
Instruction				
Regular				
Purchased services	48,429	46,464	30,764	15,700
Materials and supplies	102,320	60,299	48,024	12,275
Capital outlay	10,000	8,492	3,073	5,419
Other	290,700	97,060	76,677	20,383
Total regular	451,449	212,315	158,538	53,777
Total instruction	451,449	212,315	158,538	53,777
Supporting services				
Pupil				
Purchased services	27,229	27,229	5,700	21,529
Materials and supplies	20,000	20,000	1,891	18,109
Capital outlay	-	3,100	-	3,100
Other	9,967	9,967	5,634	4,333
Total pupil	57,196	60,296	13,225	47,071
Administration				
Materials and supplies	1,500	2,000	784	1,216
Total administration	1,500	2,000	784	1,216
Total supporting services	58,696	62,296	14,009	48,287
Extracurricular activities				
Sports oriented				
Other	14,000	-	-	-
Total sports oriented	14,000	-	-	-
Total extracurricular activities	14,000	-	-	-
Total expenditures	524,145	274,611	172,547	102,064
Excess (deficiency) of revenues over expenditures	(43,505)	(89,226)	32,248	121,474
Other financing sources (uses)				
Transfers-out	-	(10)	(10)	-
Total other financing sources (uses)	-	(10)	(10)	-
Net change in fund balance	(43,505)	(89,236)	32,238	121,474
Fund balance, beginning of year	1,881,820	1,881,820	1,881,820	-
Prior year encumbrances appropriated	9,556	9,556	9,556	-
Fund balance, end of year	\$ 1,847,871	\$ 1,802,140	\$ 1,923,614	\$ 121,474



NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

OTHER GRANTS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ 4,600	\$ -	\$ -	\$ -
Intergovernmental	36,810	43,260	43,421	161
Other	11,450	9,700	9,700	-
Total revenues	52,860	52,960	53,121	161
Expenditures				
Current				
Instruction				
Regular				
Purchased services	158	-	-	-
Materials and supplies	7,829	7,803	1,012	6,791
Capital outlay	8,053	8,053	6,383	1,670
Other	9,950	10,150	9,461	689
Total regular	25,990	26,006	16,856	9,150
Total instruction	25,990	26,006	16,856	9,150
Supporting services				
Pupil				
Materials and supplies	267	267	-	267
Total pupil	267	267	-	267
Instructional staff				
Purchased services	-	1,650	802	848
Total instructional staff	-	1,650	802	848
Pupil transportation				
Capital outlay	36,810	36,810	36,810	-
Total pupil transportation	36,810	36,810	36,810	-
Central services				
Purchased services	4,500	4,500	-	4,500
Total central services	4,500	4,500	-	4,500
Total supporting services	41,577	43,227	37,612	5,615
Total expenditures	67,567	69,233	54,468	14,765
Excess (deficiency) of revenues over expenditures	(14,707)	(16,273)	(1,347)	14,926
Other financing sources (uses)				
Transfers-out	(75,935)	(76,119)	(74,384)	1,735
Total other financing sources (uses)	(75,935)	(76,119)	(74,384)	1,735
Net change in fund balance	(90,642)	(92,392)	(75,731)	16,661
Fund balance, beginning of year	100,155	100,155	100,155	-
Prior year encumbrances appropriated	1,400	1,400	1,400	-
Fund balance, end of year	\$ 10,913	\$ 9,163	\$ 25,824	\$ 16,661

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

PERMANENT IMPROVEMENTS FUND				
	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 600,000	\$ 600,000	\$ 625,521	\$ 25,521
Payments in lieu of taxes		39,500	39,525	25
Interest	500	500	2,449	1,949
Intergovernmental	150,400	150,400	150,628	228
Total revenues	<u>750,900</u>	<u>790,400</u>	<u>818,123</u>	<u>27,723</u>
Expenditures				
Capital outlay	1,087,095	1,788,032	1,279,451	508,581
Total expenditures	<u>1,087,095</u>	<u>1,788,032</u>	<u>1,279,451</u>	<u>508,581</u>
Excess (deficiency) of revenues over expenditures	<u>(336,195)</u>	<u>(997,632)</u>	<u>(461,328)</u>	<u>508,581</u>
Net change in fund balance	(336,195)	(997,632)	(461,328)	536,304
Fund balance, beginning of year	923,389	923,389	923,389	-
Prior year encumbrances appropriated	<u>192,865</u>	<u>192,865</u>	<u>192,865</u>	<u>-</u>
Fund balance, end of year	<u>\$ 780,059</u>	<u>\$ 118,622</u>	<u>\$ 654,926</u>	<u>\$ 536,304</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	BUILDING FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 90,000	\$ 97,000	\$ 99,098	\$ 2,098
Total revenues	90,000	97,000	99,098	2,098
Expenditures				
Current				
Supporting services				
Fiscal services				
Purchased services	-	10,100	9,490	610
Total fiscal services	-	10,100	9,490	610
Total supporting services	-	10,100	9,490	610
Capital outlay	14,667,021	14,668,021	2,683,748	11,984,273
Total expenditures	14,667,021	14,678,121	2,693,238	11,984,883
Excess (deficiency) of revenues over expenditures	(14,577,021)	(14,581,121)	(2,594,140)	11,986,981
Net change in fund balance	(14,577,021)	(14,581,121)	(2,594,140)	11,986,981
Fund balance, beginning of year	14,669,798	14,669,798	14,669,798	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 92,777	\$ 88,677	\$ 12,075,658	\$ 11,986,981

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

CLASSROOM FACILITIES AND MAINTENANCE

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 390,000	\$ 390,000	\$ 390,000	\$ -
Total revenues	<u>390,000</u>	<u>390,000</u>	<u>390,000</u>	<u>-</u>
Net change in fund balance	390,000	390,000	390,000	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 390,000</u>	<u>\$ 390,000</u>	<u>\$ 390,000</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	SELF INSURANCE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ 8,417,000	\$ 8,184,000	\$ 8,266,964	\$ 82,964
Total revenues	8,417,000	8,184,000	8,266,964	82,964
Expenditures				
Claims	7,887,051	8,597,051	8,286,515	310,536
Total expenditures	7,887,051	8,597,051	8,286,515	310,536
Excess (deficiency) of revenues over expenditures	529,949	(413,051)	(19,551)	393,500
Net change in fund balance	529,949	(413,051)	(19,551)	393,500
Fund balance, beginning of year	1,837,051	1,837,051	1,837,051	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 2,367,000	\$ 1,424,000	\$ 1,817,500	\$ 393,500

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S 1</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	<b>S 11</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S 25</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>S 30</b>
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>S 33</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014 (1)	2013
Governmental activities				
Net investment in capital assets	\$ 10,438,753	\$ 11,996,135	\$ 11,972,672	\$ 11,336,986
Restricted	7,780,083	4,643,524	3,045,558	2,296,182
Unrestricted	(62,576,156)	(68,069,720)	(64,735,562)	20,604,820
Total primary government net position	<u>\$ (44,357,320)</u>	<u>\$ (51,430,061)</u>	<u>\$ (49,717,332)</u>	<u>\$ 34,237,988</u>

Source: School District financial records.

(1) Restated for the implementation of GASB no. 68.



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 14,006,222	\$ 11,286,155	\$ 11,913,734	\$ 12,232,584	\$ 12,667,307	\$ 13,015,895
2,102,588	2,982,814	3,494,251	2,436,491	2,325,296	2,171,192
14,899,100	12,665,878	6,494,989	8,538,683	10,530,781	8,069,553
<u>\$ 31,007,910</u>	<u>\$ 26,934,847</u>	<u>\$ 21,902,974</u>	<u>\$ 23,207,758</u>	<u>\$ 25,523,384</u>	<u>\$ 23,256,640</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 27,158,690	\$ 24,650,446	\$ 26,051,597	\$ 24,393,010
Special	8,799,360	7,616,573	7,847,660	7,774,419
Vocational	380,299	349,783	401,691	480,906
Adult/continuing	-	-	-	-
Other instruction	370,472	291,188	224,964	285,472
Supporting services				
Pupil	5,324,218	5,259,051	5,458,960	4,640,930
Instructional staff	1,067,271	1,092,769	1,128,566	1,020,238
Board of education	399,128	339,861	280,277	377,032
Administration	4,838,034	4,350,915	4,238,024	3,879,955
Fiscal services	1,499,411	1,307,393	1,362,183	1,224,013
Business	186,101	208,134	209,389	212,455
Operation and maintenance	6,531,521	4,232,445	4,349,599	4,288,849
Pupil transportation	2,775,744	2,227,350	2,683,649	2,487,445
Central services	1,585,301	1,499,463	1,414,700	1,152,590
Operation of non-instructional				
Food service operation	1,671,826	1,616,164	1,686,162	1,637,811
Community services	188,730	205,356	183,482	282,029
Extracurricular activities	1,791,145	1,675,700	1,515,518	1,532,448
Interest	3,604,788	1,444,138	178,622	28,218
Total primary government expenses	<u>68,172,039</u>	<u>58,366,729</u>	<u>59,215,043</u>	<u>55,697,820</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	456,113	937,007	714,206	872,606
Supporting services	209,911	410,718	84,125	260,560
Food service	449,799	575,193	581,522	586,943
Community services	-			
Extracurricular activities	293,281	315,365	287,008	274,115
Operating grants, interest and contributions	2,729,075	2,852,264	2,777,684	3,139,788
Capital grants and contributions	1,726,623	16,200	16,200	-
Total primary government program revenues	<u>5,864,802</u>	<u>5,106,747</u>	<u>4,460,745</u>	<u>5,134,012</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (62,307,237)</u>	<u>\$ (53,259,982)</u>	<u>\$ (54,754,298)</u>	<u>\$ (50,563,808)</u>

Source: School District financial records.

2012	2011	2010	2009	2008	2007
\$ 23,574,519	\$ 24,042,334	\$ 24,376,479	\$ 23,652,717	\$ 23,461,756	\$ 22,397,614
7,531,026	7,489,653	7,480,054	7,123,538	6,769,100	6,171,430
455,688	438,325	494,788	417,734	362,396	625,254
-	-	22,162	8,101	-	-
270,050	293,115	345,290	334,122	335,822	146,458
4,573,570	5,151,519	5,004,703	4,411,393	4,313,535	3,896,669
796,246	1,105,115	1,490,183	1,332,384	1,173,503	1,591,941
293,275	185,639	300,183	248,137	194,264	181,592
3,972,066	3,572,252	3,819,462	4,075,728	3,764,269	4,135,156
1,241,610	1,308,372	1,167,420	1,082,243	1,206,941	1,035,686
181,661	138,213	141,522	141,211	107,225	99,760
3,727,099	4,703,686	4,610,770	4,906,171	4,600,580	4,477,751
2,482,610	2,105,930	2,384,724	2,451,920	2,243,881	2,130,173
1,107,753	1,238,121	852,905	1,243,114	1,136,870	963,951
1,704,023	1,602,903	1,544,266	1,520,884	1,349,775	1,280,058
398,808	390,432	442,191	449,194	423,544	539,954
1,494,547	1,575,353	1,482,207	1,663,067	1,529,681	1,318,465
12,317	15,575	19,565	22,413	26,595	31,685
<u>53,816,868</u>	<u>55,356,537</u>	<u>55,978,874</u>	<u>55,084,071</u>	<u>52,999,737</u>	<u>51,023,597</u>
961,921	689,547	1,125,655	1,075,433	1,270,572	1,343,392
27,656	32,155	147,889	138,297	111,671	158,984
614,831	633,756	677,881	713,708	694,341	719,773
286,721	509,154	221,410	269,712	285,070	293,107
3,281,807	3,896,102	3,546,598	2,796,237	2,453,717	2,146,233
-	-	-	50,207	83,815	67,713
<u>5,172,936</u>	<u>5,760,714</u>	<u>5,719,433</u>	<u>5,043,594</u>	<u>4,899,186</u>	<u>4,729,202</u>
<u>\$ (48,643,932)</u>	<u>\$ (49,595,823)</u>	<u>\$ (50,259,441)</u>	<u>\$ (50,040,477)</u>	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Net (expense) revenue				
Total primary government net expense	\$ (62,307,237)	\$ (53,259,982)	\$ (54,754,298)	\$ (50,563,808)
General revenues and other				
changes in net assets				
Governmental activities:				
Property taxes levied for:				
General purposes	46,483,789	33,359,481	41,065,651	38,849,652
Debt service	4,986,986	2,710,223	-	-
Capital improvements	1,237,922	863,932	1,040,539	985,522
Payments in lieu of taxes	1,751,712	-	-	-
Grants and entitlements not				
restricted to specific purposes	14,264,543	14,381,637	13,417,197	13,332,467
Investment earnings	597,240	48,469	37,478	35,853
Miscellaneous	57,786	183,511	649,250	590,392
Total primary government	<u>69,379,978</u>	<u>51,547,253</u>	<u>56,210,115</u>	<u>53,793,886</u>
Change in net position				
Total primary government	<u>\$ 7,072,741</u>	<u>\$ (1,712,729)</u>	<u>\$ 1,455,817</u>	<u>\$ 3,230,078</u>

Source: School District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ (48,643,932)</u>	<u>\$ (49,595,823)</u>	<u>\$ (50,259,441)</u>	<u>\$ (50,040,477)</u>	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>
37,170,611	37,907,103	33,277,659	34,242,328	34,800,124	33,293,525
-	-	-	-	-	-
912,782	1,106,283	848,655	979,869	1,049,604	1,092,069
-	-	-	-	-	-
14,159,410	14,919,942	14,466,220	11,918,198	13,223,960	11,535,169
11,605	25,058	52,289	308,210	733,560	1,043,975
462,587	669,310	309,834	276,246	560,047	132,201
<u>52,716,995</u>	<u>54,627,696</u>	<u>48,954,657</u>	<u>47,724,851</u>	<u>50,367,295</u>	<u>47,096,939</u>
<u>\$ 4,073,063</u>	<u>\$ 5,031,873</u>	<u>\$ (1,304,784)</u>	<u>\$ (2,315,626)</u>	<u>\$ 2,266,744</u>	<u>\$ 802,544</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST SEVEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
General Fund				
Restricted	\$ 30,257	\$ -	\$ -	\$ -
Committed	1,951,073	1,951,073	1,735,073	1,519,073
Assigned	2,289,888	2,297,515	2,100,418	1,006,641
Unassigned	21,298,192	12,829,031	19,067,606	18,667,203
Total General Fund	<u>\$ 25,569,410</u>	<u>\$ 17,077,619</u>	<u>\$ 22,903,097</u>	<u>\$ 21,192,917</u>
Other governmental funds				
Nonspendable	\$ 23,222	\$ 23,518	\$ 27,527	\$ 28,923
Restricted	85,339,689	90,877,061	1,721,020	2,064,303
Unassigned	(270,282)	(271,010)	(255,598)	(275,014)
Total other governmental funds	<u>\$ 85,092,629</u>	<u>\$ 90,629,569</u>	<u>\$ 1,492,949</u>	<u>\$ 1,818,212</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011.

Pre-GASB 34 balances are presented on S-9.

2012	2011	2010
\$ -	\$ -	\$ -
1,303,073	1,923,073	1,462,073
2,946,806	1,432,293	1,109,701
11,280,122	9,896,199	5,160,235
<u>\$ 15,530,001</u>	<u>\$ 13,251,565</u>	<u>\$ 7,732,009</u>

\$ 29,671	\$ 46,105	\$ 31,353
1,852,125	2,679,354	2,118,102
(557,661)	(620,492)	(309,340)
<u>\$ 1,324,135</u>	<u>\$ 2,104,967</u>	<u>\$ 1,840,115</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST THREE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund			
Reserved	\$ 5,108,651	\$ 5,862,727	\$ 4,582,867
Unreserved	3,937,797	4,158,609	3,692,633
Total General Fund	<u>\$ 9,046,448</u>	<u>\$ 10,021,336</u>	<u>\$ 8,275,500</u>
Other governmental funds			
Reserved	\$ 299,079	\$ 752,350	\$ 539,278
Unreserved, reported in			
Special Revenue Funds (1)	458,148	369,786	497,204
Debt Service Fund	52,637	52,650	56,192
Capital Projects Fund	1,375,561	752,728	783,077
Total other governmental funds	<u>\$ 2,185,425</u>	<u>\$ 1,927,514</u>	<u>\$ 1,875,751</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011.

GASB 54 fund balances are presented on S-7.



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NORTH OLMSTED CITY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Taxes	\$ 52,759,797	\$ 37,302,336	\$ 42,106,190	\$ 39,760,574
Payment in lieu of taxes	1,751,712	-	-	-
Tuition and fees	371,636	943,733	649,801	827,990
Interest	597,240	48,469	37,478	35,853
Intergovernmental	18,720,241	17,250,101	16,276,025	16,484,226
Charges for services	457,447	525,482	563,109	599,189
Extracurricular	375,773	429,155	396,976	350,963
Other	<u>259,379</u>	<u>523,424</u>	<u>706,225</u>	<u>806,474</u>
Total	<u>\$ 75,293,225</u>	<u>\$ 57,022,700</u>	<u>\$ 60,735,804</u>	<u>\$ 58,865,269</u>

Source: School District Financial Records, Total Governmental Funds.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 38,371,093	\$ 39,188,686	\$ 33,554,392	\$ 35,459,539	\$ 35,632,081	\$ 34,554,578
-	-	-	-	-	-
762,957	876,716	732,161	690,452	1,138,729	341,666
11,605	25,058	52,289	308,210	733,560	1,043,975
17,420,229	18,760,117	18,012,818	16,163,121	15,153,016	14,611,361
632,549	655,393	723,844	760,376	741,409	769,876
355,735	399,833	380,845	414,674	430,416	458,162
<u>602,474</u>	<u>601,980</u>	<u>693,981</u>	<u>621,315</u>	<u>549,564</u>	<u>498,573</u>
<u>\$ 58,156,642</u>	<u>\$ 60,507,783</u>	<u>\$ 54,150,330</u>	<u>\$ 54,417,687</u>	<u>\$ 54,378,775</u>	<u>\$ 52,278,191</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenditures				
Instruction	\$ 34,853,257	\$ 35,448,987	\$ 34,344,971	\$ 32,777,011
Pupil supporting services	5,162,786	5,705,280	5,482,434	4,691,310
Instructional support	1,013,723	1,053,912	1,182,989	1,000,946
Board of education and administration	4,010,328	3,911,675	3,724,689	3,524,501
Fiscal and business services	1,650,601	1,558,243	1,515,944	1,467,218
Operation and maintenance	4,052,860	4,606,501	4,972,457	5,530,590
Pupil transportation	3,106,648	2,178,693	2,555,361	2,339,691
Central and community services	1,685,876	1,863,945	1,622,719	1,438,772
Food service operation	1,658,649	1,635,458	1,674,344	1,618,632
Extracurricular activities	1,743,371	1,814,642	1,519,769	1,540,787
Capital outlay	5,416,552	109,875	216,488	-
Debt service				
Principal	3,956,407	356,719	345,000	85,000
Interest	4,027,316	625,670	193,722	8,818
Total expenditures	<u>\$ 72,338,374</u>	<u>\$ 60,869,600</u>	<u>\$ 59,350,887</u>	<u>\$ 56,023,276</u>
Debt service as a percentage of noncapital expenditures	<u>11.67%</u>	<u>1.65%</u>	<u>0.96%</u>	<u>0.17%</u>

Source: School District Financial Records, Total Governmental Funds.

2012	2011	2010	2009	2008	2007
\$ 32,022,732	\$ 32,360,007	\$ 32,710,592	\$ 31,963,493	\$ 30,877,961	\$ 30,979,631
4,648,260	5,261,245	5,025,884	4,457,730	4,394,429	4,045,439
775,360	1,101,512	1,469,968	1,300,195	1,142,972	1,614,974
3,645,632	2,918,878	3,608,866	3,788,962	3,336,701	3,732,367
1,426,695	1,439,166	1,306,900	1,259,017	1,260,990	1,129,260
6,830,343	4,745,581	4,706,956	4,851,480	4,582,460	4,614,421
2,542,036	1,908,824	2,352,362	2,438,239	2,338,646	2,245,072
1,504,626	1,639,852	1,434,101	1,597,441	1,546,650	1,499,545
1,684,980	1,587,422	1,560,668	1,505,358	1,313,315	1,299,575
1,480,777	1,559,993	1,537,321	1,678,945	1,536,845	1,319,452
-	-	-	83,643	-	-
85,000	85,000	85,000	85,000	114,774	134,632
12,597	15,895	19,465	23,013	26,895	32,085
<u>\$ 56,659,038</u>	<u>\$ 54,623,375</u>	<u>\$ 55,818,083</u>	<u>\$ 55,032,516</u>	<u>\$ 52,472,638</u>	<u>\$ 52,646,453</u>
<u>0.17%</u>	<u>0.19%</u>	<u>0.19%</u>	<u>0.20%</u>	<u>0.27%</u>	<u>0.32%</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Excess of revenues over (under) expenditures	<u>\$ 2,954,851</u>	<u>\$ (3,846,900)</u>	<u>\$ 1,384,917</u>	<u>\$ 2,841,993</u>
Other financing sources (uses)				
Bond issuance	-	80,577,000	-	3,315,000
Premium on debt issue	-	6,454,725	-	-
Transfers-in	151,186	150,000	233,000	308,713
Capital lease	-	126,317	-	-
Transfers-out	(151,186)	(150,000)	(233,000)	(308,713)
Total other financing sources (uses)	<u>-</u>	<u>87,158,042</u>	<u>-</u>	<u>3,315,000</u>
Net change in fund balances	<u>\$ 2,954,851</u>	<u>\$ 83,311,142</u>	<u>\$ 1,384,917</u>	<u>\$ 6,156,993</u>

Source: School District Financial Records, Total Governmental Funds.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 1,497,604</u>	<u>\$ 5,884,408</u>	<u>\$ (1,667,753)</u>	<u>\$ (614,829)</u>	<u>\$ 1,906,137</u>	<u>\$ (368,262)</u>
-	-	-	-	-	-
-	-	-	-	-	-
140,208	233,000	948,000	260,000	257,628	289,047
-	-	-	-	-	-
<u>(140,208)</u>	<u>(333,000)</u>	<u>(948,000)</u>	<u>(360,000)</u>	<u>(357,628)</u>	<u>(489,047)</u>
<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(200,000)</u>
<u>\$ 1,497,604</u>	<u>\$ 5,784,408</u>	<u>\$ (1,667,753)</u>	<u>\$ (714,829)</u>	<u>\$ 1,806,137</u>	<u>\$ (568,262)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Year	Real Property		Public Utility Property		Tangible Personal Property (3)	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value
2016	\$ 762,548,150	\$ 2,178,709,000	\$ 15,858,060	\$ 18,020,523	\$ -	\$ -
2015	762,019,140	2,177,197,543	15,583,130	17,708,102	-	-
2014	765,833,660	2,188,096,171	15,046,850	17,098,693	-	-
2013	767,170,580	2,191,915,943	13,514,210	15,357,057	-	-
2012	809,845,510	2,313,844,314	12,548,990	14,260,216	-	-
2011	817,931,363	2,336,946,751	11,747,340	13,349,250	-	-
2010	818,482,949	2,338,522,711	11,432,430	12,991,398	-	-
2009	811,531,253	2,318,660,723	11,624,510	13,209,670	7,756,600	124,105,600
2008	872,453,590	2,492,724,543	10,087,260	11,462,795	14,900,383	119,203,064
2007	872,935,790	2,494,102,257	14,491,560	16,467,682	39,288,377	209,538,011

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

- (1) This amount is calculated based upon an assessed value of 35 percent of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percent of actual value.
- (3) General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009 and 2010.



Assessed Value	Total	Assessed Value Ratio	Total Direct Tax Rate
	Estimated Actual Value		
\$ 778,406,210	\$ 2,196,729,523	35.4%	96.9
777,602,270	2,194,905,645	35.4%	96.9
780,880,510	2,205,194,864	35.4%	96.9
780,684,790	2,207,273,000	35.4%	91.4
822,394,500	2,328,104,530	35.3%	91.4
829,678,703	2,350,296,001	35.3%	91.4
829,915,379	2,351,514,109	35.3%	91.4
830,912,363	2,455,975,993	33.8%	83.5
897,441,233	2,623,390,402	34.2%	83.5
926,715,727	2,720,107,950	34.1%	83.5

NORTH OLMSTED CITY SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$ 1,000 ASSESSED VALUATION)  
LAST TEN CALENDAR YEARS

Year	School District				County	Vocational School	City	Total Direct and Overlapping Governments
	General	Improvements	Bond Retirement	Total Direct Tax Rate				
2015	89.50	1.95	5.45	96.90	23.43	2.40	13.30	136.03
2014	89.50	1.95	5.45	96.90	23.43	2.40	13.30	136.03
2013	89.50	1.90	0.00	91.40	22.53	2.40	13.30	129.63
2012	89.50	1.90	0.00	91.40	20.80	2.40	13.30	127.90
2011	89.50	1.90	0.00	91.40	20.80	2.40	13.30	127.90
2010	89.50	1.90	0.00	91.40	20.90	2.40	13.30	128.00
2009	81.60	1.90	0.00	83.50	20.60	2.40	13.30	119.80
2008	81.60	1.90	0.00	83.50	20.60	2.40	13.20	119.70
2007	81.60	1.90	0.00	83.50	20.20	2.40	13.20	119.30
2006	75.10	1.90	0.00	77.00	20.20	2.40	13.20	112.80

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 36,988,690	4.75%
BRE DDR Great Northern LLC	21,071,300	2.71%
PWA Great Northern Corporation	8,394,760	1.08%
B & G Properties LTD Partnership	6,253,290	0.80%
LKD North Olmsted LLC	6,207,060	0.80%
DDR MDT Great Northern LLC	5,819,210	0.75%
JVM Butternut Ridge Apartments, LLC	5,642,000	0.72%
Moen, Inc.	4,685,770	0.60%
Mays Stores 74 Corp	4,285,060	0.55%
Water Tower Square Ltd Partnership	4,146,530	0.53%
	<u>\$ 103,493,670</u>	<u>13.29%</u>
Total Value in the District	<u>\$ 778,406,210</u>	

December 31, 2006		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Great Northern Partnership	\$ 26,344,050	2.84%
DDRC Great Northern, LTD	22,838,790	2.46%
Duke Realty Corporation	7,445,620	0.80%
Higbee Company	6,655,220	0.72%
B & G Properties LTD	5,855,170	0.63%
Butternut Ridge Apartments, LLC	5,751,200	0.62%
WEA Great Northern Mall LLC	5,147,670	0.56%
Water Tower Square LTD	4,638,730	0.50%
Wal Mart	4,607,790	0.50%
Sears Roebuck & Company	4,210,650	0.45%
	<u>\$ 93,494,890</u>	<u>10.08%</u>
Total Value in the District	<u>\$ 926,715,727</u>	

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

NORTH OLMSTED CITY SCHOOL DISTRICT  
PRINCIPAL TAXPAYERS  
PUBLIC UTILITY TAX  
AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co	\$ 12,798,320	1.64%
American Transmission System	1,787,430	0.23%
East Ohio Gas Company	1,249,560	0.16%
Columbia Gas Transmission Corporation	15,860	0.00%
Columbia Gas of Ohio, Inc.	6,890	0.00%
	<u>\$ 15,858,060</u>	<u>2.03%</u>
Total Value in the District	<u>\$ 778,406,210</u>	

December 31, 2006		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 8,022,530	0.87%
East Ohio Gas Company	3,325,950	0.36%
Ohio Bell Telephone Company	1,821,350	0.20%
Wideopenwest Cleveland LLC	478,580	0.05%
New Cingular Wireless PCS LLC	288,870	0.03%
Alltel Ohio Limited Partnership	248,370	0.03%
New Par	192,420	0.02%
Ameritech Advance Data	113,490	0.01%
	<u>\$ 14,491,560</u>	<u>1.57%</u>
Total Value in the District	<u>\$ 926,715,727</u>	

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

(1) Assessed values are for the 2013 and 2004 collection years, respectively.

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NORTH OLMSTED CITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS (1)  
LAST TEN FISCAL YEARS

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections
2015	\$ 48,534,489	\$ 1,811,796	\$ 50,346,285	\$ 48,381,678
2014	44,332,391	1,637,724	45,970,115	42,164,609
2013	44,241,099	1,582,046	45,823,145	42,821,039
2012	44,941,901	1,703,178	46,645,079	43,136,129
2011	45,022,182	2,609,009	47,631,191	43,442,779
2010	38,280,423	2,167,952	40,448,375	36,331,929
2009	38,728,763	1,337,831	40,066,594	36,993,242
2008	38,634,577	1,340,775	39,975,352	37,261,663
2007	33,007,248	1,367,042	34,374,290	31,837,070
2006	32,675,769	1,125,808	33,801,577	31,668,716

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

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year.

<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collection as a Percent of Current Levy</u>
99.7%	\$ 1,148,768	\$ 49,530,446	102.1%
95.1%	865,159	43,029,768	97.1%
96.8%	863,855	43,684,894	98.7%
96.0%	1,046,966	44,183,095	98.3%
96.5%	1,033,573	44,476,352	98.8%
94.9%	1,355,614	37,687,543	98.5%
95.5%	769,993	37,763,235	97.5%
96.4%	971,078	38,232,741	99.0%
96.5%	698,174	32,535,244	98.6%
96.9%	710,875	32,379,591	99.1%

NORTH OLMSTED CITY SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Capital Leases	General Obligation Notes	Total Primary Government
2016	\$ 85,410,689	\$ 80,191	\$ -	\$ 85,490,880
2015	89,734,903 (4)	104,598	-	89,839,501
2014	3,140,000	-	-	3,140,000
2013	3,485,000	-	-	3,485,000
2012	255,000	-	-	255,000
2011	340,000	-	-	340,000
2010	425,000	-	-	425,000
2009	510,000	-	-	510,000
2008	595,000	-	-	595,000
2007	680,000	29,774	-	709,774

Source:

- (1) School District Financial Records.
- (2) See Schedule S-17 for estimated actual value of taxable property.
- (3) See Schedule S-30 for personal income, population, and ADM data.  
These ratios are calculated using data for the prior calendar year.
- (4) 2015 General Obligation Bonded debt has been restated to include unamortized bond premium.



Percentage of Estimated Actual Value (2)	Percentage of Personal Income (3)	Per Capita (3)	Per ADM (3)
3.89%	8.88%	\$ 2,671	\$ 22,275
3.86%	9.27%	2,796	23,287
0.14%	0.33%	96	776
0.15%	0.37%	107	886
0.01%	0.03%	8	61
0.01%	0.04%	11	79
0.02%	0.05%	14	97
0.02%	0.06%	16	111
0.02%	0.07%	19	130
0.03%	0.09%	22	152

NORTH OLMSTED CITY SCHOOL DISTRICT  
LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Assessed Valuation	<u>\$ 778,406,210</u>	<u>\$ 777,602,270</u>	<u>\$ 780,880,510</u>	<u>\$ 780,684,790</u>
Debt Limit -				
9% of Assessed Value (1)	<u>70,056,559</u>	<u>69,984,204</u>	<u>70,279,246</u>	<u>70,261,631</u>
Debt Applicable to Debt Limit:				
G.O. Bonds - Energy Conservation	2,550,000	2,805,000	3,055,000	3,485,000
G.O. Bonds - Facilities Improvement	76,900,000	80,577,000		
G.O. Bonds exempt from Debt Limit	(9,393,441) (a)	(13,397,796) (a)		
Amount Available in Debt				
Service Fund	<u>(4,932,483)</u>	<u>(8,259,771)</u>	<u>(105,820)</u>	<u>(88,112)</u>
Total	<u>65,124,076</u>	<u>61,724,433</u>	<u>2,949,180</u>	<u>3,396,888</u>
Overall Debt Margin	<u>\$ 4,932,483</u>	<u>\$ 8,259,771</u>	<u>\$ 67,330,066</u>	<u>\$ 66,864,743</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>100.00%</u>	<u>100.00%</u>	<u>4.35%</u>	<u>4.96%</u>
Overall Limit -				
.10% of Assessed Value (1)	\$ 778,406	\$ 777,602	\$ 780,881	\$ 780,685
Amount of Debt Applicable	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>170,000</u>
Unvoted Debt Margin	<u>\$ 778,406</u>	<u>\$ 777,602</u>	<u>\$ 695,881</u>	<u>\$ 610,685</u>
Unvoted debt applicable to debt limit as a percentage of unvoted debt limit	<u>0.000%</u>	<u>0.000%</u>	<u>10.885%</u>	<u>21.776%</u>

Source: Cuyahoga County Fiscal Officer and School District Financial Records.

(a) Represent the amount of General Obligation Bonds exempt from the 9% Debt Limits as allowed under Section 133.06(l) of the Ohio Revised Code.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 822,394,500</u>	<u>\$ 829,678,703</u>	<u>\$ 829,915,379</u>	<u>\$ 889,115,760</u>	<u>\$ 897,441,233</u>	<u>\$ 926,715,727</u>
<u>74,015,505</u>	<u>74,671,083</u>	<u>74,692,384</u>	<u>80,020,418</u>	<u>80,769,711</u>	<u>83,404,415</u>
255,000	340,000	425,000	510,000	595,000	680,000
<u>(73,930)</u>	<u>(63,277)</u>	<u>(56,172)</u>	<u>(52,637)</u>	<u>(52,650)</u>	<u>(56,192)</u>
<u>181,070</u>	<u>276,723</u>	<u>368,828</u>	<u>457,363</u>	<u>542,350</u>	<u>623,808</u>
<u>\$ 73,834,435</u>	<u>\$ 74,394,360</u>	<u>\$ 74,323,556</u>	<u>\$ 79,563,055</u>	<u>\$ 80,227,361</u>	<u>\$ 82,780,607</u>
<u>0.34%</u>	<u>0.46%</u>	<u>0.57%</u>	<u>0.64%</u>	<u>0.74%</u>	<u>0.82%</u>
\$ 822,394	\$ 829,679	\$ 829,915	\$ 889,116	\$ 897,441	\$ 926,716
<u>255,000</u>	<u>340,000</u>	<u>425,000</u>	<u>510,000</u>	<u>595,000</u>	<u>680,000</u>
<u>\$ 567,394</u>	<u>\$ 489,679</u>	<u>\$ 404,915</u>	<u>\$ 379,116</u>	<u>\$ 302,441</u>	<u>\$ 246,716</u>
<u>31.007%</u>	<u>40.980%</u>	<u>51.210%</u>	<u>57.360%</u>	<u>66.300%</u>	<u>73.377%</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT  
AS OF DECEMBER 31, 2015

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<b><i>Direct Debt:</i></b>			
North Olmsted City School District	<u>\$ 85,490,880</u>	100.00%	<u>\$ 85,490,880</u>
<b><i>Underlying Debt:</i></b>			
Cuyahoga County	243,900,000	2.86%	6,975,540
Regional Transit Authority	88,715,000	2.86%	2,537,249
North Olmsted City	22,169,951	100.00%	22,169,951
Olmsted Falls School District	<u>23,973,823</u>	1.55%	<u>371,594</u>
Subtotal	<u>378,758,774</u>		<u>32,054,334</u>
Total	<u>\$ 464,249,654</u>		<u>\$ 117,545,214</u>

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

- (1) Percentages were determined by dividing each overlapping political subdivision's assessed valuation within boundaries of the School District by the total assessed valuation of the subdivision.

NORTH OLMSTED CITY SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Calendar Year	North Olmsted City Population (1)	Per Capita Income (2)	Personal Income	Average Daily Student Enrollment (3)	Cuyahoga County Unemployment Rate (4)
2016	32,004	\$ 30,080	\$ 962,680,320	3,838	4.9%
2015	32,130	30,152	968,738,760	3,858	6.1%
2014	32,718	28,754	940,773,372	4,046	8.8%
2013	32,718	29,293	958,408,374	3,993	8.3%
2012	32,718	28,754	940,773,372	4,117	7.9%
2011	32,718	26,757	875,435,526	4,193	9.4%
2010	31,053	28,411	882,246,783	4,314	9.0%
2009	31,319	28,411	889,804,109	4,366	10.2%
2008	31,641	26,686	844,371,726	4,484	8.1%
2007	32,126	25,070	805,398,820	4,587	6.1%

Source:

- (1) The City of North Olmsted.
- (2) Per Capita information from U.S. Census Bureau.
- (3) The School District's Records.
- (4) Ohio Job and Family Service Department.

NORTH OLMSTED CITY SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015	
Name of Employer	Percent of Total City Income Taxes Paid
Moen Incorporated	11.60%
North Olmsted City School District	5.01%
The City of North Olmsted	2.26%
Bernie Moreno Companies	1.79%
Factory Mutual Insurance Company	1.63%
Ganley Westside Imports	1.16%
Palmer Holland, Inc.	1.06%
Wal Mart Associates, Inc.	0.99%
Riser Foods Company	0.91%
Cargill, Inc.	0.81%
Total	27.22%

December 31, 2006	
Name of Employer	Percent of Total City Income Taxes Paid
North Olmsted City School District	N/A
Moen Incorporated	N/A
The City of North Olmsted	N/A
Riser Foods Company	N/A
Kaufmann's Department Stores	N/A
Wal Mart Associates, Inc.	N/A
Dillards Department Stores	N/A
Sears, Roebuck & Company	N/A
Olmsted Manor Nursing Center	N/A
Sunnyside Cars, Inc.	N/A
Total	N/A

Source of information - Regional Income Tax Agency based on payroll taxes withheld.  
Percent of total city income tax paid is not available at December 31, 2006.

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NORTH OLMSTED CITY SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Administration</b>	24	25	25	23
<b>Instructional:</b>				
Regular Teaching	194	192	200	195
Special Education	25	26	29	30
Vocational Education	2	2	3	3
Remedial Specialist	45	45	46	43
Tutors	14	14	11	8
Others	0	0	0	0
<b>Other Professional:</b>				
Counseling	10	10	11	11
Psychologist	5	5	5	5
Speech therapist	5	5	5	5
Others	1	2	6	4
<b>Support Staff:</b>				
Secretarial	38	37	37	36
Teacher Aides	67	65	64	59
Maintenance	8	8	10	7
Custodial	32	31	34	34
Transportation	28	28	26	27
Food Service	33	30	30	29
Monitors	25	25	30	25
Library Services	10	10	10	10
Computer Technicians	4	3	4	4
Other	3	3	5	5
<b>Total</b>	<u>573</u>	<u>566</u>	<u>591</u>	<u>563</u>

Source: School District financial records.



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
23	23	25	23	25	26
198	206	219	225	223	231
33	35	39	41	43	43
3	4	6	6	6	8
38	37	32	29	27	25
4	3	3	3	5	5
0	0	0	4	2	1
11	11	11	12	13	13
5	5	5	5	5	5
5	5	5	5	6	5
4	4	4	2	1	2
37	38	41	41	44	42
56	52	58	58	54	52
7	8	9	8	8	8
34	35	38	38	40	39
28	29	35	34	32	32
28	28	28	26	24	24
15	15	15	15	17	16
10	9	15	13	12	14
4	4	4	4	4	4
5	4	4	4	4	4
<u>548</u>	<u>555</u>	<u>596</u>	<u>596</u>	<u>595</u>	<u>599</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>	
Source of Revenue - North Olmsted:								
Local	N/A	[a]	N/A	[a]	71.8%		73.6%	
State	N/A	[a]	N/A	[a]	23.3%		21.4%	
Federal	N/A	[a]	N/A	[a]	4.9%		5.0%	
Source of Revenue - Statewide:								
Local	N/A	[a]	N/A	[a]	49.4%		49.7%	
State	N/A	[a]	N/A	[a]	42.9%		42.1%	
Federal	N/A	[a]	N/A	[a]	7.7%		8.2%	
Cost per Pupil:								
North Olmsted	N/A	[a]	N/A	[a]	\$ 14,518		\$ 13,483	
Statewide	N/A	[a]	N/A	[a]	\$ 10,912		\$ 10,445	
Transportation:								
Percent of students transported	38.0%		38.0%		56.0%		55.0%	
Number of miles traveled	299,207		268,790		295,853		280,620	
Food Service:								
Annual operating deficit	\$ (152,404)		\$ (89,798)		\$ (130,565)		\$ (101,390)	
Number of meals served	397,183		416,530		480,806		476,582	
Number of federally subsidized meals served	319,227		319,888		327,343		325,637	
Number of students receiving federally subsidized meals	1,657		1,605		1,687		1,696	
Median Income:								
North Olmsted	\$ 36,056		N/A	[a]	\$ 35,587		\$ 35,124	
Statewide	\$ 32,873		N/A	[a]	\$ 33,074		\$ 32,180	
New Construction Within the District:								
Residential	\$ 12,155,563		\$ 10,303,576		\$ 9,076,195		\$ 11,964,770	
Commercial	\$ 21,527,686		\$ 11,016,817		\$ 9,920,152		\$ 33,343,735	

Source: School District financial records.

[a] 2016 and 2015 data is not available from the State of Ohio as of the date of this report.

[b] In fiscal year 2010, the School District started providing breakfasts at all school buildings.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
71.2%	68.8%	66.4%	69.1%	71.4%	72.6%
23.7%	25.5%	27.5%	26.5%	24.9%	23.9%
5.1%	5.7%	6.1%	4.3%	3.7%	3.5%
47.3%	44.7%	45.7%	46.4%	48.2%	49.1%
44.1%	45.5%	44.1%	45.4%	43.6%	42.9%
8.6%	9.9%	10.2%	8.2%	8.2%	8.0%
\$ 13,697	\$ 13,018	\$ 12,662	\$ 12,226	\$ 11,531	\$ 10,908
\$ 10,508	\$ 10,569	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586
53.0%	47.0%	50.0%	51.0%	50.0%	58.0%
295,926	346,890	340,740	337,140	375,348	413,976
\$ (77,329)	\$ (101,620)	\$ (80,843)	\$ (104,606)	\$ (118,804)	\$ (90,392)
528,000	486,728	504,189 [b]	341,724	274,979	281,141
370,526	323,877	339,455 [b]	171,780	159,501	148,514
1,628	1,624	1,550	1,547	1,333	1,072
\$ 34,380	\$ 33,973	\$ 35,006	\$ 35,099	\$ 34,740	\$ 34,391
\$ 31,681	\$ 30,850	\$ 31,520	\$ 31,341	\$ 31,321	\$ 30,362
\$ 15,797,334	\$ 7,576,054	\$ 7,094,128	\$ 6,574,278	\$ 7,474,587	\$ 9,094,649
\$ 15,627,004	\$ 30,033,394	\$ 3,982,820	\$ 9,533,967	\$ 9,789,366	\$ 13,301,899

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

School Building	2016	2015	2014	2013
Birch Primary (1967)				
Square Feet	35,522	35,522	35,522	35,522
Capacity	464	464	464	464
Enrollment	272	298	321	463
Butternut Primary (1968)				
Square Feet	31,682	31,682	31,682	31,682
Capacity	408	408	408	408
Enrollment	291	282	278	233
Forest Primary (1971)				
Square Feet	31,508	31,508	31,508	31,508
Capacity	336	336	336	336
Enrollment	236	241	255	254
Spruce Primary (1967)				
Square Feet	24,764	24,764	24,764	24,764
Capacity	312	312	312	312
Enrollment	254	226	245	204
Chestnut Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	480	480	480	480
Enrollment (b)	266	270	261	255
Maple Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	504	504	504	504
Enrollment	392	393	397	291
Pine Intermediate (1965)				
Square Feet	53,308	53,308	53,308	53,308
Capacity	260	277	456	456
Enrollment	271	271	271	406
Middle School (1930)*				
Square Feet	N/A (1)	114,987	114,987	114,987
Capacity	949	949	949	949
Enrollment	528	582	646	650
High School (1962)				
Square Feet	208,304	208,304	208,304	208,304
Capacity	1,194	1,194	1,194	1,194
Enrollment	1,339	1,289	1,376	1,389

Source of information - School District financial records.

\* The Middle School was closed at the end of fiscal year 2015. The students will be housed in an off-site locale to allow the construction of a new Middle/High School Campus.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
35,522	35,522	35,522	35,522	35,522	35,522
464	464	464	464	464	464
429	428	414	425	409	403
31,682	31,682	31,682	31,682	31,682	31,682
408	408	408	408	408	408
247	253	250	233	274	264
31,508	31,508	31,508	31,508	31,508	31,508
336	336	336	336	336	336
223	237	258	261	300	310
24,764	24,764	24,764	24,764	24,764	24,764
312	312	312	312	312	312
200	190	173	176	217	221
42,381	42,381	42,381	42,381	42,381	42,381
480	480	480	480	480	480
261	292	314	316	312	304
42,381	42,381	42,381	42,381	42,381	42,381
504	504	504	504	504	504
275	296	291	294	283	306
53,308	53,308	53,308	53,308	53,308	53,308
456	456	456	456	456	456
396	420	449	418	400	403
114,987	114,987	114,987	114,987	114,987	114,987
949	949	949	949	949	949
680	619	657	696	669	712
208,304	208,304	208,304	208,304	208,304	208,304
1,194	1,194	1,194	1,194	1,194	1,194
1,405	1,458	1,508	1,547	1,618	1,664

NORTH OLMSTED CITY SCHOOL DISTRICT  
CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Land	\$ 1,504,554	\$ 1,490,054	\$ 1,374,279	\$ 1,172,491
Construction in progress	4,368,321	-	-	61,142
Land improvements	1,574,609	1,874,235	1,477,160	1,477,160
Buildings and improvements	21,844,536	24,880,819	24,880,819	24,057,405
Furniture and equipment	3,216,945	3,583,540	3,302,784	3,133,348
Vehicles	3,223,202	2,487,753	2,739,976	2,781,976
Total	<u>35,732,167</u>	<u>34,316,401</u>	<u>33,775,018</u>	<u>32,683,522</u>
Less accumulated depreciation	<u>(17,950,904)</u>	<u>(19,420,572)</u>	<u>(18,662,346)</u>	<u>(17,861,536)</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 17,781,263</u>	<u>\$ 14,895,829</u>	<u>\$ 15,112,672</u>	<u>\$ 14,821,986</u>

Source: School District financial records.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 1,172,491	\$ 1,172,491	\$ 1,172,491	\$1,172,491	\$1,088,848	\$1,088,848
2,559,093	26,401	-	69,021	-	-
869,318	869,318	835,881	835,881	835,881	835,881
20,695,929	20,055,478	20,027,650	19,397,055	19,460,758	19,382,511
3,012,418	2,936,573	2,894,313	3,166,187	3,203,159	3,040,568
3,087,156	2,980,704	2,976,568	2,994,178	2,956,695	2,982,463
<u>31,396,405</u>	<u>28,040,965</u>	<u>27,906,903</u>	<u>27,634,813</u>	<u>27,545,341</u>	<u>27,330,271</u>
 (17,135,183)	 (16,414,810)	 (15,568,169)	 (14,892,229)	 (14,283,034)	 (13,604,602)
 <u>\$ 14,261,222</u>	 <u>\$ 11,626,155</u>	 <u>\$ 12,338,734</u>	 <u>\$12,742,584</u>	 <u>\$13,262,307</u>	 <u>\$13,725,669</u>

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