

Comprehensive Annual Financial Report



North Olmsted City School District

**For the Year Ended June 30, 2019
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, 2019

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, 2019
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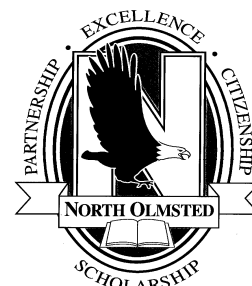
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*North Olmsted City School District
Administrative Offices
26669 Butternut Ridge Road
North Olmsted, Ohio 44070*



May 22, 2020

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 (the School District) for the year ended June 30, 2019. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles in the United States of America 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

The 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 an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Olmsted City School District (the primary government) and its potential component units. The district has no 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 West Shore Career Technical District, 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 (CEO), and the Treasurer, who serves as the Chief Financial Officer (CFO). The School District is one of 611 public school districts in the State of Ohio. The School District provides education services to 3,789 students in grades kindergarten through twelfth. The District also provides a wide range of services for preschool-aged children, special education and vocational type academic programs. During the past 10 years, the School District's student enrollment has declined 25.7% from 4,764 to 3,789 during the past ten years. The Administration has projected student enrollment will stabilize during the next few years.

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 district.

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.

The School District maintains 3 primary and 3 intermediate school buildings that are 48 to 63 years old. During August 2019, construction of a new middle and high school complex was complete. Because of declining student enrollment the Administration is planning to close one primary building before the start of the 2020-21 school year.

ECONOMIC CONDITION AND OUTLOOK

In the 2010 Census classifications, the School District was placed in the Cleveland- Elyria-Mentor Metropolitan Statistical Area (MSA), comprised of the five counties of Cuyahoga, Geauga, Lake, Lorain and Medina. The School District is also in the Cleveland-Akron-Canton Consolidated Statistical Area (CSA). It was in the former Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA) that in 2003 was redefined to exclude Ashtabula County and was reclassified as the MSA. Only limited statistics are available for the new MSA and CSA.

The U.S. Census Bureau estimates that the School District's population as of June 30, 2015 was 32,113. The District covers approximately 12.0 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

Percent of Assessed
Valuation of Real Property

Residential	68.80%
Commercial/Industrial	29.03%
Public Utility	2.17%
Agricultural	0.00%
Total	<u>100.00%</u>

Source: Cuyahoga County Fiscal Officer

The School District's general area is served by diversified transportation facilities. Immediate access is to three State and U.S. highways and to Interstate Highways 480 and 80 (the Ohio Turnpike).

Passenger air service is available to the general area of the School District at Cleveland Hopkins International Airport, located within five miles of the School District, and the School District is adjacent to areas served by the Norfolk Southern, CSX and Amtrak railroads. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Banking and financial services are provided to the School District area by 12 commercial banks and savings and loan associations operating a total of 14 offices within the School District, all of which have their principal offices elsewhere.

One daily newspaper and two weekly newspapers serve the School District. The School District is within the broadcast area of numerous television stations and AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Time Warner, WOW and AT&T U-verse.

Within commuting distance are several public and private two-year and four-year colleges and universities, including Baldwin Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, Virginia Marti College of Art & Design, John Carroll University, Lorain County Community College, Notre Dame College, Oberlin College, Ursuline College, the Cleveland Institute of Art and the Cleveland Institute of Music.

The Cuyahoga County Public Library, a separate political subdivision, provides library services and serves as a center of community life in the City and 46 other communities in the County. The Library's operations are funded by public library fund distributions from the State and voted ad valorem property taxes approved by voters in its entire service area. In 2001, the Library and the City entered into a cooperative agreement pursuant to which the Library agreed to provide free public library services in the City and the City constructed a 30,000 square foot library building, adjacent to its City Hall complex and across the street from the School District's Middle School campus, and leased that building to the Library.

School District residents are served by six hospitals located within a 10-mile radius of the School District: Lakewood Hospital and Fairview General Hospital, both of which are part of The Cleveland Clinic Health System, St. John West Shore Hospital and Southwest General Hospital, which are part of or affiliated with the University Hospitals Health System, Metro General Hospital, which is a part of the MetroHealth System, and Elyria Medical Center, which is a part of the EMH Regional Health Care System.

The City has four parks with an aggregate of approximately 104 acres of developed and undeveloped land. Facilities in those parks include a Community Cabin and Senior Center, a recreation center with swimming, ice skating, tennis and other indoor recreational facilities, soccer and baseball fields, picnic grounds, tennis courts, basketball courts and an outdoor swimming pool. In addition, two parks owned and operated by the Cleveland Metropolitan Park District are located within the City. The City also owns and operates a municipal golf course which, with related facilities, covers approximately 143 acres.

The City, with cooperation by the School District, has activity promoted commercial, residential and light industrial development.

The largest commercial development in the School District includes the Great Northern Shopping Mall and the adjacent Great Northern Shopping Center, together constituting a 2.0-million-square-foot retail complex with approximately 225 stores, professional and medical offices and restaurants; the Great Northern Corporate Center I, II and III, a 267,000-square-foot executive office complex; and the

Great Northern Technology Center, a 144,000-square-foot office complex. All of this development is located adjacent to an interchange on interstate highway I-480. The properties have been developed in phases over the past 40 years, and the businesses located in them now provide employment for approximately 4,800 persons.

Commercial projects that are ongoing in the planning or construction phase or have occurred in recent years in the School District include:

- Remodeling and renovation projects at the Great Northern Shopping Mall to provide updated retail space and the construction of restaurants on outparcels at the Mall and other shopping areas
- Automobile dealership improvements including the construction or renovation of the existing signage, showrooms and garage facilities of Cadillac Buick GMC, Chrysler Dodge Jeep Ram, Honda and Mercedes dealerships.
- Renovation of several small businesses along Lorain Road, including facade, signage and other exterior improvements.
- Construction of a new 118-bed Hampton Inn that is currently nearing completion.
- Construction of a new 135-bed Aloft Hotel.

The City has a history of supporting and promoting development and redevelopment. In 1992, the City established a City-wide community reinvestment area and actively participated in the designation by the State of an enterprise zone covering approximately one half of the City and including an industrial park, the Great Northern commercial complexes and most of the undeveloped land in the City. The City has agreed to share with the School District a portion of the payroll and corporate income taxes it receives during the period of abatement to compensate the School District for a portion of the property taxes abated.

Under its updated community reinvestment area program, the City approved a 10- year, 50% property tax abatement to support the \$14 million Aloft Hotel project, resulting in the creation of approximately 25 new jobs and an annual payroll of approximately \$800,000.

In 2009, the City established a program permitting it to offer grants for job creation to attract new businesses or retain businesses seeking to offset costs of capital projects, product diversification, employee training and research and development. All such grants are to be funded from the withholding taxes the City collects from employees in the new jobs created. The City has completed three such grants, and the recipients of those grants created an estimated 200 new jobs and an additional \$11.4 million in payrolls.

In 2012, the City Council passed legislation designating improvements to property in the area of the Great Northern development to be a public purpose, exempting those improvements from property taxation for a period of 30 years, and requiring the owners of the property to make certain service payments to provide Tax Increment Financing (TIF) for future infrastructure improvements for the benefit of the Great Northern area business corridor. Those infrastructure improvements include, among others, traffic signal upgrades, street and interchange modifications, and streetscape enhancements.

In 2016, the City added a job retention tax credit program to its current economic development incentives to encourage existing businesses to renovate and expand their leased office space and remain in the City rather than relocating elsewhere.

In 2015, the City completed the final phase of a five-year sanitary sewer system improvement program that involved both wastewater treatment plant and collection system improvements costing approximately \$58 million in the aggregate.

Due to the economic planning by the City, the School District has a positive outlook for the future with respect to tax collection revenue resulting in new development and economic growth.

MAJOR INITIATIVES



The major highlight of the 2018 – 2019 school year was the opening of our new campus. The North Olmsted City School District “cut the ribbon” on our new grades 6-12 campus that includes a high school, middle school, performing arts center, and new athletic stadium complex. The new school campus has the capacity to support an enrollment of 2,200 students in a 315,280gsf space. These state of the art facilities promote 21st century teaching and learning practices designed to prepare students for success in college, career, and the workforce. These facilities demonstrate outstanding support for our schools from our community.

Classrooms in the grades 6-12 campus are designed to promote 21st century teaching and learning. The flexible design provides our staff the opportunity to engage our students in high quality learning activities that promote critical and creative thinking, communication, and collaboration around real-life problems. When students graduate they are equipped with the necessary skills for success in the global market.



The Performing Arts Center (PAC) is an award winning auditorium that

seats 850 people and is equipped with the latest sound and lighting technology. The venue is used throughout the year to host multiple school events, awards ceremonies, band and

orchestra concerts, and theatrical performances. The addition of the PAC enables the schools and community to continue the rich tradition in promoting the arts that has been a hallmark of North Olmsted Schools.



The new campus facilities earned recognition and awards from *Learning by Design* (2019) and *American School & University* (2019).

Excellence in Academics

Students earning a North Olmsted High School diploma are prepared for success in life. Our graduates are currently attending any number of some of the most highly selective private and public institutions of higher education in the nation.

The class of 2019 was offered \$1,691,479.00 for one year scholarships, and \$6,765,916.00 for four year scholarships.

The North Olmsted community scholarships awarded to students in the class of 2019 totaled nearly \$110,000.00.

Seventeen seniors were members of the National Honor Society and two seniors were National Merit Scholarship Finalists. NOHS Top Scholars were showcased in The Chronicle-Telegram.

Thirteen seniors earned Academic Letters and/or Chevrons, 69 seniors earned Honors Diplomas, and 67 seniors were awarded the Presidential Award of Educational Excellence.

North Olmsted Middle school implemented Project Lead the Way courses for the first time and hosted the first Middle School Level robotics competition for Polaris Career Center district schools.



The District continues to focus on school transformation so that our students are future ready. The district engaged the community in the development of a Portrait of a Graduate that identifies a collective vision and shared aspiration for all graduates. While locally developed, the portrait is designed to position the student to be competitive in the global market place. This Portrait of a Graduate serves as the “north star” for system transformation and strategic direction for the entire educational experience. The competencies identified for North Olmsted graduates are critical thinking, creative thinking, communication, collaboration, adaptability & resilience, emotional intelligence, and cultural & global awareness.

Excellence in Community Service

Key Club students sponsored two Bloodmobiles and volunteered at the Cleveland Food Bank and the community local food bank, the Ox Cart Pantry. Our student seniors volunteered in many programs including Seniorfest, Salute to Veterans, Bloodmobile, Food Bank,

Adopt-a-Family, and Safety Town.

Outreach Week – A week of service and learning was conducted in the Greater Cleveland area. Seniors worked and trained under local community groups.

SITES (Social Involvement Through Education and Service) students led numerous community-based projects at schools, hospitals, and civic organizations. SITES, Orchestra, and Art classes recognized community war heroes at the annual “Salute to Veterans”. Additionally, SITES students partnered with city and local businesses to celebrate our community members at “Seniorfest 2019”, a prom-like social event and dance for senior citizens in the community.

LONG-TERM FINANCIAL PLANNING

As part of the School District’s long-term planning, the Treasurer prepares a five-year financial forecast. This document provides a snapshot of historical and projected operating 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 School District’s website “www.northholmstedschools.org”.

The School District also prepares a five-year forecast of anticipate capital expenditures and major repairs. The Board of Education has created a committee to periodically review and update this document.

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 27th pay period. A detailed discussion of these funds is provided in Notes 10.C and 19 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 Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Fiscal Officer must certify that the Board of Education's appropriation 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 2019 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 2019, 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 School District limits its liability for medical and surgical claims by maintaining a specific stop-loss insurance policy with a maximum threshold of \$ 150,000.

As of June 30, 2019, the Self-Insurance Fund net position increased 93.3% to \$ 1,114,969. Over the years, to help off-set rising health care costs, the Unions agreed to pay 16.0 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. Employee percentage payment of insurance premiums are schedule to increase to 16.5 percent for the 2020 fiscal year and 17.0 percent for the 2021 fiscal year.

Financial Highlight - Agency Fund

Included in this category are student managed activities assets held by the School District in a trustee capacity. Total assets contained in these funds at June 30, 2019 was \$ 117,123.

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, 2019. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school 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, 2018. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for (34) thirty-four 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, 2018. 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.

Ohio Auditor of State Award with Distinction

For the fifth consecutive year, The School District received the Ohio Auditor of State Award with Distinction for Excellence in Financial Reporting for its Comprehensive Annual Financial Report. The School District's exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans. Only 5.0% of governments earn this level of achievement.

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 Fiscal Officer'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 and Kendall, CPA, 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, 2019

Board of Education



Linda Cleary

Tom Herbster

Kim Rahm

John J. Lasko, Jr.
Vice President

Terry Groden
President

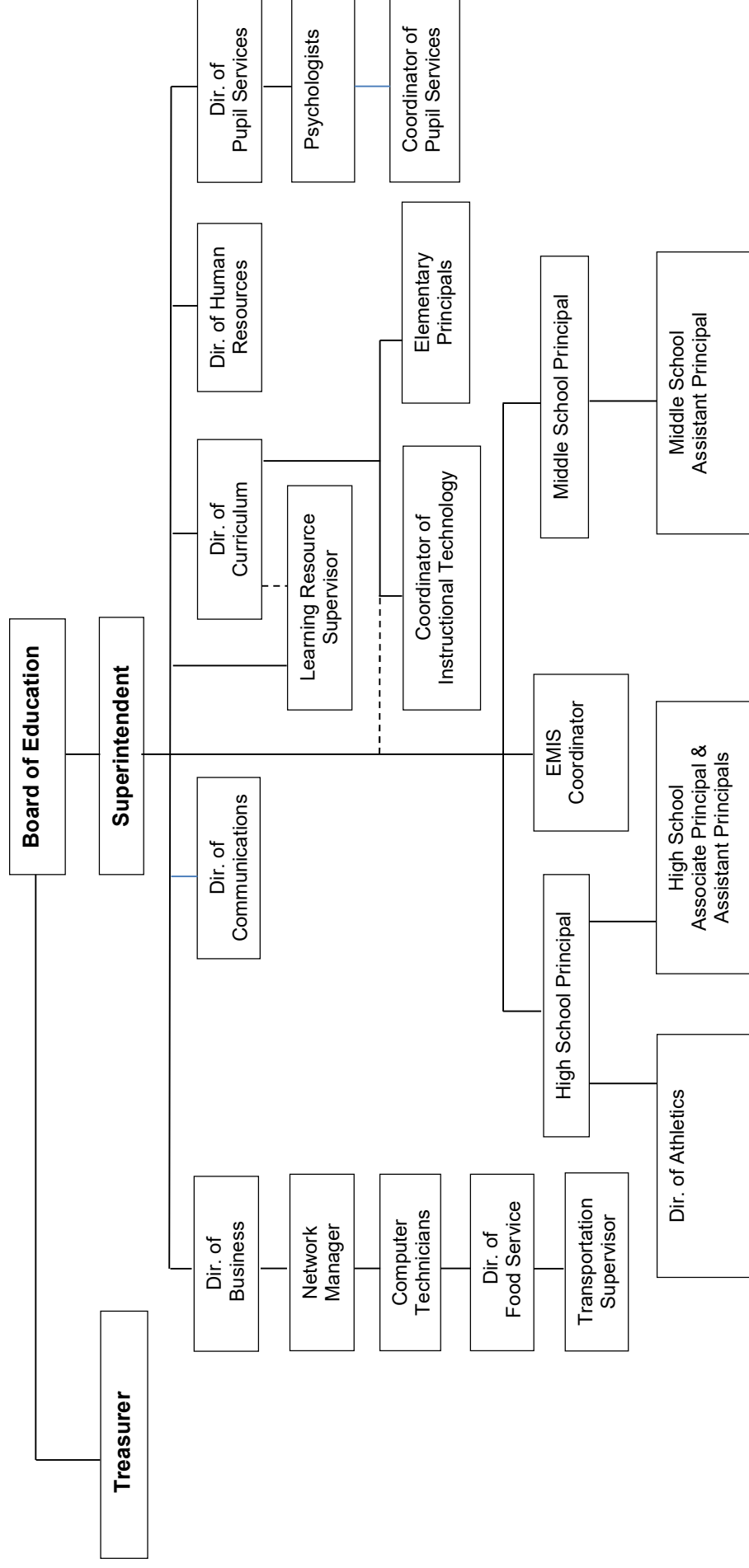
Administration

Dr. Michael E. Zalar
Ms. Anne Pyros
Mr. Robert J. Matson, CPA
Ms. Mary Kurtz
Mr. Jeff Stanton
Ms. Christopher Caleris
Ms. Vera Brewer

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

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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, 2018

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

North Olmsted City Schools

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

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



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

Tom Wohlleber, CSRM
President

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David J. Lewis
Executive Director

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FINANCIAL SECTION

Back of Divider Page



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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, 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated May 22, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber
Auditor of State

Columbus, Ohio

May 22, 2020

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North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

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, 2019. 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 2019 are as follows:

Net position increased \$ 6,887,520 or 19.5 percent from the previous year. The majority of the increase is due to increases in capital assets and the net OPEB asset and decreases in net pension and net OPEB liabilities.

The General Fund has a strong unrestricted cash balance of \$ 16.8 million at June 30, 2019. This represents a 13.4% or \$ 2.6 million decrease from 2018.

Revenues for governmental activities totaled \$ 67.8 million in both fiscal years 2019 and 2018.

In fiscal year 2019, 92.6 percent of total revenue consisted of general revenues while program revenues accounted for the remaining balance of 7.4 percent.

At June 30, 2019, the Debt Service Fund had a cash balance of \$ 2.9 million.

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.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

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 two major governmental funds, the General Fund and the Classroom Facilities 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 2019 compared to 2018.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

TABLE I
Total Net Position

	2019	2018
Assets		
Current and other assets	\$ 75,949,875	\$ 94,142,100
Net OPEB asset	3,906,180	-
Total capital assets, net	95,266,117	87,236,531
Total assets	175,122,172	181,378,631
Deferred outflows of resources		
Deferred charge on refunding	1,931,318	2,007,056
Pension	17,094,810	22,469,316
OPEB	858,746	846,197
Total deferred outflows of resources	19,884,874	25,322,569
Liabilities		
Current liabilities	9,978,845	14,736,115
Long term liabilities		
Due within one year	2,273,220	2,324,508
Due in more than one year		
Net pension liability	69,207,170	76,984,735
OPEB	7,743,371	17,446,400
Other amounts	83,894,435	85,755,936
Total liabilities	173,097,041	197,247,694
Deferred inflows of resources		
Property taxes levied for next year	36,802,803	39,213,899
Pension	6,342,351	3,455,874
OPEB	7,243,638	2,150,040
Total deferred inflows of resources	50,388,792	44,819,813
Net position		
Net investment in capital assets	19,908,898	27,407,123
Restricted	8,613,428	5,784,897
Unrestricted	(57,001,113)	(68,558,327)
Total net position	\$ (28,478,787)	\$ (35,366,307)

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

The net pension and OPEB liability are the largest liabilities reported by the School District at June 30, 2019 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset, and deferred outflows related to pension and OPEB.

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

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

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

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

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

North Olmsted City School District
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(Unaudited)
For the Fiscal Year Ended June 30, 2019

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

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

Total assets decreased by \$ 6,256,459. This decrease can primarily be attributed to a decrease of \$ 17,090,902 in equity in pooled cash which was offset with increases of \$ 8,029,586 in capital assets and \$ 3,906,180 in net OPEB asset.

Total liabilities decreased by \$ 24,150,653. This decrease is primarily due to decreases in accounts and retainage payable, net pension liability and net OPEB liability of \$ 3,974,936, \$ 7,777,565 and \$ 9,703,029, respectively.

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 improved as evidenced by the increase in net position of \$ 6,887,520. A change in net position indicates how an entity is providing for future generations.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

Governmental Activities

Table 2 summarizes the revenue, expenses and changes in net position for fiscal years 2019 compared to 2018.

Table 2
Changes in Net Position

	2019	2018
Revenues		
Program revenues		
Charges for services and sales	\$ 1,930,109	\$ 2,614,694
Operating grants, interest and contributions	2,640,405	2,858,277
Capital grants, interest and contributions	423,867	2,741,797
Total program revenues	<u>4,994,381</u>	<u>8,214,768</u>
General revenues		
Property taxes	46,478,410	43,420,608
Payments in lieu of taxes	617,793	603,170
Grants and entitlements not restricted to specific purposes	14,532,081	14,083,894
Investment earnings	868,173	949,002
Miscellaneous	291,075	558,870
Total general revenues	<u>62,787,532</u>	<u>59,615,544</u>
Total revenues	<u>67,781,913</u>	<u>67,830,312</u>
Program expenses		
Instruction	32,065,450	11,990,448
Supporting services		
Pupil and instructional staff	6,128,039	3,649,006
Board of education, administration, fiscal services and business	6,133,614	4,625,625
Operation and maintenance	6,257,660	3,290,671
Pupil transportation	2,572,418	2,303,018
Central services	1,311,187	1,461,453
Operation of non-instructional services		
Food service operation	1,350,427	1,288,282
Community services	214,468	156,840
Extracurricular activities	2,085,215	1,026,993
Interest and fiscal charges	2,775,915	2,921,802
Total expenses	<u>60,894,393</u>	<u>32,714,138</u>
Increase (decrease) in net position	<u>6,887,520</u>	<u>35,116,174</u>
Net position at beginning of year, restated	<u>(35,366,307)</u>	<u>(70,482,481)</u>
Net position at end of year	<u><u>\$ (28,478,787)</u></u>	<u><u>\$ (35,366,307)</u></u>

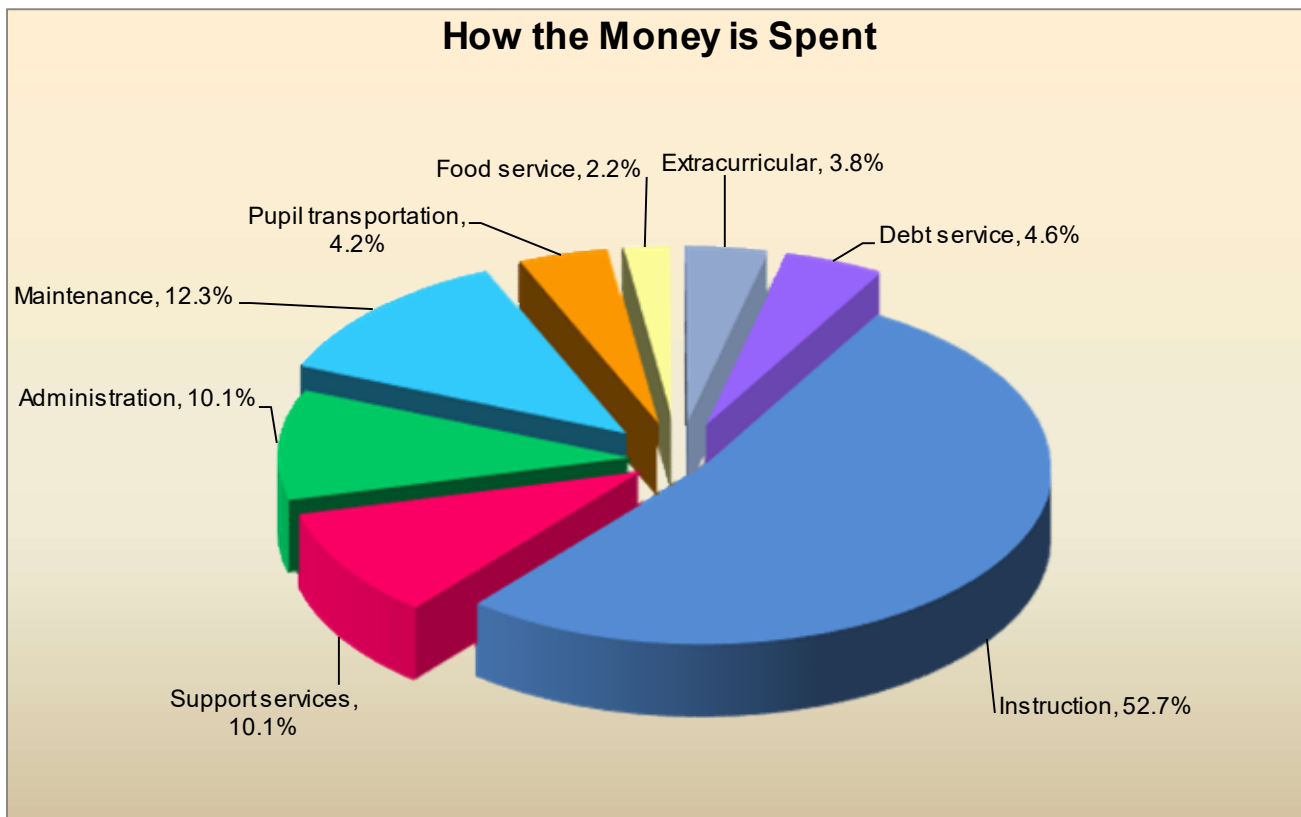
The vast majority of revenues supporting all Governmental Activities are general revenues. General revenue totaled \$ 62.8 million or 92.6 percent of the total revenue. The most significant portion of the general revenues is local property tax. Property tax revenue in fiscal year 2019 increased \$ 3,057,802 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 Fiscal Officer. The remaining amount of revenue received is in the form of program revenues amounting to \$ 5.0 million or only 7.4 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

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

grant and entitlement funds to help offset some operating costs.

Total expenses increased by \$ 28,180,255 due the effects of GASB 68 and GASB 75. The impact of these two GASBs was a net negative expense of \$ 2,760,483 in 2019 compared to \$ 26,897,252 net negative expense in 2018; which greatly distorts a comparative analysis between the years.

Approximately 62.8 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 10.1 percent of the budget is spent on administrative expenses. The remaining 27.1 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.



North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

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 2019 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 \$ 12,286 at Garfield Heights CDS to a high of \$ 24,511 at Orange CSD. North Olmsted City School's cost per pupil of \$ 15,703 was ranked the 18th 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, 2019
(the most recent data available)

<u>School District</u>	<u>Cost per Pupil</u>	<u>Ranking in Cuyahoga County</u>
Bay Village	\$ 13,925	10
Berea	13,643	8
Fairview Park	13,482	7
Lakewood	14,540	13
North Olmsted	15,703	18
Olmsted Falls	12,782	3
Rocky River	14,299	12
Strongsville	13,345	6
Westlake	14,752	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.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

Table 4
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Program expenses				
Instruction	\$ 32,065,450	\$ 11,990,448	\$(29,840,601)	\$ (6,723,257)
Supporting services				
Pupil and instructional staff	6,128,039	3,649,006	(5,134,821)	(2,555,478)
Board of education, administration, fiscal services and business	6,133,614	4,625,625	(6,080,032)	(4,563,041)
Operation and maintenance	6,257,660	3,290,671	(6,236,975)	(3,125,671)
Pupil transportation	2,572,418	2,303,018	(2,547,041)	(2,256,350)
Central services	1,311,187	1,461,453	(1,296,787)	(1,447,053)
Operation of non-instructional services				
Food service operation	1,350,427	1,288,282	(106,865)	(53,226)
Community services	214,468	156,840	(145,035)	(111,833)
Extracurricular activities	2,085,215	1,026,993	(1,735,940)	(741,659)
Interest and fiscal charges	2,775,915	2,921,802	(2,775,915)	(2,921,802)
Total expenses	<u>\$ 60,894,393</u>	<u>\$ 32,714,138</u>	<u>\$(55,900,012)</u>	<u>\$(24,499,370)</u>

The primary source of general revenue is property taxes levied. In fiscal years 2019 and 2018, property taxes accounted for 74.0 and 72.8 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, 2019, the School District's governmental funds reported combined ending fund balances of \$ 26,349,105 a decrease of \$ 12,003,652 in comparison with the prior year.

Total revenue decreased \$ 71,259 from the prior year. The decrease was due primarily to a netting of a \$ 2,496,300 reduction in state funding for the construction of a new middle/high school complex against a \$ 2,671,800 increase in taxes advance from the County Fiscal Officer.

Total expenditures decreased by \$ 32,912,425 (29.3%) over the prior year, primarily due to an decrease in capital outlay of \$ 34,280,431 related to the construction of new building facilities in the prior year.

The net change in fund balance for the General Fund was a decrease of \$ 1,371,326 in 2019 compared to a decrease of \$ 1,524,676 in 2018. The Classroom Facilities Fund, a major fund, had a \$ 9,948,462 decrease in fund balance due to expenditures related to construction of building facilities.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund unrestricted cash balance of \$ 16.8 million at June 30, 2019. 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 2019, the School District amended its General Fund Budget several times. For the General Fund, the final budget basis revenue (excluding other sources) estimate was \$ 55,798,300 which was the \$ 404,700 lower than the original estimate and \$ 325,722 less than actual. The final budget basis expenditures (excluding other uses) estimate totaled \$ 60,004,784 which was \$ 1,151,099 above the original budget estimate. Actual expenditures were \$ 58,928,023 which was \$ 1,076,761 lower than final budget basis expenditures. The unencumbered ending cash balance totaled \$ 16,068,198.

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 2019, the School District had \$ 95.3 million invested in net capital assets. Table 5 shows fiscal 2019 values compared to fiscal 2018.

Table 5
Capital Assets
(Net of Accumulated Depreciation)

	2019	2018
Land	\$ 1,504,554	\$ 1,504,554
Construction in progress	1,329,475	73,449,541
Land improvements	9,285,615	849,478
Buildings and improvements	74,026,158	9,167,255
Furniture and equipment	7,823,578	1,015,438
Vehicles	1,296,737	1,250,265
Total net capital assets	<u>\$ 95,266,117</u>	<u>\$ 87,236,531</u>

During fiscal 2019, the School District purchased \$ 13,230,984 of capital assets. Approximately 94.7 percent of these purchases are construction costs related to the District's new Middle/High School Campus. More information on capital assets is presented in Note 8 of the notes to the basic financial statements.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

Debt Administration

At June 30, 2019, the School District had \$ 163,118,196 in long-term obligations, a decrease of \$ 19,393,383. This decrease is primarily the result of decreases in net pension liability and net OPEB liability. \$ 2,273,220 of the long-term obligations are due within one year. Table 6 shows fiscal 2019 values compared to fiscal 2018.

Table 6
Outstanding Debt Year-End

	2019	2018
Term and serial bonds	\$ 72,519,314	\$ 74,052,950
Unamortized bond premium	7,623,294	7,876,883
Capital leases	2,269	29,051
Compensated absences	6,022,778	6,121,560
Net pension liability	69,207,170	76,984,735
Net OPEB liability	7,743,371	17,446,400
Total outstanding debt	<u>\$ 163,118,196</u>	<u>\$ 182,511,579</u>

The School District's overall legal debt margin was \$ 77,188,939 and an unvoted debt margin of \$ 857,655.

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

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 School District's finances through a combination of budgetary cuts, employee concessions, and community support of a new operating levy.

The School District is now on the downside of the current operating levy life cycle. Annual operating expenditures are exceeding operating revenues. Future operating deficits 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 2023. A copy of the School District's Financial Forecast and the major assumptions used in its preparation are posted on the School District's website at www.northolmstedschools.org/treasurer. Based upon the School District's Financial Forecast, the Board of Education is considering placing an operating levy on the ballot in calendar year 2020. The Administration is working a comprehensive plan to reduce operating costs which includes the closing of one elementary school at the end of the 2020 fiscal year.

In September 2018, the Administration completed the construction of a new middle/high school, a performing arts center, and sport complex. The project was funded with the proceeds from an \$ 80.5 million capital bond levy and \$ 9.0 million in matching state grants for the purpose of constructing a new middle/high school complex. The completion of this construction project will enable the School District to reduce its operating and maintenance costs, and allow the Administration to reorganize and consolidate the number of buildings within the School District.

North Olmsted City School District
Management's Discussion and Analysis
(Unaudited)
For the Fiscal Year Ended June 30, 2019

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 440-588-5317 or by email at Robert.matson@nocseagles.org.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities
Assets	
Equity in pooled cash	\$ 29,901,330
Accounts receivable and other	549,996
Intergovernmental receivables	224,483
Inventories and supplies	25,153
Taxes receivable	45,248,913
Net OPEB asset	3,906,180
Capital assets	
Nondepreciable capital assets	2,834,029
Depreciable capital assets	92,432,088
Total assets	175,122,172
Deferred outflow s of resources	
Deferral on refunding	1,931,318
Pension	17,094,810
OPEB	858,746
Total deferred outflow s of resources	19,884,874
Liabilities	
Accounts and contracts payable	\$ 1,501,014
Accrued salaries, wages and benefits	6,519,139
Accrued interest payable	220,500
Claims payable	651,900
Intergovernmental payable	1,086,292
Long-term liabilities	
Due w ithin one year	2,273,220
Due in more than one year	
Net pension liability	69,207,170
Net OPEB liability	7,743,371
Other amounts	83,894,435
Total liabilities	173,097,041
Deferred inflow s of resources	
Property taxes levied for next year	36,802,803
Pension	6,342,351
OPEB	7,243,638
Total deferred inflow s of resources	50,388,792
Net position	
Net investment in capital assets	19,908,898
Restricted for:	
Debt service	3,501,324
Capital projects	3,311,427
Set-asides	223,073
Food service	282,860
Extracurricular activities	166,787
State grants	1,854
Federal grants	11,134
Self insurance	1,114,969
Unrestricted	(57,001,113)
Total net position	\$ (28,478,787)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

		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	\$ 23,162,276	\$ 563,993	\$ 658,694	\$ 423,867	\$ (21,515,722)
Special	8,135,501	569,884	-	-	(7,565,617)
Vocational	346,343	-	8,411	-	(337,932)
Other instruction	421,330	-	-	-	(421,330)
Supporting services					
Pupil	4,989,406	-	824,189	-	(4,165,217)
Instructional staff	1,138,633	-	169,029	-	(969,604)
Board of education	242,367	-	-	-	(242,367)
Administration	4,380,870	-	-	-	(4,380,870)
Fiscal services	1,371,327	13,104	-	-	(1,358,223)
Business	139,050	-	40,478	-	(98,572)
Operation and maintenance	6,257,660	-	20,685	-	(6,236,975)
Pupil transportation	2,572,418	6,815	18,562	-	(2,547,041)
Central services	1,311,187	-	14,400	-	(1,296,787)
Operation of non-instructional services					
Food service operation	1,350,427	427,038	816,524	-	(106,865)
Community services	214,468	-	69,433	-	(145,035)
Extracurricular activities	2,085,215	349,275	-	-	(1,735,940)
Interest and fiscal charges	2,775,915	-	-	-	(2,775,915)
Total	<u>\$ 60,894,393</u>	<u>\$ 1,930,109</u>	<u>\$ 2,640,405</u>	<u>\$ 423,867</u>	<u>(55,900,012)</u>

General revenues

Property taxes levied for:

 General purposes 40,611,167

 Debt service 4,797,198

 Capital improvements 1,070,045

 Payments in lieu of taxes 617,793

 Grants and entitlements not
restricted to specific purposes 14,532,081

 Investment earnings 868,173

 Miscellaneous 291,075

Total general revenues 62,787,532

Change in net position 6,887,520

Net position at beginning of year (35,366,307)

Net position at end of year \$ (28,478,787)

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 16,806,852	\$ 1,537,527	\$ 9,567,009	\$ 27,911,388
Restricted cash	223,073	-	-	223,073
Receivables, net of allowance				
Taxes, current	38,717,106	-	5,374,307	44,091,413
Taxes, delinquent	1,023,300	-	134,200	1,157,500
Accounts and other	545,454	-	4,542	549,996
Intergovernmental receivables	206,202	-	18,281	224,483
Interfund receivables	585,348	-	-	585,348
Inventories and supplies	-	-	25,153	25,153
Total assets	\$ 58,107,335	\$ 1,537,527	\$ 15,123,492	\$ 74,768,354
Liabilities				
Accounts and contracts payable	\$ 159,348	\$ 846,481	\$ 495,185	\$ 1,501,014
Accrued salaries, wages and benefits	6,331,813	-	187,326	6,519,139
Intergovernmental payable	1,023,120	-	63,172	1,086,292
Interfund payable	-	-	585,348	585,348
Matured compensated absences	560,951	-	-	560,951
Total liabilities	8,075,232	846,481	1,331,031	10,252,744
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	33,592,389	-	4,574,116	38,166,505
Total deferred inflows of resources	33,592,389	-	4,574,116	38,166,505
Fund balances (deficits)				
Nonspendable	-	-	25,153	25,153
Restricted	-	691,046	9,540,487	10,231,533
Committed	487,073	-	-	487,073
Assigned	992,443	-	-	992,443
Unassigned	14,960,198	-	(347,295)	14,612,903
Total fund balances (deficits)	16,439,714	691,046	9,218,345	26,349,105
Total liabilities, deferred inflows of resources and fund balances	\$ 58,107,335	\$ 1,537,527	\$ 15,123,492	\$ 74,768,354

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, 2019

Total governmental fund balances		\$ 26,349,105
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.		95,266,117
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflow s in the funds. These deferrals are primarily attributed to property taxes.		1,363,702
Net OPEB asset is not recognized in the funds.		3,906,180
Unamortized deferred charges on refundings are not recognized in the funds.		1,931,318
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(220,500)
The net pension liability and net OPEB liability are 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	17,094,810	
Deferred inflow s - pension	(6,342,351)	
Net pension liability	(69,207,170)	
Deferred outflow s - OPEB	858,746	
Deferred inflow s - OPEB	(7,243,638)	
Net OPEB liability	(7,743,371)	
		(72,582,974)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences payable	(5,461,827)	
Bonds payable	(72,519,314)	
Unamortized bond premium	(7,623,294)	
Capital lease payable	(2,269)	
		(85,606,704)
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.		1,114,969
Net position of governmental activities		<u><u>\$ (28,478,787)</u></u>

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, 2019

	General Fund	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 40,271,267	\$ -	\$ 5,821,043	\$ 46,092,310
Payments in lieu of taxes	617,793	-	-	617,793
Tuition and fees	671,796	-	-	671,796
Interest	632,351	59,362	176,460	868,173
Intergovernmental	14,023,203	423,867	2,984,289	17,431,359
Charges for services	-	-	426,188	426,188
Extracurricular	118,552	-	309,627	428,179
Donations and contributions	32,294	-	-	32,294
Other	788,348	-	850	789,198
Total revenues	<u>57,155,604</u>	<u>483,229</u>	<u>9,718,457</u>	<u>67,357,290</u>
Expenditures				
Current				
Instruction				
Regular	26,304,081	-	766,308	27,070,389
Special	9,776,901	-	-	9,776,901
Vocational	410,063	-	11,538	421,601
Other instruction	443,460	-	-	443,460
Supporting services				
Pupil	4,956,847	-	860,850	5,817,697
Instructional staff	1,009,495	-	208,158	1,217,653
Board of education	241,767	-	-	241,767
Administration	3,850,406	-	109,837	3,960,243
Fiscal services	1,417,614	1,747	3,691	1,423,052
Business	114,922	-	163,706	278,628
Operation and maintenance	3,919,238	-	86,863	4,006,101
Pupil transportation	2,449,496	-	273,512	2,723,008
Central services	1,392,007	-	51,075	1,443,082
Operation of non-instructional services				
Food service operation	63,707	-	1,231,677	1,295,384
Community services	10,058	-	217,236	227,294
Extracurricular activities	1,782,709	-	343,140	2,125,849
Capital outlay	-	10,429,944	2,010,989	12,440,933
Debt service				
Principal	296,782	-	1,550,000	1,846,782
Interest	37,377	-	2,632,725	2,670,102
Total expenditures	<u>58,476,930</u>	<u>10,431,691</u>	<u>10,521,305</u>	<u>79,429,926</u>
Excess (deficiency) of revenues over expenditures	<u>(1,321,326)</u>	<u>(9,948,462)</u>	<u>(802,848)</u>	<u>(12,072,636)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	68,984	68,984
Transfers-in	-	-	50,000	50,000
Transfers-out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>118,984</u>	<u>68,984</u>
Net change in fund balances	<u>(1,371,326)</u>	<u>(9,948,462)</u>	<u>(683,864)</u>	<u>(12,003,652)</u>
Fund balances, beginning of year	<u>17,811,040</u>	<u>10,639,508</u>	<u>9,902,209</u>	<u>38,352,757</u>
Fund balances, end of year	<u>\$ 16,439,714</u>	<u>\$ 691,046</u>	<u>\$ 9,218,345</u>	<u>\$ 26,349,105</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, 2019

Net change in fund balances - total governmental funds			\$ (12,003,652)
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	13,230,984	
	Depreciation expense	<u>(3,420,185)</u>	
			9,810,799
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets, net of proceeds received.			
			(1,781,213)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Property taxes	386,100	
	Miscellaneous revenue	(195,455)	
	Intergovernmental revenue	<u>164,994</u>	
			355,639
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			
			1,846,782
Accrued interest in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. Bond premium is reported in the governmental fund when bonds are issued, whereas these amounts are amortized in the statement of activities.			
	Accrued interest	2,700	
	Annual accretion	(286,364)	
	Amortization of bond premium	253,589	
	Amortization of deferred charges	<u>(75,738)</u>	
			(105,813)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.			
	Pension	5,074,296	
	OPEB	<u>209,965</u>	
			5,284,261
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.			
	Pension	(5,557,714)	
	OPEB	<u>8,318,195</u>	
			2,760,481
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		182,007
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal revenue fund is allocated among the governmental activities.			
			<u>538,229</u>
Change in net position of governmental activities			<u>\$ 6,887,520</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, 2019

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 38,400,000	\$ 38,400,000	\$ 38,576,959	\$ 176,959
Payment in lieu of taxes	1,240,000	1,126,000	1,131,233	5,233
Tuition and fees	816,000	648,800	671,796	22,996
Interest	450,000	588,000	636,985	48,985
Extracurricular	36,000	36,000	39,648	3,648
Intergovernmental	14,245,000	14,010,000	14,013,912	3,912
Other	1,016,000	989,500	1,053,489	63,989
Total revenues	56,203,000	55,798,300	56,124,022	325,722
Expenditures				
Current				
Instruction				
Regular	26,537,571	26,509,546	26,278,007	231,539
Special	9,664,185	9,888,473	9,839,406	49,067
Vocational	411,465	416,683	414,064	2,619
Other instruction	446,695	498,100	451,665	46,435
Supporting services				
Pupil	4,892,632	5,073,471	4,964,615	108,856
Instructional staff	1,041,841	1,052,201	991,179	61,022
Board of education	454,154	446,499	325,637	120,862
Administration	3,771,759	3,923,418	3,836,453	86,965
Fiscal services	1,447,205	1,505,850	1,465,998	39,852
Business	115,782	122,849	117,916	4,933
Operation and maintenance	4,068,283	4,254,660	4,068,018	186,642
Pupil transportation	2,511,250	2,574,025	2,497,963	76,062
Central services	1,563,861	1,734,308	1,702,816	31,492
Operation of non-instructional				
Food service operation	64,903	65,100	64,625	475
Community services	6,300	13,860	11,846	2,014
Extracurricular activities	1,548,799	1,618,886	1,590,960	27,926
Debt service				
Principal	270,000	270,000	270,000	-
Interest and fiscal charges	37,000	36,855	36,855	-
Total expenditures	58,853,685	60,004,784	58,928,023	1,076,761
Excess (deficiency) of revenues over expenditures	(2,650,685)	(4,206,484)	(2,804,001)	1,402,483
Other financing sources (uses)				
Advances-in	477,000	477,028	477,028	-
Refund prior year expenditure	-	-	38,451	38,451
Advances-out	(500,000)	(585,348)	(585,348)	-
Transfers-out	(250,000)	(100,000)	(50,000)	50,000
Total other financing sources (uses)	(273,000)	(208,320)	(119,869)	88,451
Net change in fund balance	(2,923,685)	(4,414,804)	(2,923,870)	1,490,934
Fund balance, beginning of year	18,458,382	18,458,382	18,458,382	-
Prior year encumbrances appropriated	533,686	533,686	533,686	-
Fund balance, end of year	\$ 16,068,383	\$ 14,577,264	\$ 16,068,198	\$ 1,490,934

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION -
INTERNAL SERVICE FUND

JUNE 30, 2019

	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 1,766,869
Total assets	<u>1,766,869</u>
Liabilities	
Current liabilities	
Claims payable	<u>651,900</u>
Total liabilities	<u>651,900</u>
Net position	
Unrestricted	<u>\$ 1,114,969</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, 2019

	<u>Self Insurance</u>
Operating revenues	
Charges for services	<u>\$ 10,654,575</u>
Operating expenses	
Purchased services	1,215,836
Claims	<u>8,900,510</u>
Total operating expenses	<u>10,116,346</u>
Operating income	538,229
Net position, beginning of year	<u>576,740</u>
Net position, end of year	<u><u>\$ 1,114,969</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, 2019

	<u>Self Insurance</u>
Cash flows from operating activities	
Cash received from interfund services	\$ 10,654,575
Cash payments for claims	(9,448,210)
Cash payments for goods and services	(1,215,836)
Net cash used in operating activities	<u>(9,471)</u>
Net decrease in cash and cash equivalents	(9,471)
Cash and cash equivalents, beginning of year	<u>1,776,340</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,766,869</u></u>

Reconciliation of operating income to net cash
used in operating activities:

Operating income	<u>\$ 538,229</u>
Adjustments	
Decrease in claims payable	(547,700)
Total adjustments	<u>(547,700)</u>
Net cash used in operating activities	<u><u>\$ (9,471)</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, 2019

	Agency Fund
Assets	
Equity in pooled cash and equivalents	\$ 117,123
Total assets	<u>\$ 117,123</u>
Liabilities	
Accounts payable	\$ 678
Due to students	116,445
Total liabilities	<u>\$ 117,123</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, 2019

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, 2018 was 3,782. The School District employs 284 certificated and 271 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, 2019

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, 2019

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.

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, 2019

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, 2019

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, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2020 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 and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 20. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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, 2019

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. During fiscal year 2019, interest revenue credited to the General Fund amounted to \$ 632,351, of which \$ 217,768 was assigned from other funds; interest revenue credited to the Building Fund amounted to \$ 133,420 of which \$ 60,977 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.

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

During fiscal year 2019, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, commercial paper, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CASH AND INVESTMENTS (continued)

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

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 position 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 acquisition 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:

<u>Asset</u>	<u>Estimated Useful life</u>
Land improvements	25 - 30 years
Buildings	60 - 80 years
Building improvements	25 years
Furniture and equipment	5 - 15 years
Vehicles	10 - 15 years

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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. 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 that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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 \$ 7,256,033 of restricted net position, none of which are restricted by enabling legislation.

The School District applies restricted resources first 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, 2019

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, 2019

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/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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.

U. EXTRAORDINARY AND SPECIAL ITEMS

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 83, – “Certain Asset Retirement Obligations”, and GASB Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.”

GASB Statement No. 83, – “Certain Asset Retirement Obligations”- This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. These changes were incorporated in the School District’s fiscal year 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.” - The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government’s future resource flows. These changes were incorporated in the School District’s fiscal year 2019 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, 2019

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).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget 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	\$ (2,923,870)
Adjustments, increase (decrease)	
Revenue accruals	305,992
Expenditure accruals	1,826,037
Funds budgeted elsewhere **	(115,787)
Encumbrances	(463,698)
GAAP basis, as reported	\$ (1,371,326)

** 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, 2019

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	School Facilities Fund	Nonmajor Governmental Funds	Total
Nonspendable				
Inventory	\$ -	\$ -	\$ 25,153	\$ 25,153
Total nonspendable	-	-	25,153	25,153
Restricted				
Food service operations	-	-	296,367	296,367
Classroom facilities and maintenance	-	-	1,739,410	1,739,410
Athletics	-	-	166,787	166,787
Non-public schools	-	-	1,854	1,854
Debt service	-	-	3,614,624	3,614,624
Capital improvements	-	691,046	3,710,311	4,401,357
Total restricted	-	691,046	9,540,487	10,231,533
Committed				
27th pay reserve	264,000	-	-	264,000
Other purposes	223,073	-	-	223,073
Total committed	487,073	-	-	487,073
Assigned				
Student instruction	459,496	-	-	459,496
Student and staff support	530,697	-	-	530,697
Other	2,250	-	-	2,250
Total assigned	992,443	-	-	992,443
Unassigned (deficit)	14,960,198	-	(347,295)	14,612,903
Total fund balances	<u>\$ 16,439,714</u>	<u>\$ 691,046</u>	<u>\$ 9,218,345</u>	<u>\$ 26,349,105</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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 \$ 5,142,009 and the bank balance was \$ 5,555,302. Of the bank balance, \$ 4,205,652 was covered by federal depository insurance and \$ 1,349,650 was uninsured. Of the remaining balance \$ 1,349,650 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, 2019, the School District had the following investments:

	Fair Value	Investment Maturities		
		Less than 1 year	1 - 2 years	3 years and longer
STAR Ohio	\$ 13,061,408	\$ 13,061,408	\$ -	\$ -
Money Market	2,664,692	2,664,692	-	-
Commercial paper	4,124,020	4,124,020	-	-
Federal Agency Notes and Discount Notes	5,024,233	1,924,233	1,200,000	1,900,000
	<u>\$ 24,874,353</u>	<u>\$ 21,774,353</u>	<u>\$ 1,200,000</u>	<u>\$ 1,900,000</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, 2019. 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, 2019

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 AA+ by Standard and Poor's and is an authorized investment under the Ohio Revised Code. Commercial paper of \$ 890,151 and \$ 3,233,869 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, 2019:

	Fair Value	Percentage of Investments
STAR Ohio	\$ 13,061,408	52.5%
Money Market	2,664,692	10.7%
Commercial paper	4,124,020	16.6%
Federal Agency Notes and Discount Notes	5,024,233	20.2%
	<u>\$ 24,874,353</u>	<u>100.0%</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 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, 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 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected in 2018 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, 2019

NOTE 6 - PROPERTY TAXES (continued)

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, 2019, are available to finance fiscal year 2019 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, 2019 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, 2019, was \$ 6,354,219 in the General Fund, \$ 759,909 in the Bond Retirement Fund and \$ 174,482 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2018, was \$ 4,659,911 in the General Fund, \$ 498,163 in the Bond Retirement Fund and \$ 129,179 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 2019 taxes were collected are:

	2018 First Half Collections		2019 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 522,284,600	66.85 %	\$ 590,023,450	68.80 %
Other Commercial	240,480,860	30.78	248,989,280	29.03
Public Utility Tangible	18,534,750	2.37	18,642,150	2.17
	<u>\$ 781,300,210</u>	<u>100.00 %</u>	<u>\$ 857,654,880</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of				
Assessed Valuation:	<u>\$ 96.90</u>		<u>\$ 97.10</u>	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019, 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, 2019

NOTE 8 - CAPITAL ASSETS

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

	Balance June 30, 2018	Additions	Disposals	Balance June 30, 2019
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,504,554	\$ -	\$ -	\$ 1,504,554
Construction in progress	73,449,541	12,525,724	84,645,790	1,329,475
Total nondepreciable capital assets	<u>74,954,095</u>	<u>12,525,724</u>	<u>84,645,790</u>	<u>2,834,029</u>
Depreciable capital assets				
Land improvements	1,474,231	9,229,111	607,842	10,095,500
Buildings and improvements	22,601,506	67,750,598	6,644,230	83,707,874
Furniture and equipment	3,146,411	8,091,780	976,485	10,261,706
Vehicles	3,170,866	279,561	330,048	3,120,379
Total capital assets being depreciated	<u>30,393,014</u>	<u>85,351,050</u>	<u>8,558,605</u>	<u>107,185,459</u>
Less accumulated depreciation				
Land improvements	624,753	363,037	177,905	809,885
Buildings and improvements	13,434,251	1,712,647	5,465,182	9,681,716
Furniture and equipment	2,130,973	1,114,344	807,189	2,438,128
Vehicles	1,920,601	230,157	327,116	1,823,642
Total accumulated depreciation	<u>18,110,578</u>	<u>3,420,185</u>	<u>6,777,392</u>	<u>14,753,371</u>
Depreciable capital assets, net of accumulated depreciation	<u>12,282,436</u>	<u>81,930,865</u>	<u>1,781,213</u>	<u>92,432,088</u>
Governmental activities capital assets, net	<u>\$ 87,236,531</u>	<u>\$ 94,456,589</u>	<u>\$ 86,427,003</u>	<u>\$ 95,266,117</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 2,071,194
Special	25,093
Vocational	15,491
Supporting services	
Pupil	2,326
Instructional staff	23,839
Administration	38,088
Fiscal	238
Business	27,427
Operation and maintenance of plant	660,775
Pupil transportation	210,587
Central services	29,478
Operation of non-instructional services	
Food service	67,121
Auxiliary services	4,093
Extracurricular activities	244,435
Total depreciation expense	<u>\$ 3,420,185</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2019, interfund balances consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 585,348	\$ -
Nonmajor governmental funds	-	585,348
	<u>\$ 585,348</u>	<u>\$ 585,348</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 2019, 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 Unum 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, 2019

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 \$ 651,900 reported at June 30, 2019 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, 2019 and 2018 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, 2019	June 30, 2018
Unpaid claims, beginning of year	\$ 1,199,600	\$ 817,200
Incurred claims	8,900,510	8,438,397
Claims payments	(9,448,210)	(8,055,997)
Unpaid claims, end of year	<u>\$ 651,900</u>	<u>\$ 1,199,600</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, 2019

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 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, 2019

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$ 1,180,576 for fiscal year 2019. Of this amount \$ 39,736, 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.

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. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 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, 2019

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 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit 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. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 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 2019 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$ 3,893,720 for fiscal year 2019. Of this amount \$ 664,089 is reported as an intergovernmental payable.

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, 2018, 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:

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 15,757,531	\$ 53,449,639	\$ 69,207,170
Pension expense	\$ 912,860	\$ 4,644,854	\$ 5,557,714
Proportion of the net pension liability prior measurement date	0.27542750%	0.25480111%	
Proportion of the net pension liability current measurement date	<u>0.27513570%</u> <u>-0.00029180%</u>	<u>0.24308821%</u> <u>-0.01171290%</u>	

At June 30, 2019, 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	\$ 864,201	\$ 1,233,781	\$ 2,097,982
Changes in assumptions	355,839	9,472,284	9,828,123
Changes in proportionate share and difference between School District contributions and proportionated share of contributions	-	94,409	94,409
School District contributions subsequent to the measurement date	<u>1,180,576</u>	<u>3,893,720</u>	<u>5,074,296</u>
Total deferred outflows of resources	<u>\$ 2,400,616</u>	<u>\$ 14,694,194</u>	<u>\$ 17,094,810</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 349,058	\$ 349,058
Net difference between projected and actual earnings on pension plan investments	436,593	3,241,127	3,677,720
Changes in proportionate share and difference between School District contributions and proportionated share of contributions	<u>389,200</u>	<u>1,926,373</u>	<u>2,315,573</u>
Total deferred inflows of resources	<u>\$ 825,793</u>	<u>\$ 5,516,558</u>	<u>\$ 6,342,351</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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)

\$ 5,074,296 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, 2019. 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
2020	\$ 908,013	\$ 3,954,929	\$ 4,862,942
2021	137,252	2,576,779	2,714,031
2022	(517,120)	(103,764)	(620,884)
2023	(133,898)	(1,144,028)	(1,277,926)
	\$ 394,247	\$ 5,283,916	\$ 5,678,163

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
FOR THE YEAR ENDED JUNE 30, 2019

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, 2018, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment rate of return	7.50 percent of net of investments expense, including inflation
Actuarial cost method	Entry age normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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%	0.50%
U.S. stocks	22.50%	4.75%
Non-U.S. stocks	22.50%	7.00%
Fixed income	19.00%	1.50%
Private equity	10.00%	8.00%
Real assets	15.00%	5.00%
Multi-asset strategies	10.00%	3.00%
	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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, 2019

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	<u>\$ 22,195,671</u>	<u>\$ 15,757,531</u>	<u>\$ 10,359,582</u>

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Payroll increases	3.00 percent
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate of return	7.45 percent

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
	<u>100.00%</u>	

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

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

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$ 78,056,162	\$ 53,449,639	\$ 32,623,556

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS

A. NET OPEB LIABILITY/(ASSET)

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

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

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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

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

The proportionate share of each plan's unfunded benefits is presented as a net OPEB asset or long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB 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)

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$ 21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 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 2019, the School District's surcharge obligation was \$ 166,240.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$ 209,965 for fiscal year 2019. Of this amount \$ 167,712 is reported as an intergovernmental payable.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

D. OPEB LIABILITIES/(ASSETS), OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the net OPEB liability			
Prior measurement date	0.27964740%	0.25480111%	
Current measurement date	<u>0.27911380%</u>	<u>0.24308821%</u>	
Change in proportionate share	<u>-0.00053360%</u>	<u>-0.01171290%</u>	
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net OPEB liability/(asset)	\$ 7,743,371	\$ (3,906,180)	\$ 3,837,191
OPEB expense	\$ 210,731	\$ (8,528,928)	\$ (8,318,197)

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

D. OPEB LIABILITIES/(ASSET), OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB (continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 126,399	\$ 456,248	\$ 582,647
Changes in proportionate share and differences between School District contributions and proportionate share of contributions	907	65,227	66,134
School District contributions subsequent to the measurement date	209,965	-	209,965
Total deferred outflows of resources	<u>\$ 337,271</u>	<u>\$ 521,475</u>	<u>\$ 858,746</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 227,587	\$ 227,587
Change in assumptions	695,683	5,322,479	6,018,162
Net difference between projected and actual earnings on OPEB plan investments	11,618	446,248	457,866
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	122,629	417,394	540,023
Total deferred inflows of resources	<u>\$ 829,930</u>	<u>\$ 6,413,708</u>	<u>\$ 7,243,638</u>

\$ 209,965 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
June 30:	SERS	STRS	Total
2020	\$ (352,636)	\$ (1,048,403)	\$ (1,401,039)
2021	(274,104)	(1,048,403)	(1,322,507)
2022	(25,415)	(1,048,403)	(1,073,818)
2023	(20,469)	(947,056)	(967,525)
2024	(21,274)	(911,504)	(932,778)
2025	(8,726)	(888,464)	(897,190)
	<u>\$ (702,624)</u>	<u>\$ (5,892,233)</u>	<u>\$ (6,594,857)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS

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

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

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

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

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

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
U.S. stocks	22.50%	4.75%
Non-U.S. stocks	22.50%	7.00%
Fixed income	19.00%	1.50%
Private equity	10.00%	8.00%
Real assets	15.00%	5.00%
Multi-asset strategies	10.00%	3.00%
	<u>100.00%</u>	

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

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

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	<u>\$ 9,395,972</u>	<u>\$ 7,743,371</u>	<u>\$ 6,434,820</u>

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$ 6,247,480</u>	<u>\$ 7,743,371</u>	<u>\$ 9,724,199</u>

F. ACTUARIAL ASSUMPTIONS – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected salary increases	12.50 percent at age 20 to 2.50% at age 65	
Payroll increases	3.00 percent	
Investment rate of return	7.45 percent, net of investment expenses, including inflation	
Discount rate of return	7.45 percent	
Health care cost trends	Initial	Ultimate
Medical		
Pre-medicare	6.00 percent	4.00 percent
Medicare	5.00 percent	4.00 percent
Prescription drug		
Pre-medicare	8.00 percent	4.00 percent
Medicare	-5.23 percent	4.00 percent

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return *
Domestic equity	28.00%	7.35%
International equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed income	21.00%	3.00%
Real estate	10.00%	6.00%
Liquidity reserves	1.00%	2.25%
	<u>100.00%</u>	

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

F. ACTUARIAL ASSUMPTIONS – STRS (continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	<u>\$ (3,347,962)</u>	<u>\$ (3,906,180)</u>	<u>\$ (4,375,335)</u>
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	<u>\$ (4,348,851)</u>	<u>\$ (3,906,180)</u>	<u>\$ (3,456,612)</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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
Refunding bonds	2017	2.0% - 30.0%	\$ 48,273,668	2028

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 2019 were as follows:

	Restated Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019	Amounts Due In One Year
General obligation bonds					
Energy conservation	\$ 2,025,000	\$ -	\$ 270,000	\$ 1,755,000	\$ 275,000
Facilities improvements	23,635,000	-	980,000	22,655,000	995,000
Refunding bonds					
Term and serial bonds	47,505,000	-	570,000	46,935,000	440,000
Capital appreciation bonds	768,668	-	-	768,668	-
Accretion on capital appreciation bonds	119,282	286,364	-	405,646	-
Total general obligation bonds	74,052,950	286,364	1,820,000	72,519,314	1,710,000
Unamortized bond premium	7,876,883	-	253,589	7,623,294	-
Net pension liability					
STRS	60,528,550	-	7,078,911	53,449,639	-
SERS	16,456,185	-	698,654	15,757,531	-
Total net pension liability	76,984,735	-	7,777,565	69,207,170	-
Net OPEB liability					
STRS	9,941,399	-	9,941,399	-	-
SERS	7,505,001	238,370	-	7,743,371	-
Total net OPEB liability	17,446,400	238,370	9,941,399	7,743,371	-
Capital lease	29,051	-	26,782	2,269	2,269
Compensated absences	6,121,560	378,944	477,726	6,022,778	560,951
Total long-term obligations	\$ 182,511,579	\$ 903,678	\$ 20,297,061	\$ 163,118,196	\$ 2,273,220

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

The School District's overall legal debt margin was \$ 77,188,939 which included an unvoted debt margin of \$ 857,655.

Bonds payable are repaid from the Debt Service Fund. The capital lease obligation is paid from the General Fund. The government pays obligations related to employee compensation from the fund benefitting from their service.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension and net OPEB liability see Note 11 and 12.

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

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 1,710,000	\$ 2,638,110	\$ 4,348,110
2021	1,745,000	2,604,943	4,349,943
2022	1,770,000	2,554,563	4,324,563
2023	1,885,000	2,501,377	4,386,377
2024	1,540,587	2,848,308	4,388,895
2025 - 2029	2,618,081	18,405,092	21,023,173
2030 - 2034	10,220,000	10,897,150	21,117,150
2035 - 2039	12,985,000	8,579,675	21,564,675
2040 - 2044	16,535,000	5,597,144	22,132,144
2045 - 2049	21,105,000	2,180,019	23,285,019
Totals	<u>\$ 72,113,668</u>	<u>\$ 58,806,381</u>	<u>\$ 130,920,049</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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	Accumulated Depreciation	Net
Copier equipment	\$ 126,317	\$ 124,210	\$ 2,107

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, 2019.

	Year ending June 30,	Amount
Total future minimum lease payments	2020	\$ 2,275
Less amount representing interest		(6)
Net present value of minimum lease payments		\$ 2,269

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, 2019, the School District paid \$ 139,109 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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 15 - JOINTLY GOVERNED ORGANIZATION (continued)

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.

D OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among 249 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2019, the School District paid \$ 2,997 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager for the period from July 1, 2018 through June 30, 2019. There are currently 165 participants in the program, including the North Olmsted City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimate.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 16 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 consisted of the following:

		Transfer from:
		<u>General Fund</u>
Transfer to:		
Nonmajor		
governmental funds	\$	50,000
Total transfers-out	\$	<u>50,000</u>

Transfers from the General Fund were to provide for payment of expenditures in the Food Service Fund and the Athletics 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, 2019.

NOTE 18 - FOUNDATION FUNDING

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. Management believes this may result in either an additional receivable to, or a liability of, the School District.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 2019.

	Capital Maintenance	Budget Stabilization
Set-aside reserve balances as of June 30, 2018	\$ -	\$ 223,073
Set-aside balance carried forward	-	-
Current year set-aside requirement	649,875	-
Qualifying offsets and disbursements	(1,377,594)	-
Total	<u>\$ (727,719)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ -</u>	<u>\$ -</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.

NOTE 20 – COMPLIANCE AND ACCOUNTABILITY

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

Special Revenue Funds:	
Title VIB	\$ 149,898
Limited English Proficiency	\$ 8,647
Title I	\$ 138,481
Preschool	\$ 2,045
Title II-A	\$ 48,224

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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 21 – TAX ABATEMENTS

In 1992, pursuant to Ohio Revised Code 3735, the City of North Olmsted established a Community Reinvestment Area (CRA) to provide tax incentives to encourage commercial and residential new construction and building improvements.

Based upon the type of new construction and/or improvements, the City may negotiate an abatement of up to 75% or 100% of the additional property taxes resulting from the improvements, for a period of up to 10 to 15 years.

During the 2019 tax year, approximately \$ 154,510 of School District's property taxes were abated under this program.

NOTE 22 – DEFEASANCE OF DEBT

In December 2017 the School District issued \$ 48,273,668 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$ 48,275,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. As of June 30, 2019, \$ 48,275,000 of bonds payable are considered to be defeased.

NOTE 23 – SIGNIFICANT COMMITMENTS

A. CONTRACTUAL COMMITMENTS

At June 30, 2019 the School District had contractual commitments for the following:

Project	Estimated Total Cost	Expended To Date	Outstanding Commitments
School buildings construction	\$ 91,388,623	\$ 87,740,002	\$ 3,648,621

B. ENCUMBRANCES

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control, accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 307,495
Classroom Facilities Fund	691,046
Other Governmental Funds	2,088,643
	<u>\$ 3,087,184</u>

NOTE 24 – SIGNIFICANT COMMITMENTS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 will impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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 SIX FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's proportion of the net pension liability	0.2751357%	0.2754275%	0.2836686%	0.2851012%
School District's proportionate share of the net pension liability	\$ 15,757,531	\$ 16,456,185	\$ 20,761,924	\$ 16,268,151
School District's covered payroll	\$ 8,661,674	\$ 8,148,014	\$ 7,323,529	\$ 8,244,609
School District's proportionate share of the net pension liability as a percentage of its covered payroll	181.92%	201.97%	283.50%	211.57%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

(1) Information prior to 2013 is not available

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

See accompanying notes to required supplementary information.

2015	2014
0.2982690%	0.2982690%

\$ 15,095,224	\$ 17,737,100
---------------	---------------

\$ 8,191,847	6,744,335
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184.27%	262.99%
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71.70%	65.52%
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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 SIX FISCAL YEARS (1)

	2019	2018	2017	2016
School District's proportion of the net pension liability	0.24308821%	0.254801111%	0.25309363%	0.25519910%
School District's proportionate share of the net pension liability	\$ 53,449,639	\$ 60,528,550	\$ 84,718,067	\$ 70,529,568
School District's covered payroll	\$ 27,347,250	\$ 25,778,279	\$ 26,978,250	\$ 26,704,226
School District's proportionate share of the net pension liability as a percentage of its covered payroll	195.45%	234.80%	314.02%	264.11%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

(1) Information prior to 2013 is not available

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

See accompanying notes to required supplementary information.

2015	2014
0.250795%	0.250795%
\$ 61,002,024	\$ 72,665,211
\$ 26,541,248	\$ 24,369,023
229.84%	298.19%
74.70%	69.30%

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - PENSION
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ 1,180,576	\$ 1,169,326	\$ 1,140,722	\$ 1,025,294
Contributions in relation to the contractually required contribution	<u>(1,180,576)</u>	<u>(1,169,326)</u>	<u>(1,140,722)</u>	<u>(1,025,294)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 8,745,010	\$ 8,661,674	\$ 8,148,014	\$ 7,323,529
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

See accompanying notes to required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,084,003	\$ 1,135,390	\$ 933,416	\$ 1,053,712	\$ 931,964	\$ 1,008,253
<u>(1,084,003)</u>	<u>(1,135,390)</u>	<u>(933,416)</u>	<u>(1,053,712)</u>	<u>(931,964)</u>	<u>(1,008,253)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,224,609	\$ 8,191,847	\$ 6,744,335	\$ 7,834,290	\$ 7,414,193	\$ 7,446,477
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - PENSION
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ 3,893,720	\$ 3,828,615	\$ 3,608,959	\$ 3,776,955
Contributions in relation to the contractually required contribution	<u>(3,893,720)</u>	<u>(3,828,615)</u>	<u>(3,608,959)</u>	<u>(3,776,955)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 27,812,288	\$ 27,347,250	\$ 25,778,279	\$ 26,978,250
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 3,738,592	\$ 3,400,109	\$ 3,167,973	\$ 3,433,177	\$ 3,235,398	\$ 3,323,424
<u>(3,738,592)</u>	<u>(3,400,109)</u>	<u>(3,167,973)</u>	<u>(3,433,177)</u>	<u>(3,235,398)</u>	<u>(3,323,424)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,704,226	\$ 26,154,685	\$ 24,369,023	\$ 26,409,054	\$ 24,887,677	\$ 25,564,800
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2019	2018	2017
School District's proportion of the net OPEB liability	0.2791138%	0.2796474%	0.2878318%
School District's proportionate share of the net OPEB liability	\$ 7,743,371	\$ 7,505,001	\$ 8,204,271
School District's covered payroll	\$ 8,661,674	\$ 8,148,014	\$ 7,323,529
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.40%	92.11%	112.03%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

(1) Information prior to 2016 is not available. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

See accompanying notes to required supplementary information.

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2019	2018	2017
School District's proportion of the net OPEB liability/asset	0.24308821%	0.25480111%	0.2530936%
School District's proportionate share of the net OPEB liability (asset)	\$ (3,906,180)	\$ 9,941,399	\$ 13,535,512
School District's covered payroll	\$ 27,347,250	\$ 25,778,279	\$ 26,978,250
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-14.28%	38.57%	50.17%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	176.00%	47.10%	37.30%

(1) Information prior to 2016 is not available. This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

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

See accompanying notes to required supplementary information.

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - OPEB
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution (1)	\$ 209,965	\$ 194,047	\$ 153,117	\$ 147,209
Contributions in relation to the contractually required contribution	(209,965)	(194,047)	(153,117)	(147,209)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District covered payroll	\$ 8,745,010	\$ 8,661,674	\$ 8,148,014	\$ 7,323,529
OPEB contributions as a percentage of covered payroll	2.40%	2.24%	1.88%	2.01%

(1) Includes Surcharge

See accompanying notes to required supplementary information.

2015	2014	2013	2012	2011	2010
<u>\$ 67,442</u>	<u>\$ 164,260</u>	<u>\$ 201,617</u>	<u>\$ 149,025</u>	<u>\$ 144,289</u>	<u>\$ 220,656</u>
<u>(67,442)</u>	<u>(164,260)</u>	<u>(201,617)</u>	<u>(149,025)</u>	<u>(144,289)</u>	<u>(220,656)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,224,609	\$ 8,191,847	\$ 6,744,335	\$ 7,834,290	\$ 7,414,193	\$ 7,446,477
0.82%	2.01%	2.99%	1.90%	1.95%	2.96%

NORTH OLMSTED CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS - OPEB
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 27,812,288	\$ 27,347,250	\$ 25,778,279	\$ 26,978,250
OPEB contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to required supplementary information.

2015	2014	2013	2012	2011	2010
\$ -	\$ 261,547	\$ 243,690	\$ 264,091	\$ 248,877	\$ 255,648
-	(261,547)	(243,690)	(264,091)	(248,877)	(255,648)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 26,704,226	\$ 26,154,685	\$ 24,369,023	\$ 26,409,054	\$ 24,887,677	\$ 25,564,800
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

NOTE 1 - PENSION

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms – Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Changes in assumptions – The COLA was changed from a fixed 3.00 percent to a COLA that is indexed to CPI-W not greater than 2.50 percent with a floor of 0.0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB49, the Board has enacted a three year COLA delay for benefit recipients in calendar years 2018, 2019 and 2020.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefits terms - Effective July 1, 2017, the COLA was reduced to zero.

Changes in assumptions - There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2017-2018. See the notes to the basic financial statements for the methods and assumptions in this calculation.

NOTE 2 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms and funding terms – In fiscal year 2018, SERS' fund policy allowed a 2.0 percent health care contribution rate to allocated to the health care fund. The 2.0 percent is a combination of 0.5 percent employer contribution and 1.5 percent surcharge.

Changes in assumptions – Medical trend rates have been adjusted to reflect premium decreases.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

NOTE 2 – OTHER POST EMPLOYMENT BENEFITS (OPEB))continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in assumptions - For fiscal year 2019, the discount rate was increased from 4.13 percent to 7.45 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return is expected to remain at 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service, maximum of 30 years. In addition, the Part B monthly reimbursement was extended to expire on January 1, 2020, instead of January 1, 2019.

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**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.

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)

SPECIAL REVENUE FUNDS (continued)

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

Miscellaneous Local Projects - This fund accounts contributions for school district programs.

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

Other Grants – This fund is used for various monies received from various sources

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 all transactions related to the acquiring, constructing, or improving facilities and/or capital assets.

Building Fund – This fund accounts for bond proceeds to be used for the acquisition, construction, or improvement of major capital facilities.

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 2,828,726	\$ 2,854,715	\$ 3,883,568	\$ 9,567,009
Receivables, net of allowance				
Taxes, current	-	4,421,373	952,934	5,374,307
Taxes, delinquent	-	107,200	27,000	134,200
Accounts and other	835	-	3,707	4,542
Intergovernmental receivables	18,281	-	-	18,281
Inventories and supplies	25,153	-	-	25,153
Total assets	\$ 2,872,995	\$ 7,383,288	\$ 4,867,209	\$ 15,123,492
Liabilities				
Accounts and contracts payable	\$ 143,739	\$ -	\$ 351,446	\$ 495,185
Accrued salaries, wages and benefits	187,326	-	-	187,326
Intergovernmental payable	63,172	-	-	63,172
Interfund payable	585,348	-	-	585,348
Total liabilities	979,585	-	351,446	1,331,031
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	-	3,768,664	805,452	4,574,116
Total deferred inflows of resources	-	3,768,664	805,452	4,574,116
Fund balances (deficits)				
Nonspendable	25,153	-	-	25,153
Restricted	2,215,552	3,614,624	3,710,311	9,540,487
Unassigned	(347,295)	-	-	(347,295)
Total fund balances (deficits)	1,893,410	3,614,624	3,710,311	9,218,345
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 2,872,995	\$ 7,383,288	\$ 4,867,209	\$ 15,123,492

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenue				
Taxes	\$ 391,956	\$ 4,759,798	\$ 669,289	\$ 5,821,043
Interest	8,501	-	167,959	176,460
Intergovernmental	2,727,461	131,381	125,447	2,984,289
Charges for services	426,188	-	-	426,188
Extracurricular	309,627	-	-	309,627
Other	850	-	-	850
Total revenues	<u>3,864,583</u>	<u>4,891,179</u>	<u>962,695</u>	<u>9,718,457</u>
Expenditures				
Current				
Instruction				
Regular	634,829	-	131,479	766,308
Vocational	11,538	-	-	11,538
Supporting services				
Pupil	860,850	-	-	860,850
Instructional staff	208,158	-	-	208,158
Administration	-	-	109,837	109,837
Fiscal services	-	-	3,691	3,691
Business	-	-	163,706	163,706
Operation and maintenance	27,554	-	59,309	86,863
Pupil transportation	19,934	-	253,578	273,512
Central services	51,075	-	-	51,075
Operation of non-instructional services				
Food service operation	1,231,677	-	-	1,231,677
Community services	217,236	-	-	217,236
Extracurricular activities	325,674	-	17,466	343,140
Capital outlay	-	-	2,010,989	2,010,989
Debt service				
Principal	-	1,550,000	-	1,550,000
Interest	-	2,632,725	-	2,632,725
Total expenditures	<u>3,588,525</u>	<u>4,182,725</u>	<u>2,750,055</u>	<u>10,521,305</u>
Excess (deficiency) of revenues over expenditures	<u>276,058</u>	<u>708,454</u>	<u>(1,787,360)</u>	<u>(802,848)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	68,984	68,984
Transfers-in	50,000	-	-	50,000
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>68,984</u>	<u>118,984</u>
Net change in fund balances	326,058	708,454	(1,718,376)	(683,864)
Fund balances, beginning of year	<u>1,567,352</u>	<u>2,906,170</u>	<u>5,428,687</u>	<u>9,902,209</u>
Fund balances, end of year	<u>\$ 1,893,410</u>	<u>\$ 3,614,624</u>	<u>\$ 3,710,311</u>	<u>\$ 9,218,345</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Food Service	Classroom Facilities and Maintenance	Athletics	Auxiliary Service
Assets				
Equity in pooled cash	\$ 392,440	\$ 1,753,615	\$ 176,713	\$ 35,238
Accounts and other	835	-	-	-
Intergovernmental receivables	18,281	-	-	-
Inventories and supplies	25,153	-	-	-
Total assets	\$ 436,709	\$ 1,753,615	\$ 176,713	\$ 35,238
Liabilities				
Accounts and contracts payable	\$ 26,177	\$ 14,205	\$ 9,926	\$ 26,128
Accrued salaries, wages and benefits	49,764	-	-	5,638
Intergovernmental payable	39,248	-	-	1,618
Interfund payable	-	-	-	-
Total liabilities	115,189	14,205	9,926	33,384
Fund balances (deficits)				
Nonspendable	25,153	-	-	-
Restricted	296,367	1,739,410	166,787	1,854
Unassigned	-	-	-	-
Total fund balances (deficits)	321,520	1,739,410	166,787	1,854
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 436,709	\$ 1,753,615	\$ 176,713	\$ 35,238

<u>Data Communications</u>	<u>Title VIB</u>	<u>Limited English Proficiency</u>	<u>Title I</u>
\$ -	\$ 205,485	\$ 11,450	\$ 141,601
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ 205,485</u>	<u>\$ 11,450</u>	<u>\$ 141,601</u>
\$ -	\$ 58,408	\$ 1,268	\$ 4,818
-	36,226	4,960	79,200
-	3,069	929	15,980
-	257,680	12,940	180,084
<u>-</u>	<u>355,383</u>	<u>20,097</u>	<u>280,082</u>
-	-	-	-
-	-	-	-
-	(149,898)	(8,647)	(138,481)
<u>-</u>	<u>(149,898)</u>	<u>(8,647)</u>	<u>(138,481)</u>
<u>\$ -</u>	<u>\$ 205,485</u>	<u>\$ 11,450</u>	<u>\$ 141,601</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2019

(CONCLUDED)

	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets				
Equity in pooled cash	\$ -	\$ 35,202	\$ 76,982	\$ 2,828,726
Accounts and other	-	-	-	835
Intergovernmental receivables	-	-	-	18,281
Inventories and supplies	-	-	-	25,153
Total assets	\$ -	\$ 35,202	\$ 76,982	\$ 2,872,995
Liabilities				
Accounts and contracts payable	\$ -	\$ 2,809	\$ -	\$ 143,739
Accrued salaries, wages and benefits	-	11,538	-	187,326
Intergovernmental payable	-	2,328	-	63,172
Interfund payable	2,045	66,751	65,848	585,348
Total liabilities	2,045	83,426	65,848	979,585
Fund balances (deficits)				
Nonspendable	-	-	-	25,153
Restricted	-	-	11,134	2,215,552
Unassigned	(2,045)	(48,224)	-	(347,295)
Total fund balances (deficits)	(2,045)	(48,224)	11,134	1,893,410
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ -	\$ 35,202	\$ 76,982	\$ 2,872,995

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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, 2019

	Food Service	Classroom Facilities and Maintenance	Athletics	Auxiliary Service
Revenue				
Taxes	\$ -	\$ 391,956	\$ -	\$ -
Interest	7,476	-	-	1,025
Intergovernmental	808,942	-	-	136,761
Charges for services	426,188	-	-	-
Extracurricular	-	-	309,627	-
Other	850	-	-	-
Total revenues	<u>1,243,456</u>	<u>391,956</u>	<u>309,627</u>	<u>137,786</u>
Expenditures				
Current				
Instruction				
Regular	-	-	-	-
Vocational	-	-	-	-
Supporting services				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Operation and maintenance	-	14,674	-	-
Pupil transportation	-	-	-	-
Central services	-	-	-	-
Operation of non-instructional services				
Food service operation	1,231,647	-	-	30
Community services	-	-	-	144,707
Extracurricular activities	-	-	325,674	-
Total expenditures	<u>1,231,647</u>	<u>14,674</u>	<u>325,674</u>	<u>144,737</u>
Excess (deficiency) of revenues over expenditures	<u>11,809</u>	<u>377,282</u>	<u>(16,047)</u>	<u>(6,951)</u>
Other financing sources (uses)				
Transfers-in	50,000	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	61,809	377,282	(16,047)	(6,951)
Fund balances, beginning of year	<u>259,711</u>	<u>1,362,128</u>	<u>182,834</u>	<u>8,805</u>
Fund balances, end of year	<u>\$ 321,520</u>	<u>\$ 1,739,410</u>	<u>\$ 166,787</u>	<u>\$ 1,854</u>

Data Communications	Title VIB	Limited English Proficiency	Title I
\$ -	\$ -	\$ -	\$ -
-	-	-	-
14,400	734,566	46,133	748,380
-	-	-	-
-	-	-	-
-	-	-	-
<u>14,400</u>	<u>734,566</u>	<u>46,133</u>	<u>748,380</u>
-	4,860	-	629,969
-	-	-	-
-	708,459	46,551	81,036
-	-	1,136	1,825
-	-	-	-
-	19,934	-	-
51,075	-	-	-
-	-	-	-
-	54,168	-	9,798
-	-	-	-
<u>51,075</u>	<u>787,421</u>	<u>47,687</u>	<u>722,628</u>
<u>(36,675)</u>	<u>(52,855)</u>	<u>(1,554)</u>	<u>25,752</u>
-	-	-	-
-	-	-	-
(36,675)	(52,855)	(1,554)	25,752
36,675	(97,043)	(7,093)	(164,233)
<u>\$ -</u>	<u>\$ (149,898)</u>	<u>\$ (8,647)</u>	<u>\$ (138,481)</u>

(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, 2019

(CONCLUDED)

	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 391,956
Interest	-	-	-	8,501
Intergovernmental	23,448	178,670	36,161	2,727,461
Charges for services	-	-	-	426,188
Extracurricular	-	-	-	309,627
Other	-	-	-	850
Total revenues	<u>23,448</u>	<u>178,670</u>	<u>36,161</u>	<u>3,864,583</u>
Expenditures				
Current				
Instruction				
Regular	-	-	-	634,829
Vocational	-	11,538	-	11,538
Supporting services				
Pupil	18,054	-	6,750	860,850
Instructional staff	-	205,197	-	208,158
Operation and maintenance	-	-	12,880	27,554
Pupil transportation	-	-	-	19,934
Central services	-	-	-	51,075
Operation of non-instructional services				
Food service operation	-	-	-	1,231,677
Community services	-	5,677	2,886	217,236
Extracurricular activities	-	-	-	325,674
Total expenditures	<u>18,054</u>	<u>222,412</u>	<u>22,516</u>	<u>3,588,525</u>
Excess (deficiency) of revenues over expenditures	<u>5,394</u>	<u>(43,742)</u>	<u>13,645</u>	<u>276,058</u>
Other financing sources (uses)				
Transfers-in	-	-	-	50,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net change in fund balances	5,394	(43,742)	13,645	326,058
Fund balances, beginning of year	<u>(7,439)</u>	<u>(4,482)</u>	<u>(2,511)</u>	<u>1,567,352</u>
Fund balances, end of year	<u>\$ (2,045)</u>	<u>\$ (48,224)</u>	<u>\$ 11,134</u>	<u>\$ 1,893,410</u>

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NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2019

	Permanent Improvements Fund	Building Fund	Total Capital Projects Funds
Assets			
Equity in pooled cash	\$ 1,772,473	\$ 2,111,095	\$ 3,883,568
Receivables, net of allowance			
Taxes, current	952,934	-	952,934
Taxes, delinquent	27,000	-	27,000
Accounts and other	3,707	-	3,707
Total assets	<u>\$ 2,756,114</u>	<u>\$ 2,111,095</u>	<u>\$ 4,867,209</u>
Liabilities			
Accounts and contracts payable	\$ 26,141	\$ 325,305	\$ 351,446
Total liabilities	<u>26,141</u>	<u>325,305</u>	<u>351,446</u>
Deferred inflows of resources			
Property taxes levied for next year and unavailable resources	805,452	-	805,452
Total deferred inflows of resources	<u>805,452</u>	<u>-</u>	<u>805,452</u>
Fund balances (deficits)			
Restricted	1,924,521	1,785,790	3,710,311
Total fund balances (deficits)	<u>1,924,521</u>	<u>1,785,790</u>	<u>3,710,311</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,756,114</u>	<u>\$ 2,111,095</u>	<u>\$ 4,867,209</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Permanent Improvements Fund	Building Fund	Total Capital Projects Funds
Revenue			
Taxes	\$ 669,289	\$ -	\$ 669,289
Interest	34,539	133,420	167,959
Intergovernmental	125,447	-	125,447
Total revenues	<u>829,275</u>	<u>133,420</u>	<u>962,695</u>
Expenditures			
Current			
Instruction			
Regular	131,479	-	131,479
Supporting services			
Administration	109,837	-	109,837
Fiscal services	-	3,691	3,691
Business	163,706	-	163,706
Operation and maintenance	59,309	-	59,309
Pupil transportation	253,578	-	253,578
Extracurricular activities	17,466	-	17,466
Capital outlay	-	2,010,989	2,010,989
Total expenditures	<u>735,375</u>	<u>2,014,680</u>	<u>2,750,055</u>
Excess (deficiency) of revenues over expenditures	<u>93,900</u>	<u>(1,881,260)</u>	<u>(1,787,360)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	68,984	-	68,984
Total other financing sources (uses)	<u>68,984</u>	<u>-</u>	<u>68,984</u>
Net change in fund balances	162,884	(1,881,260)	(1,718,376)
Fund balances, beginning of year	<u>1,761,637</u>	<u>3,667,050</u>	<u>5,428,687</u>
Fund balances, end of year	<u>\$ 1,924,521</u>	<u>\$ 1,785,790</u>	<u>\$ 3,710,311</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, 2019

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Taxes	\$ 38,400,000	\$ 38,400,000	\$ 38,576,959	\$ 176,959
Payments in lieu of taxes	1,240,000	1,126,000	1,131,233	5,233
Tuition and fees	816,000	648,800	671,796	22,996
Interest	450,000	588,000	636,985	48,985
Extracurricular	36,000	36,000	39,648	3,648
Intergovernmental	14,245,000	14,010,000	14,013,912	3,912
Other	1,016,000	989,500	1,053,489	63,989
Total revenues	56,203,000	55,798,300	56,124,022	325,722
Expenditures				
Current				
Instruction				
Regular				
Salaries	17,246,400	16,999,800	16,925,112	74,688
Benefits	7,463,018	7,601,153	7,537,083	64,070
Purchased services	1,221,439	1,291,877	1,252,216	39,661
Materials and supplies	570,522	440,313	397,035	43,278
Capital outlay	10,442	150,653	142,289	8,364
Other	25,750	25,750	24,272	1,478
Total regular	26,537,571	26,509,546	26,278,007	231,539
Special				
Salaries	6,278,900	6,253,900	6,238,397	15,503
Benefits	2,717,062	2,791,900	2,768,514	23,386
Purchased services	664,673	839,173	830,871	8,302
Materials and supplies	3,550	3,500	1,624	1,876
Total special	9,664,185	9,888,473	9,839,406	49,067
Vocational				
Salaries	277,500	277,500	277,425	75
Benefits	120,082	124,600	123,543	1,057
Materials and supplies	13,883	14,583	13,096	1,487
Total vocational	411,465	416,683	414,064	2,619
Other instruction				
Salaries	64,000	68,000	67,025	975
Benefits	27,695	30,100	29,848	252
Purchased services	355,000	400,000	354,792	45,208
Total other instruction	446,695	498,100	451,665	46,435
Total instruction	37,059,916	37,312,802	36,983,142	329,660

(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, 2019

GENERAL FUND (continued)				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Supporting services				
Pupil				
Salaries	2,943,200	3,040,400	3,026,699	13,701
Benefits	1,273,608	1,361,400	1,349,868	11,532
Purchased services	654,924	649,604	572,695	76,909
Materials and supplies	15,900	17,067	14,363	2,704
Capital outlay	5,000	5,000	990	4,010
Total pupil	4,892,632	5,073,471	4,964,615	108,856
Instructional staff				
Salaries	607,200	619,000	589,279	29,721
Benefits	262,753	254,000	251,702	2,298
Purchased services	72,952	81,274	68,052	13,222
Materials and supplies	94,036	94,067	81,237	12,830
Capital outlay	4,900	3,860	909	2,951
Total instructional staff	1,041,841	1,052,201	991,179	61,022
Board of education				
Salaries	20,000	20,000	18,805	1,195
Benefits	8,655	3,000	2,977	23
Purchased services	425,499	423,499	303,855	119,644
Total board of education	454,154	446,499	325,637	120,862
Administration				
Salaries	2,538,600	2,605,100	2,594,963	10,137
Benefits	1,098,526	1,167,800	1,157,941	9,859
Purchased services	68,283	82,528	34,241	48,287
Materials and supplies	33,350	34,990	22,369	12,621
Other	33,000	33,000	26,939	6,061
Total administration	3,771,759	3,923,418	3,836,453	86,965
Fiscal services				
Salaries	463,700	497,000	496,645	355
Benefits	200,655	250,900	246,903	3,997
Purchased services	17,000	24,000	16,927	7,073
Materials and supplies	3,285	5,285	5,070	215
Capital outlay	28,565	19,665	2,691	16,974
Other	734,000	709,000	697,762	11,238
Total fiscal services	1,447,205	1,505,850	1,465,998	39,852
Business				
Salaries	44,600	44,900	44,539	361
Benefits	19,300	19,700	19,525	175
Purchased services	51,882	58,249	53,852	4,397
Total business	115,782	122,849	117,916	4,933

(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, 2019

GENERAL FUND (continued)				Variance with
	Budget Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Operation and maintenance				
Salaries	1,850,900	1,807,700	1,794,111	13,589
Benefits	800,938	806,800	800,192	6,608
Purchased services	1,275,371	1,424,766	1,295,578	129,188
Materials and supplies	135,574	209,894	174,072	35,822
Other	5,500	5,500	4,065	1,435
Total operation and maintenance	4,068,283	4,254,660	4,068,018	186,642
Pupil transportation				
Salaries	1,241,800	1,264,100	1,258,439	5,661
Benefits	537,363	564,100	559,332	4,768
Purchased services	430,276	428,031	391,320	36,711
Materials and supplies	299,811	315,383	286,461	28,922
Capital outlay	2,000	2,411	2,411	-
Total pupil transportation	2,511,250	2,574,025	2,497,963	76,062
Central services				
Salaries	683,900	709,200	708,691	509
Benefits	295,943	354,300	345,977	8,323
Purchased services	531,312	604,362	586,717	17,645
Materials and supplies	52,706	66,446	61,431	5,015
Total central services	1,563,861	1,734,308	1,702,816	31,492
Total supporting services	19,866,767	20,687,281	19,970,595	716,686
Operation of non-instructional				
Food service operation				
Salaries	45,300	45,200	44,929	271
Benefits	19,603	19,900	19,696	204
Total food service operation	64,903	65,100	64,625	475
Community services				
Purchased services	6,300	13,860	11,846	2,014
Total community services	6,300	13,860	11,846	2,014
Total operation of non-instructional	71,203	78,960	76,471	2,489

(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, 2019

GENERAL FUND (concluded)				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Extracurricular activities				
Academic and subject oriented				
Salaries	278,000	290,100	285,171	4,929
Benefits	120,299	127,900	126,657	1,243
Purchased services	-	2,850	2,850	-
Total academic and subject oriented	398,299	420,850	414,678	6,172
Sports oriented				
Salaries	773,000	795,300	784,625	10,675
Benefits	334,500	349,700	346,685	3,015
Purchased services	33,586	34,722	26,658	8,064
Capital outlay	5,664	14,564	14,564	-
Other	3,750	3,750	3,750	-
Total sports oriented	1,150,500	1,198,036	1,176,282	21,754
Total extracurricular activities	1,548,799	1,618,886	1,590,960	27,926
Debt service				
Principal	270,000	270,000	270,000	-
Interest and fiscal charges	37,000	36,855	36,855	-
Total debt service	307,000	306,855	306,855	-
Total expenditures	58,853,685	60,004,784	58,928,023	1,076,761
Excess (deficiency) of revenues over expenditures	(2,650,685)	(4,206,484)	(2,804,001)	1,402,483
Other financing sources (uses)				
Advances-in	477,000	477,028	477,028	-
Refund prior year expenditure	-	-	38,451	38,451
Advances-out	(500,000)	(585,348)	(585,348)	-
Transfers-out	(250,000)	(100,000)	(50,000)	50,000
Total other financing sources (uses)	(273,000)	(208,320)	(119,869)	88,451
Net change in fund balance	(2,923,685)	(4,414,804)	(2,923,870)	1,490,934
Fund balance, beginning of year	18,458,382	18,458,382	18,458,382	-
Prior year encumbrances appropriated	533,686	533,686	533,686	-
Fund balance, end of year	\$ 16,068,383	\$ 14,577,264	\$ 16,068,198	\$ 1,490,934

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, 2019

CLASSROOM FACILITIES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 420,000	\$ 447,000	\$ 472,922	\$ 25,922
Intergovernmental	4,000,000	2,240,541	2,506,607	266,066
Total revenues	4,420,000	2,687,541	2,979,529	291,988
Expenditures				
Current				
Fiscal services				
Purchased services	42,000	29,000	22,373	6,627
Total fiscal services	42,000	29,000	22,373	6,627
Total supporting services	42,000	29,000	22,373	6,627
Capital outlay	47,438,968	49,738,968	48,037,255	1,701,713
Total expenditures	47,480,968	49,767,968	48,059,628	1,708,340
Net change in fund balance	(43,060,968)	(47,080,427)	(45,080,099)	2,000,328
Fund balance, beginning of year	4,046,756	4,046,756	4,046,756	-
Prior year encumbrances appropriated	43,438,968	43,438,968	43,438,968	-
Fund balance, end of year	\$ 4,424,756	\$ 405,297	\$ 2,405,625	\$ 2,000,328

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, 2019

FOOD SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ 6,600	\$ 6,641	\$ 41
Charges for services	414,500	413,100	426,188	13,088
Intergovernmental	654,850	829,100	829,487	387
Other	-	800	850	50
Total revenues	1,069,350	1,249,600	1,263,166	13,566
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	416,400	397,000	378,018	18,982
Benefits	113,500	190,500	183,075	7,425
Purchased services	714,000	714,000	674,343	39,657
Materials and supplies	5,000	5,000	1,878	3,122
Capital outlay	5,000	5,000	1,512	3,488
Total food service operation	1,253,900	1,311,500	1,238,826	72,674
Total operation of non-instructional	1,253,900	1,311,500	1,238,826	72,674
Total expenditures	1,253,900	1,311,500	1,238,826	72,674
Excess (deficiency) of revenues over expenditures	(184,550)	(61,900)	24,340	86,240
Other financing sources (uses)				
Transfers-in	75,000	50,000	50,000	-
Total other financing sources (uses)	75,000	50,000	50,000	-
Net change in fund balance	(109,550)	(11,900)	74,340	86,240
Fund balance, beginning of year	193,100	193,100	193,100	-
Prior year encumbrances appropriated	60,000	60,000	60,000	-
Fund balance, end of year	\$ 143,550	\$ 241,200	\$ 327,440	\$ 86,240

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, 2019

CLASSROOM FACILITIES AND MAINTENANCE

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ -	\$ 391,956	\$ 391,956	\$ -
Total revenues	-	391,956	391,956	-
Expenditures				
Purchased services	52,000	52,000	51,169	831
Total expenditures	52,000	52,000	51,169	831
Net change in fund balance	(52,000)	339,956	340,787	831
Fund balance, beginning of year	1,362,128	1,362,128	1,362,128	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 1,310,128	\$ 1,702,084	\$ 1,702,915	\$ 831

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, 2019

ATHLETICS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Extracurricular	\$ 435,000	\$ 298,591	\$ 309,627	\$ 11,036
Total revenues	435,000	298,591	309,627	11,036
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	49,360	50,160	45,333	4,827
Materials and supplies	5,340	5,660	5,400	260
Capital outlay	34,374	34,494	30,990	3,504
Other	388,758	343,610	282,531	61,079
Total sports oriented	477,832	433,924	364,254	69,670
Total extracurricular activities	477,832	433,924	364,254	69,670
Total expenditures	477,832	433,924	364,254	69,670
Net change in fund balance	(42,832)	(135,333)	(54,627)	80,706
Fund balance, beginning of year	165,035	165,035	165,035	-
Prior year encumbrances appropriated	42,972	42,972	42,972	-
Fund balance, end of year	\$ 165,175	\$ 72,674	\$ 153,380	\$ 80,706

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, 2019

AUXILIARY SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ 1,025	\$ 1,025	\$ -
Intergovernmental	129,854	136,761	136,761	-
Total revenues	129,853	137,786	137,786	-
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	45,012	44,833	39,195	5,638
Benefits	8,549	8,503	7,518	985
Purchased services	59,158	51,760	51,760	-
Materials and supplies	23,336	32,164	32,155	9
Capital outlay	13,167	19,579	19,579	-
Other	5,194	5,510	5,510	-
Total community services	154,416	162,349	155,717	6,632
Total operation of non-instructional	154,416	162,349	155,717	6,632
Total expenditures	154,416	162,349	155,717	6,632
Net change in fund balance	(24,563)	(24,563)	(17,931)	6,632
Fund balance, beginning of year	16,736	16,736	16,736	-
Prior year encumbrances appropriated	7,827	7,827	7,827	-
Fund balance, end of year	\$ -	\$ -	\$ 6,632	\$ 6,632

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, 2019

DATA COMMUNICATIONS FUND				Variance w ith Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ -	\$ 14,400	\$ 14,400	\$ -
Total revenues	-	14,400	14,400	-
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	36,675	51,075	51,075	-
Total central services	36,675	51,075	51,075	-
Total supporting services	36,675	51,075	51,075	-
Total expenditures	36,675	51,075	51,075	-
Excess (deficiency) of revenues over expenditures	(36,675)	(36,675)	(36,675)	-
Net change in fund balance	(36,675)	(36,675)	(36,675)	-
Fund balance, beginning of year	36,675	36,675	36,675	-
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, 2019

	TITLE VI-B FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 985,515	\$ 992,246	\$ 734,566	\$ (257,680)
Total revenues	985,515	992,246	734,566	(257,680)
Expenditures				
Current				
Instruction				
Regular				
Capital outlay	5,082	5,000	4,860	140
Total regular	5,082	5,000	4,860	140
Total instruction	5,082	5,000	4,860	140
Supporting services				
Pupil				
Salaries	338,570	316,366	222,578	93,788
Benefits	176,330	191,095	165,251	25,844
Purchased services	329,264	351,036	333,480	17,556
Materials and supplies	38,014	30,504	24,824	5,680
Total pupil	882,178	889,001	746,133	142,868
Pupil transportation				
Purchased services	20,000	20,000	20,000	-
Total pupil transportation	20,000	20,000	20,000	-
Total supporting services	902,178	909,001	766,133	142,868
Operation of non-instructional				
Community services				
Salaries	15,819	15,799	13,197	2,602
Benefits	2,546	2,556	2,230	326
Total community services	18,365	18,355	15,427	2,928
Total operation of non-instructional	18,365	18,355	15,427	2,928
Total expenditures	925,625	932,356	786,420	145,936
Excess (deficiency) of revenues over expenditures	59,890	59,890	(51,854)	(111,744)
Other financing sources (uses)				
Advances-in	-	-	257,680	257,680
Advances-out	(174,414)	(174,414)	(174,414)	-
Total other financing sources (uses)	(174,414)	(174,414)	83,266	257,680
Net change in fund balance	(114,524)	(114,524)	31,412	145,936
Fund balance, beginning of year	113,786	113,786	113,786	-
Prior year encumbrances appropriated	738	738	738	-
Fund balance, end of year	\$ -	\$ -	\$ 145,936	\$ 145,936

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, 2019

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 55,298	\$ 59,073	\$ 46,133	\$ (12,940)
Total revenues	55,298	59,073	46,133	(12,940)
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	50,404	40,223	32,157	8,066
Benefits	1,079	4,981	4,981	-
Purchased services	-	10,731	9,480	1,251
Total pupil	51,483	55,935	46,618	9,317
Instructional staff				
Purchased services	2,677	2,000	1,136	864
Total instructional staff	2,677	2,000	1,136	864
Total supporting services	54,160	57,935	47,754	10,181
Total expenditures	54,160	57,935	47,754	10,181
Excess (deficiency) of revenues over expenditures	1,138	1,138	(1,621)	(2,759)
Other financing sources (uses)				
Advances-in	-	-	12,940	12,940
Advances-out	(19,977)	(19,977)	(19,977)	-
Total other financing sources (uses)	(19,977)	(19,977)	(7,037)	12,940
Net change in fund balance	(18,839)	(18,839)	(8,658)	10,181
Fund balance, beginning of year	18,839	18,839	18,839	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 10,181	\$ 10,181

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, 2019

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 925,533	\$ 928,464	\$ 748,380	\$ (180,084)
Total revenues	925,533	928,464	748,380	(180,084)
Expenditures				
Current				
Instruction				
Regular				
Salaries	537,579	544,372	470,700	73,672
Benefits	200,534	212,211	185,028	27,183
Materials and supplies	3,387	5,048	4,965	83
Total regular	741,500	761,631	660,693	100,938
Total instruction	741,500	761,631	660,693	100,938
Supporting services				
Pupil				
Salaries	58,280	58,280	50,439	7,841
Benefits	26,450	25,923	22,479	3,444
Total pupil	84,730	84,203	72,918	11,285
Instructional staff				
Purchased services	3,492	1,860	119	1,741
Materials and supplies	6,012	6,000	2,042	3,958
Total instructional staff	9,504	7,860	2,161	5,699
Administration				
Salaries	16,158	9,000	-	9,000
Benefits	3,447	2,000	-	2,000
Purchased services	2,500	1,000	-	1,000
Materials and supplies	1,000	-	-	-
Total administration	23,105	12,000	-	12,000
Total supporting services	117,339	104,063	75,079	28,984
Operation of non-instructional				
Community services				
Salaries	2,461	2,825	2,474	351
Benefits	683	515	418	97
Purchased services	16,694	5,699	694	5,005
Materials and supplies	-	6,875	6,573	302
Total community services	19,838	15,914	10,159	5,755
Total operation of non-instructional	19,838	15,914	10,159	5,755
Total expenditures	878,677	881,608	745,931	135,677
Excess (deficiency) of revenues over expenditures	46,856	46,856	2,449	(44,407)
Other financing sources (uses)				
Advances-in	-	-	180,084	180,084
Advances-out	(160,497)	(160,497)	(160,497)	-
Total other financing sources (uses)	(160,497)	(160,497)	19,587	180,084
Net change in fund balance	(113,641)	(113,641)	22,036	135,677
Fund balance, beginning of year	112,340	112,340	112,340	-
Prior year encumbrances appropriated	1,301	1,301	1,301	-
Fund balance, end of year	\$ -	\$ -	\$ 135,677	\$ 135,677

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, 2019

PRESCHOOL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 25,489	\$ 25,493	\$ 23,448	\$ (2,045)
Total revenues	25,489	25,493	23,448	(2,045)
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	23,996	24,000	24,000	-
Total pupil	23,996	24,000	24,000	-
Total supporting services	23,996	24,000	24,000	-
Total expenditures	23,996	24,000	24,000	-
Excess (deficiency) of revenues over expenditures	1,493	1,493	(552)	(2,045)
Other financing sources (uses)				
Advances-in	-	-	2,045	2,045
Advances-out	(5,081)	(5,081)	(5,081)	-
Total other financing sources (uses)	(5,081)	(5,081)	(3,036)	2,045
Net change in fund balance	(3,588)	(3,588)	(3,588)	-
Fund balance, beginning of year	3,588	3,588	3,588	-
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, 2019

TITLE II-A FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 245,421	\$ 245,421	\$ 178,670	\$ (66,751)
Total revenues	245,421	245,421	178,670	(66,751)
Expenditures				
Current				
Instruction				
Regular				
Purchased services	134	134	-	134
Total regular	134	134	-	134
Total instruction	134	134	-	134
Supporting services				
Instructional staff				
Salaries	103,552	102,579	86,737	15,842
Benefits	13,174	30,334	20,562	9,772
Purchased services	98,015	96,685	93,480	3,205
Materials and supplies	19,842	5,000	2,240	2,760
Total instructional staff	234,583	234,598	203,019	31,579
Total supporting services	234,583	234,598	203,019	31,579
Operation of non-instructional				
Community services				
Purchased services	6,448	6,433	5,792	641
Total community services	6,448	6,433	5,792	641
Total operation of non-instructional	6,448	6,433	5,792	641
Total expenditures	241,165	241,165	208,811	32,354
Excess (deficiency) of revenues over expenditures	4,256	4,256	(30,141)	(34,397)
Other financing sources (uses)				
Advances-in	-	-	66,751	66,751
Advances-out	(101,691)	(101,691)	(101,691)	-
Total other financing sources (uses)	(101,691)	(101,691)	(34,940)	66,751
Net change in fund balance	(97,435)	(97,435)	(65,081)	32,354
Fund balance, beginning of year	48,885	48,885	48,885	-
Prior year encumbrances appropriated	48,550	48,550	48,550	-
Fund balance, end of year	\$ -	\$ -	\$ 32,354	\$ 32,354

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, 2019

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 80,879	\$ 102,009	\$ 36,161	\$ (65,848)
Total revenues	80,879	102,009	36,161	(65,848)
Expenditures				
Current				
Instruction				
Regular				
Materials and supplies	73,070	-	-	-
Total regular	73,070	-	-	-
Total instruction	73,070	-	-	-
Supporting services				
Pupil				
Purchased services	3,380	7,000	6,750	250
Total pupil	3,380	7,000	6,750	250
Instructional staff				
Purchased services	1,918	10,152	-	10,152
Total instructional staff	1,918	10,152	-	10,152
Operation and maintenance				
Purchased services	20,978	69,421	12,880	56,541
Materials and supplies	-	10,000	-	10,000
Total operation and maintenance	20,978	79,421	12,880	66,541
Total supporting services	26,276	96,573	19,630	76,943
Operation of non-instructional				
Community services				
Purchased services	-	2,925	2,886	39
Total community services	-	2,925	2,886	39
Total operation of non-instructional	-	2,925	2,886	39
Total expenditures	99,346	99,498	22,516	76,982
Excess (deficiency) of revenues over expenditures	(18,467)	2,511	13,645	11,134
Other financing sources (uses)				
Advances-in	-	-	65,848	65,848
Advances-out	(10,368)	(10,368)	(10,368)	-
Total other financing sources (uses)	(10,368)	(10,368)	55,480	65,848
Net change in fund balance	(28,835)	(7,857)	69,125	76,982
Fund balance, beginning of year	4,503	4,503	4,503	-
Prior year encumbrances appropriated	3,354	3,354	3,354	-
Fund balance, end of year	\$ (20,978)	\$ -	\$ 76,982	\$ 76,982

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, 2019

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$ -	\$ 4,500	\$ 4,500	\$ -
Total revenues	-	4,500	4,500	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	500	500	-	500
Materials and supplies	250	250	-	250
Total instructional staff	750	750	-	750
Extracurricular activities				
Academic and subject oriented				
Other	6,000	9,000	9,000	-
Total academic and subject oriented	6,000	9,000	9,000	-
Total extracurricular activities	6,000	9,000	9,000	-
Total expenditures	6,750	9,750	9,000	750
Excess (deficiency) of revenues over expenditures	(6,750)	(5,250)	(4,500)	750
Net change in fund balance	(6,750)	(5,250)	(4,500)	750
Fund balance, beginning of year	6,750	6,750	6,750	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ 1,500	\$ 2,250	\$ 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, 2019

PUBLIC SUPPORT SERVICES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Extracurricular	\$ 92,800	\$ 77,793	\$ 78,904	\$ 1,111
Donations and contributions	6,480	24,441	26,149	1,708
Other	70,800	14,875	15,992	1,117
Total revenues	170,080	117,109	121,045	3,936
Expenditures				
Current				
Instruction				
Regular				
Purchased services	34,400	45,175	27,792	17,383
Materials and supplies	43,051	48,708	39,640	9,068
Capital outlay	500	1,698	1,196	502
Other	117,350	76,955	47,557	29,398
Total regular	195,301	172,536	116,185	56,351
Total instruction	195,301	172,536	116,185	56,351
Supporting services				
Pupil				
Other	885	885	885	-
Total pupil	885	885	885	-
Administration				
Materials and supplies	1,360	1,360	654	706
Total administration	1,360	1,360	654	706
Total supporting services	2,245	2,245	1,539	706
Extracurricular activities				
Academic and subject oriented				
Other	-	1,250	1,230	20
Total academic and subject oriented	-	1,250	1,230	20
Total extracurricular activities	-	1,250	1,230	20
Total expenditures	197,546	176,031	118,954	57,077
Net change in fund balance	(27,466)	(58,922)	2,091	61,013
Fund balance, beginning of year	364,093	364,093	364,093	-
Prior year encumbrances appropriated	5,024	5,024	5,024	-
Fund balance, end of year	\$ 341,651	\$ 310,195	\$ 371,208	\$ 61,013

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, 2019

OTHER GRANTS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Charges for services	\$ 3,900	\$ -	\$ -	\$ -
Intergovernmental	-	8,775	9,291	516
Donations and contributions	8,950	1,500	1,645	145
Other	-	73,640	73,640	-
Total revenues	12,850	83,915	84,576	661
Expenditures				
Current				
Instruction				
Regular				
Salaries	-	3,000	-	3,000
Benefits	-	494	-	494
Purchased services	895	895	-	895
Materials and supplies	6,118	31,624	3,490	28,134
Capital outlay	953	11,913	9,398	2,515
Other	7,950	10,450	8,357	2,093
Total regular	15,916	58,376	21,245	37,131
Total instruction	15,916	58,376	21,245	37,131
Supporting services				
Instructional staff				
Purchased services	5,000	-	-	-
Materials and supplies	500	500	-	500
Total instructional staff	5,500	500	-	500
Operation of non-instructional				
Community services				
Materials and supplies	17,189	17,189	12,735	4,454
Total community services	17,189	17,189	12,735	4,454
Total operation of non-instructional	17,189	17,189	12,735	4,454
Extracurricular activities				
Sports oriented				
Capital outlay	220,790	220,790	180,570	40,220
Total sports oriented	220,790	220,790	180,570	40,220
Total extracurricular activities	220,790	220,790	180,570	40,220
Total expenditures	259,395	296,855	214,550	82,305
Excess (deficiency) of revenues over expenditures	(246,545)	(212,940)	(129,974)	82,966
Other financing sources (uses)				
Advances-out	-	(5,000)	(5,000)	-
Total other financing sources (uses)	-	(5,000)	(5,000)	-
Net change in fund balance	(246,545)	(217,940)	(134,974)	82,966
Fund balance, beginning of year	243,566	243,566	243,566	-
Prior year encumbrances appropriated	12,834	12,834	12,834	-
Fund balance, end of year	\$ 9,855	\$ 38,460	\$ 121,426	\$ 82,966

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, 2019

DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,245,241	\$ 4,486,000	\$ 4,498,052	\$ 12,052
Intergovernmental	131,000	131,000	131,381	381
Total revenues	4,376,241	4,617,000	4,629,433	12,433
Expenditures				
Debt service				
Principal	1,550,000	1,550,000	1,550,000	-
Interest and fiscal charges	2,632,725	2,632,725	2,632,725	-
Total debt service	4,182,725	4,182,725	4,182,725	-
Total expenditures	4,182,725	4,182,725	4,182,725	-
Excess (deficiency) of revenues over expenditures	193,516	434,275	446,708	12,433
Net change in fund balance	193,516	434,275	446,708	12,433
Fund balance, beginning of year	2,408,007	2,408,007	2,408,007	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 2,601,523	\$ 2,842,282	\$ 2,854,715	\$ 12,433

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, 2019

PERMANENT IMPROVEMENTS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 1,010,777	\$ 622,582	\$ 623,985	\$ 1,403
Interest	16,000	30,800	30,832	32
Intergovernmental	128,000	125,400	125,447	47
Total revenues	<u>1,154,777</u>	<u>778,782</u>	<u>780,264</u>	<u>1,482</u>
Expenditures				
Capital outlay	<u>1,242,574</u>	<u>1,240,309</u>	<u>1,215,292</u>	<u>25,017</u>
Total expenditures	<u>1,242,574</u>	<u>1,240,309</u>	<u>1,215,292</u>	<u>25,017</u>
Excess (deficiency) of revenues over expenditures	<u>(87,797)</u>	<u>(461,527)</u>	<u>(435,028)</u>	<u>25,017</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	<u>25,000</u>	<u>68,900</u>	<u>68,985</u>	<u>85</u>
Total other financing sources (uses)	<u>25,000</u>	<u>68,900</u>	<u>68,985</u>	<u>85</u>
Net change in fund balance	(62,797)	(392,627)	(366,043)	26,584
Fund balance, beginning of year	1,327,205	1,327,205	1,327,205	-
Prior year encumbrances appropriated	<u>478,574</u>	<u>478,574</u>	<u>478,574</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,742,982</u>	<u>\$ 1,413,152</u>	<u>\$ 1,439,736</u>	<u>\$ 26,584</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, 2019

	BUILDING FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 32,000	\$ 126,676	\$ 133,420	\$ 6,744
Total revenues	32,000	126,676	133,420	6,744
Expenditures				
Current				
Supporting services				
Fiscal services				
Purchased services	5,200	4,281	3,691	590
Total fiscal services	5,200	4,281	3,691	590
Operation and maintenance				
Purchased services	5,691	-	-	-
Total operation and maintenance	5,691	-	-	-
Total supporting services	10,891	4,281	3,691	590
Capital outlay	4,163,544	4,303,587	4,298,263	5,324
Total expenditures	4,174,435	4,307,868	4,301,954	5,914
Net change in fund balance	(4,142,435)	(4,181,192)	(4,168,534)	12,658
Fund balance, beginning of year	1,246,531	1,246,531	1,246,531	-
Prior year encumbrances appropriated	3,019,235	3,019,235	3,019,235	-
Fund balance, end of year	\$ 123,331	\$ 84,574	\$ 97,232	\$ 12,658

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, 2019

SELF INSURANCE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ 9,900,000	\$ 10,641,000	\$ 10,654,575	\$ 13,575
Total revenues	9,900,000	10,641,000	10,654,575	13,575
Expenditures				
Claims	9,950,000	10,743,000	10,664,046	78,954
Total expenditures	9,950,000	10,743,000	10,664,046	78,954
Excess (deficiency) of revenues over expenditures	(50,000)	(102,000)	(9,471)	92,529
Net change in fund balance	(50,000)	(102,000)	(9,471)	92,529
Fund balance, beginning of year	1,776,340	1,776,340	1,776,340	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 1,726,340	\$ 1,674,340	\$ 1,766,869	\$ 92,529

AGENCY FUND DESCRIPTION

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

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

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Student Activities Fund		
	Beginning		Ending
	Balance		Balance
	June 30, 2018	Additions	June 30, 2019
Assets			
Equity in pooled cash and equivalents	\$ 111,682	\$ 152,940	\$ 147,499
Total assets	<u>\$ 111,682</u>	<u>\$ 152,940</u>	<u>\$ 147,499</u>
Liabilities			
Accounts payable	\$ 1,544	\$ 678	\$ 1,544
Due to students	110,138	152,262	145,955
Total liabilities	<u>\$ 111,682</u>	<u>\$ 152,940</u>	<u>\$ 147,499</u>

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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S 1
Revenue Capacity These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	S 9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S 23
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S 30
Operating Information 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.	S 33

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)

	2019	2018	2017 (2)	2016
Governmental activities				
Net investment in capital assets	\$ 19,908,898	\$ 27,407,123	\$ 17,697,879	\$ 10,438,753
Restricted	8,613,428	5,784,897	6,312,558	7,780,083
Unrestricted	(57,001,113)	(68,558,327)	(94,492,918)	(62,576,156)
Total primary government net position	<u>\$ (28,478,787)</u>	<u>\$ (35,366,307)</u>	<u>\$ (70,482,481)</u>	<u>\$ (44,357,320)</u>

Source: School District financial records.

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

(2) Restated for the implementation of GASB no. 75

2015	2014 (1)	2013	2012	2011	2010
\$ 11,996,135	\$ 11,972,672	\$ 11,336,986	\$ 14,006,222	\$ 11,286,155	\$ 11,913,734
4,643,524	3,045,558	2,296,182	2,102,588	2,982,814	3,494,251
(68,069,720)	(64,735,562)	20,604,820	14,899,100	12,665,878	6,494,989
<u>\$ (51,430,061)</u>	<u>\$ (49,717,332)</u>	<u>\$ 34,237,988</u>	<u>\$ 31,007,910</u>	<u>\$ 26,934,847</u>	<u>\$ 21,902,974</u>

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

	2019	2018	2017	2016
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 23,162,276	\$ 7,822,787	\$ 28,144,081	\$ 27,158,690
Special	8,135,501	3,643,394	9,536,532	8,799,360
Vocational	346,343	132,652	425,760	380,299
Adult/continuing	-	-	-	-
Other instruction	421,330	391,615	438,239	370,472
Supporting services				
Pupil	4,989,406	2,937,991	5,927,514	5,324,218
Instructional staff	1,138,633	711,015	1,123,761	1,067,271
Board of education	242,367	373,666	306,919	399,128
Administration	4,380,870	2,709,502	5,119,468	4,838,034
Fiscal services	1,371,327	1,416,881	1,455,330	1,499,411
Business	139,050	125,576	200,508	186,101
Operation and maintenance	6,257,660	3,290,671	5,281,063	6,531,521
Pupil transportation	2,572,418	2,303,018	2,461,685	2,775,744
Central services	1,311,187	1,461,453	1,508,474	1,585,301
Operation of non-instructional				
Food service operation	1,350,427	1,288,269	1,501,344	1,671,826
Community services	214,468	156,853	252,276	188,730
Extracurricular activities	2,085,215	1,026,993	1,832,967	1,791,145
Interest	2,775,915	2,921,802	2,616,904	3,604,788
Total primary government expenses	<u>60,894,393</u>	<u>32,714,138</u>	<u>68,132,825</u>	<u>68,172,039</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	1,133,877	1,722,382	1,816,802	456,113
Supporting services	19,919	194,638	162,087	209,911
Food service	427,038	395,151	412,451	449,799
Community services	-	17,189	-	-
Extracurricular activities	349,275	285,334	243,708	293,281
Operating grants, interest and contributions	2,640,405	2,858,277	2,728,393	2,729,075
Capital grants and contributions	423,867	2,741,797	4,507,468	1,726,623
Total primary government program revenues	<u>4,994,381</u>	<u>8,214,768</u>	<u>9,870,909</u>	<u>5,864,802</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (55,900,012)</u>	<u>\$ (24,499,370)</u>	<u>\$ (58,261,916)</u>	<u>\$ (62,307,237)</u>

Source: School District financial records.

The decrease in expenses in 2018 is due to net negative expense of \$26,897,252 related to the effects of GASB 68 and GASB 75.

2015	2014	2013	2012	2011	2010
\$ 24,650,446	\$ 26,051,597	\$ 24,393,010	\$ 23,574,519	\$ 24,042,334	\$ 24,376,479
7,616,573	7,847,660	7,774,419	7,531,026	7,489,653	7,480,054
349,783	401,691	480,906	455,688	438,325	494,788
-	-	-	-	-	22,162
291,188	224,964	285,472	270,050	293,115	345,290
5,259,051	5,458,960	4,640,930	4,573,570	5,151,519	5,004,703
1,092,769	1,128,566	1,020,238	796,246	1,105,115	1,490,183
339,861	280,277	377,032	293,275	185,639	300,183
4,350,915	4,238,024	3,879,955	3,972,066	3,572,252	3,819,462
1,307,393	1,362,183	1,224,013	1,241,610	1,308,372	1,167,420
208,134	209,389	212,455	181,661	138,213	141,522
4,232,445	4,349,599	4,288,849	3,727,099	4,703,686	4,610,770
2,227,350	2,683,649	2,487,445	2,482,610	2,105,930	2,384,724
1,499,463	1,414,700	1,152,590	1,107,753	1,238,121	852,905
1,616,164	1,686,162	1,637,811	1,704,023	1,602,903	1,544,266
205,356	183,482	282,029	398,808	390,432	442,191
1,675,700	1,515,518	1,532,448	1,494,547	1,575,353	1,482,207
1,444,138	178,622	28,218	12,317	15,575	19,565
<u>58,366,729</u>	<u>59,215,043</u>	<u>55,697,820</u>	<u>53,816,868</u>	<u>55,356,537</u>	<u>55,978,874</u>
937,007	714,206	872,606	961,921	689,547	1,125,655
410,718	84,125	260,560	27,656	32,155	147,889
575,193	581,522	586,943	614,831	633,756	677,881
315,365	287,008	274,115	286,721	509,154	221,410
2,852,264	2,777,684	3,139,788	3,281,807	3,896,102	3,546,598
16,200	16,200	-	-	-	-
<u>5,106,747</u>	<u>4,460,745</u>	<u>5,134,012</u>	<u>5,172,936</u>	<u>5,760,714</u>	<u>5,719,433</u>
<u>\$ (53,259,982)</u>	<u>\$ (54,754,298)</u>	<u>\$ (50,563,808)</u>	<u>\$ (48,643,932)</u>	<u>\$ (49,595,823)</u>	<u>\$ (50,259,441)</u>

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

	2019	2018	2017	2016
Net (expense) revenue				
Total primary government net expense	\$ (55,900,012)	\$ (24,499,370)	\$ (58,261,916)	\$ (62,307,237)
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	40,611,167	38,368,385	33,601,251	46,483,789
Debt service	4,797,198	4,074,288	3,566,666	4,986,986
Capital improvements	1,070,045	977,935	868,534	1,237,922
Payments in lieu of taxes	617,793	603,170	279,142	1,751,712
Grants and entitlements not restricted to specific purposes	14,532,081	14,083,894	14,117,179	14,264,543
Investment earnings	868,173	949,002	863,808	597,240
Miscellaneous	291,075	558,870	205,987	57,786
Total primary government	<u>62,787,532</u>	<u>59,615,544</u>	<u>53,502,567</u>	<u>69,379,978</u>
Change in net position				
Total primary government	<u>\$ 6,887,520</u>	<u>\$ 35,116,174</u>	<u>\$ (4,759,349)</u>	<u>\$ 7,072,741</u>

Source: School District financial records.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>\$ (53,259,982)</u>	<u>\$ (54,754,298)</u>	<u>\$ (50,563,808)</u>	<u>\$ (48,643,932)</u>	<u>\$ (49,595,823)</u>	<u>\$ (50,259,441)</u>
33,359,481	41,065,651	38,849,652	37,170,611	37,907,103	33,277,659
2,710,223	-	-	-	-	-
863,932	1,040,539	985,522	912,782	1,106,283	848,655
-	-	-	-	-	-
14,381,637	13,417,197	13,332,467	14,159,410	14,919,942	14,466,220
48,469	37,478	35,853	11,605	25,058	52,289
183,511	649,250	590,392	462,587	669,310	309,834
<u>51,547,253</u>	<u>56,210,115</u>	<u>53,793,886</u>	<u>52,716,995</u>	<u>54,627,696</u>	<u>48,954,657</u>
<u>\$ (1,712,729)</u>	<u>\$ 1,455,817</u>	<u>\$ 3,230,078</u>	<u>\$ 4,073,063</u>	<u>\$ 5,031,873</u>	<u>\$ (1,304,784)</u>

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

	2019	2018	2017	2016
General Fund				
Nonspendable	\$ -	\$ 94,814	\$ 119,193	\$ -
Restricted	-	-	-	30,257
Committed	487,073	487,073	487,073	1,951,073
Assigned	992,443	1,068,395	510,509	2,289,888
Unassigned	14,960,198	16,160,758	18,218,941	21,298,192
Total General Fund	<u>\$ 16,439,714</u>	<u>\$ 17,811,040</u>	<u>\$ 19,335,716</u>	<u>\$ 25,569,410</u>
Other governmental funds				
Nonspendable	\$ 25,153	\$ 12,203	\$ 36,882	\$ 23,222
Restricted	10,231,533	20,812,315	63,730,389	85,339,689
Unassigned	(347,295)	(282,801)	(344,641)	(270,282)
Total other governmental funds	<u>\$ 9,909,391</u>	<u>\$ 20,541,717</u>	<u>\$ 63,422,630</u>	<u>\$ 85,092,629</u>

Source: School District financial records.

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,951,073	1,735,073	1,519,073	1,303,073	1,923,073	1,462,073
2,297,515	2,100,418	1,006,641	2,946,806	1,432,293	1,109,701
12,829,031	19,067,606	18,667,203	11,280,122	9,896,199	5,160,235
<u>\$ 17,077,619</u>	<u>\$ 22,903,097</u>	<u>\$ 21,192,917</u>	<u>\$ 15,530,001</u>	<u>\$ 13,251,565</u>	<u>\$ 7,732,009</u>

\$ 23,518	\$ 27,527	\$ 28,923	\$ 29,671	\$ 46,105	\$ 31,353
90,877,061	1,721,020	2,064,303	1,852,125	2,679,354	2,118,102
(271,010)	(255,598)	(275,014)	(557,661)	(620,492)	(309,340)
<u>\$ 90,629,569</u>	<u>\$ 1,492,949</u>	<u>\$ 1,818,212</u>	<u>\$ 1,324,135</u>	<u>\$ 2,104,967</u>	<u>\$ 1,840,115</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Taxes	\$ 46,092,310	\$ 43,420,508	\$ 38,075,351	\$ 52,759,797
Payment in lieu of taxes	617,793	603,170	279,142	1,751,712
Tuition and fees	671,796	980,608	847,874	371,636
Interest	868,173	949,002	863,808	597,240
Intergovernmental	17,431,359	19,642,760	21,353,040	18,720,241
Charges for services	426,188	387,990	403,697	457,447
Extracurricular	428,179	365,766	371,122	375,773
Donations and contributions (1)	32,294	42,706	-	-
Other	<u>789,198</u>	<u>1,036,039</u>	<u>1,220,997</u>	<u>259,379</u>
Total	<u>\$ 67,357,290</u>	<u>\$ 67,428,549</u>	<u>\$ 63,415,031</u>	<u>\$ 75,293,225</u>

(1) Donations and contributions previously included in Other.

Source: School District Financial Records, Total Governmental Funds.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 37,302,336	\$ 42,106,190	\$ 39,760,574	\$ 38,371,093	\$ 39,188,686	\$ 33,554,392
-	-	-	-	-	-
943,733	649,801	827,990	762,957	876,716	732,161
48,469	37,478	35,853	11,605	25,058	52,289
17,250,101	16,276,025	16,484,226	17,420,229	18,760,117	18,012,818
525,482	563,109	599,189	632,549	655,393	723,844
429,155	396,976	350,963	355,735	399,833	380,845
-	-	-	-	-	-
<u>523,424</u>	<u>706,225</u>	<u>806,474</u>	<u>602,474</u>	<u>601,980</u>	<u>693,981</u>
<u><u>\$ 57,022,700</u></u>	<u><u>\$ 60,735,804</u></u>	<u><u>\$ 58,865,269</u></u>	<u><u>\$ 58,156,642</u></u>	<u><u>\$ 60,507,783</u></u>	<u><u>\$ 54,150,330</u></u>

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

	2019	2018	2017	2016
Expenditures				
Instruction	\$ 37,712,351	\$ 36,811,996	\$ 36,451,990	\$ 34,853,257
Pupil supporting services	5,817,697	5,661,682	5,665,729	5,162,786
Instructional support	1,217,653	1,020,617	1,056,003	1,013,723
Board of education and administration	4,202,010	4,116,653	4,047,824	4,010,328
Fiscal and business services	1,701,680	1,657,811	1,685,164	1,650,601
Operation and maintenance	4,006,101	3,667,456	3,923,309	4,052,860
Pupil transportation	2,723,008	2,629,126	2,239,255	3,106,648
Central and community services	1,670,376	1,929,446	1,724,674	1,685,876
Food service operation	1,295,384	1,394,104	1,453,319	1,658,649
Extracurricular activities	2,125,849	1,844,568	1,737,607	1,743,371
Capital outlay (1)	12,440,933	46,721,364	24,128,631	5,416,552
Debt service				
Principal	1,846,782	1,680,965	3,885,175	3,956,407
Interest	2,670,102	3,206,563	3,320,044	4,027,316
Total expenditures	<u>\$ 79,429,926</u>	<u>\$ 112,342,351</u>	<u>\$ 91,318,724</u>	<u>\$ 72,338,374</u>
Debt service as a percentage of noncapital expenditures	<u>6.82%</u>	<u>7.54%</u>	<u>10.72%</u>	<u>11.67%</u>

Source: School District Financial Records, Total Governmental Funds.

(1) Construction on a new middle/high school complex began in 2016.

2015	2014	2013	2012	2011	2010
\$ 35,448,987	\$ 34,344,971	\$ 32,777,011	\$ 32,022,732	\$ 32,360,007	\$ 32,710,592
5,705,280	5,482,434	4,691,310	4,648,260	5,261,245	5,025,884
1,053,912	1,182,989	1,000,946	775,360	1,101,512	1,469,968
3,911,675	3,724,689	3,524,501	3,645,632	2,918,878	3,608,866
1,558,243	1,515,944	1,467,218	1,426,695	1,439,166	1,306,900
4,606,501	4,972,457	5,530,590	6,830,343	4,745,581	4,706,956
2,178,693	2,555,361	2,339,691	2,542,036	1,908,824	2,352,362
1,863,945	1,622,719	1,438,772	1,504,626	1,639,852	1,434,101
1,635,458	1,674,344	1,618,632	1,684,980	1,587,422	1,560,668
1,814,642	1,519,769	1,540,787	1,480,777	1,559,993	1,537,321
109,875	216,488	-	-	-	-
356,719	345,000	85,000	85,000	85,000	85,000
625,670	193,722	8,818	12,597	15,895	19,465
<u>\$ 60,869,600</u>	<u>\$ 59,350,887</u>	<u>\$ 56,023,276</u>	<u>\$ 56,659,038</u>	<u>\$ 54,623,375</u>	<u>\$ 55,818,083</u>
<u>1.65%</u>	<u>0.96%</u>	<u>0.17%</u>	<u>0.17%</u>	<u>0.19%</u>	<u>0.19%</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)

	2019	2018	2017	2016
Excess of revenues over (under) expenditures	<u>\$ (12,072,636)</u>	<u>\$ (44,913,802)</u>	<u>\$ (27,903,693)</u>	<u>\$ 2,954,851</u>
Other financing sources (uses)				
Issuance of refunding debt	-	48,273,668	-	-
Bond issuance	-	-	-	-
Premium on debt issue	-	7,829,925	-	-
Payment to escrow agent	-	(55,760,380)	-	-
Proceeds from sale of capital assets	68,984	165,000	-	-
Transfers-in	50,000	125,000	250,000	151,186
Capital lease	-	-	-	-
Transfers-out	(50,000)	(125,000)	(250,000)	(151,186)
Total other financing sources (uses)	<u>68,984</u>	<u>508,213</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>\$ (12,003,652)</u></u>	<u><u>\$ (44,405,589)</u></u>	<u><u>\$ (27,903,693)</u></u>	<u><u>\$ 2,954,851</u></u>

2015	2014	2013	2012	2011	2010
<u>\$ (3,846,900)</u>	<u>\$ 1,384,917</u>	<u>\$ 1,497,604</u>	<u>\$ 5,884,408</u>	<u>\$ (1,667,753)</u>	<u>\$ (614,829)</u>
-	-	-	-	-	-
80,577,000	-	3,315,000	-	-	-
6,454,725	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,000	233,000	308,713	140,208	233,000	948,000
126,317	-	-	-	-	-
(150,000)	(233,000)	(308,713)	(140,208)	(333,000)	(948,000)
<u>87,158,042</u>	<u>-</u>	<u>3,315,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
<u><u>\$ 83,311,142</u></u>	<u><u>\$ 1,384,917</u></u>	<u><u>\$ 4,812,604</u></u>	<u><u>\$ 5,884,408</u></u>	<u><u>\$ (1,767,753)</u></u>	<u><u>\$ (614,829)</u></u>

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

Year	Real Property		Public Utility Property		Total	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value
2019	\$ 839,012,730	\$ 2,397,179,229	\$ 18,642,150	\$ 21,184,261	\$ 857,654,880	\$2,418,363,490
2018	762,765,460	2,179,329,886	18,534,750	21,062,216	781,300,210	2,200,392,102
2017	760,841,640	2,173,833,257	16,756,660	19,041,659	777,598,300	2,192,874,916
2016	762,548,150	2,178,709,000	15,858,060	18,020,523	778,406,210	2,196,729,523
2015	762,019,140	2,177,197,543	15,583,130	17,708,102	777,602,270	2,194,905,645
2014	765,833,660	2,188,096,171	15,046,850	17,098,693	780,880,510	2,205,194,864
2013	767,170,580	2,191,915,943	13,514,210	15,357,057	780,684,790	2,207,273,000
2012	809,845,510	2,313,844,314	12,548,990	14,260,216	822,394,500	2,328,104,530
2011	817,931,363	2,336,946,751	11,747,340	13,349,250	829,678,703	2,350,296,001
2010	818,482,949	2,338,522,711	11,432,430	12,991,398	829,915,379	2,351,514,109

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.

Assessed Value Ratio	Total Direct Tax Rate
35.5%	97.1
35.5%	96.9
35.5%	96.9
35.4%	96.9
35.4%	96.9
35.4%	96.9
35.4%	91.4
35.3%	91.4
35.3%	91.4
35.3%	91.4

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				
2018	89.50	1.95	5.65	97.10	23.93	3.09	13.30	137.42
2017	89.50	1.95	5.45	96.90	23.93	3.09	13.30	137.22
2016	89.50	1.95	5.45	96.90	23.43	3.09	13.30	136.72
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

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, 2018 AND DECEMBER 31, 2009

December 31, 2018		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Star-West Great Northern Mall LLC	\$ 37,360,810	4.36%
BRE DDR Great Northern LLC	24,986,950	2.91%
PWA Great Northern Corporation	8,283,310	0.97%
JVM Butternut Ridge Apartments, LLC	6,238,400	0.73%
B & G Properties LTD Partnership	6,021,500	0.70%
GGFI North Olmsted LLC	5,953,720	0.69%
Moen, Inc.	4,779,460	0.56%
Ganley Real Estate Company	4,733,040	0.55%
Water Tower Square Limited	4,174,380	0.49%
WAL-Mart	3,872,300	0.45%
	<u>\$ 106,403,870</u>	12.41%
Total Value in the District	<u>\$ 857,654,880</u>	

December 31, 2009		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Great Northern Partnership	\$ 29,579,140	3.63%
DDR MDT Great Northern LTD	22,867,310	2.80%
Duke Realty Ohio	7,074,730	0.87%
JVM Butternut Ridge Apartments LLC	5,985,000	0.73%
B&G Properties LTD Partnership	5,855,170	0.72%
Moen, Inc.	5,654,680	0.69%
Water Tower Square LTD Partnership	4,638,730	0.57%
Higbee Company	4,550,010	0.56%
Wal Mart, Inc.	4,200,010	0.51%
Wellington Place LLC	3,827,080	0.47%
	<u>\$ 94,231,860</u>	11.55%
Total Value in the District	<u>\$ 815,780,170</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, 2018 AND DECEMBER 31, 2009

December 31, 2018		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Cleveland Electric Illuminating Co	\$ 13,740,870	1.60%
American Transmission System	3,551,650	0.41%
East Ohio Gas Company	1,316,090	0.15%
Columbia Gas Transmission Corporation	26,340	0.00%
Columbia Gas of Ohio, Inc.	7,200	0.00%
	<u>\$ 18,608,610</u>	<u>2.17%</u>
Total Value in the District	<u>\$ 857,654,680</u>	

December 31, 2009		
Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 8,422,120	0.94%
East Ohio Gas Company	870,760	0.10%
American Transmission System	746,600	0.08%
Columbia Gas Transmission Corporation	47,370	0.01%
Columbia Gas of Ohio, Inc.	410	0.00%
	<u>\$ 10,087,260</u>	<u>1.13%</u>
Total Value in the District	<u>\$ 815,780,170</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.

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

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections
2018	\$ 49,427,400	\$ 1,363,364	\$ 50,790,764	\$ 48,988,136
2017	49,023,668	1,392,952	50,416,620	48,211,695
2016	50,049,627	1,410,222	51,459,849	48,115,297
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

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.

Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collection as a Percent of Current Levy
99.1%	\$ 796,783	\$ 49,784,919	100.7%
98.3%	906,732	49,118,427	100.2%
96.1%	707,629	48,822,926	97.5%
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%

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
2019	\$ 80,142,608	\$ 2,269	\$ -	\$ 80,144,877
2018	81,929,833	29,051	-	81,958,884
2017	81,203,702	55,016	-	81,258,718
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

Source:

- (1) School District Financial Records.
- (2) See Schedule S-15 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)
3.31%	7.92%	\$ 2,537	\$ 21,191
3.74%	8.56%	2,576	21,450
3.71%	8.49%	2,554	21,266
3.89%	8.82%	2,661	22,159
3.82%	9.55%	2,746	22,205
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

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NORTH OLMSTED CITY SCHOOL DISTRICT
RATIOS OF GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Net Position Restricted for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Property Value (2)	Per Capita (3)
2019	\$ 80,142,608	\$ 3,501,324	\$ 76,641,284	3.17%	\$ 2,426
2018	81,929,833	2,752,770	79,177,063	3.60%	2,495
2017	81,203,702	2,513,577	78,690,125	3.59%	2,473
2016	85,410,689	5,330,035	80,080,654	3.65%	2,502
2015	89,734,903 (4)	1,392,723	88,342,180	4.02%	2,750
2014	3,140,000	100,820	3,039,180	0.14%	93
2013	3,485,000	68,012	3,416,988	0.15%	104
2012	255,000	73,230	181,770	0.01%	6
2011	340,000	62,297	277,703	0.01%	8
2010	425,000	54,872	370,128	0.02%	12

Source:

- (1) School District Financial Records.
- (2) See Schedule S-15 for estimated actual value of taxable property.
- (3) See Schedule S-30 for population data.
- (4) 2015 General Obligation Bonded debt has been restated to include unamortized bond premium.

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

	2019	2018	2017	2016
Assessed Valuation	<u>\$ 857,654,880</u>	<u>\$ 781,300,210</u>	<u>\$ 777,598,300</u>	<u>\$ 778,406,210</u>
Debt Limit -				
9% of Assessed Value (1)	<u>77,188,939</u>	<u>70,317,019</u>	<u>69,983,847</u>	<u>70,056,559</u>
Debt Applicable to Debt Limit:				
G.O. Bonds - Energy Conservation	1,755,000	2,025,000	2,290,000	2,550,000
G.O. Bonds - Facilities Improvement	70,358,668	71,908,668	73,300,000	76,900,000
G.O. Bonds exempt from Debt Limit	-	(3,616,649)	(5,606,153) (a)	(9,393,441) (a)
Amount Available in Debt				
Service Fund	<u>(2,854,715)</u>	<u>(2,408,007)</u>	<u>(2,295,509)</u>	<u>(4,932,483)</u>
Total	<u>69,258,953</u>	<u>67,909,012</u>	<u>67,688,338</u>	<u>65,124,076</u>
Overall Debt Margin	<u>\$ 7,929,986</u>	<u>\$ 2,408,007</u>	<u>\$ 2,295,509</u>	<u>\$ 4,932,483</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>89.73%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Overall Limit -				
.10% of Assessed Value (1)	\$ 857,655	\$ 781,300	\$ 777,598	\$ 778,406
Amount of Debt Applicable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u>\$ 857,655</u>	<u>\$ 781,300</u>	<u>\$ 777,598</u>	<u>\$ 778,406</u>
Unvoted debt applicable to debt limit as a percentage of unvoted debt limit	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</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(I) of the Ohio Revised Code.

2015	2014	2013	2012	2011	2010
<u>\$ 777,602,270</u>	<u>\$ 780,880,510</u>	<u>\$ 780,684,790</u>	<u>\$ 822,394,500</u>	<u>\$ 829,678,703</u>	<u>\$ 829,915,379</u>
 69,984,204	 70,279,246	 70,261,631	 74,015,505	 74,671,083	 74,692,384
 2,805,000	 3,055,000	 3,485,000	 255,000	 340,000	 425,000
80,577,000	-	-	-	-	-
(13,397,796) (a)	-	-	-	-	-
-	-	-	-	-	-
<u>(8,259,771)</u>	<u>(105,820)</u>	<u>(88,112)</u>	<u>(73,930)</u>	<u>(63,277)</u>	<u>(56,172)</u>
<u>61,724,433</u>	<u>2,949,180</u>	<u>3,396,888</u>	<u>181,070</u>	<u>276,723</u>	<u>368,828</u>
 <u>\$ 8,259,771</u>	 <u>\$ 67,330,066</u>	 <u>\$ 66,864,743</u>	 <u>\$ 73,834,435</u>	 <u>\$ 74,394,360</u>	 <u>\$ 74,323,556</u>
 100.00%	 4.35%	 4.96%	 0.34%	 0.46%	 0.57%
 \$ 777,602	 \$ 780,881	 \$ 780,685	 \$ 822,394	 \$ 829,679	 \$ 829,915
 -	 85,000	 170,000	 255,000	 340,000	 425,000
<u>\$ 777,602</u>	<u>\$ 695,881</u>	<u>\$ 610,685</u>	<u>\$ 567,394</u>	<u>\$ 489,679</u>	<u>\$ 404,915</u>
 0.000%	 10.885%	 21.776%	 31.007%	 40.980%	 51.210%

NORTH OLMSTED CITY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
AS OF DECEMBER 31, 2018

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct Debt:			
North Olmsted City School District:			
General obligation bonds	\$ 73,933,668	100.00%	\$ 73,933,668
Unamortized Bond Premium	7,750,089	100.00%	7,750,089
Capital lease payable	<u>15,660</u>	100.00%	<u>15,660</u>
Total direct debt	<u>81,699,417</u>		<u>81,699,417</u>
Overlapping:			
Cuyahoga County	207,485,000	2.83%	5,871,826
Regional Transit Authority	1,995,000	2.83%	56,459
Polaris Joint Vocational School	-	100.00%	-
North Olmsted City	16,670,590	100.00%	16,670,590
Olmsted Falls School District	<u>41,589,960</u>	1.47%	<u>611,372</u>
Subtotal	<u>267,740,550</u>		<u>23,210,247</u>
Total	<u>\$ 349,439,967</u>		<u>\$ 104,909,664</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 (1)	Personal Income	Average Daily Student Enrollment (2)	Cuyahoga County Unemployment Rate (3)
2019	31,591	\$ 32,020	\$ 1,011,543,820	3,782	5.3%
2018	31,734	31,172	989,212,248	3,818	5.6%
2017	31,817	30,080	957,055,360	3,821	6.6%
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%

Source:

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

NORTH OLMSTED CITY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2009

December 31, 2018 (1)	
Name of Employer	Percent of Total City Income Taxes Paid
Moen Incorporated	9.74%
North Olmsted City School District	4.49%
The City of North Olmsted	2.14%
Bernie Moreno Companies	1.64%
Champlain Enterprises LLC	1.32%
Factory Mutual Insurance Company	1.25%
Palmer Holland, Inc.	1.25%
Wal Mart Associates, Inc.	1.23%
Ganley Westside Imports	1.18%
The Cleveland Clinic Foundation	0.84%
Total	25.08%

December 31, 2009 (1)	
Name of Employer	Percent of Total City Income Taxes Paid
Moen Incorporated	6.93%
North Olmsted City School District	5.45%
The City of North Olmsted	2.45%
Advanstar Communications, Inc.	1.68%
Factory Mutual Insurance Company	1.34%
AT&T Mobility	1.20%
Heartland Employment Services, Inc.	0.99%
Wal Mart Associates, Inc.	0.96%
Sunnyside Automotive, Inc.	0.87%
Riser Foods Company	0.87%
Total	22.74%

(1) The number of employees, per employer is not available.

Source of information - Regional Income Tax Agency based on payroll taxes withheld.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Administration	24	24	24	24
Instructional:				
Regular Teaching	187	191	195	194
Special Education	20	21	24	25
Vocational Education	2	2	2	2
Remedial Specialist	41	41	41	45
Tutors	13	14	14	14
Others	0	0	0	0
Other Professional:				
Counseling	10	10	10	10
Psychologist	5	5	5	5
Speech therapist	5	5	5	5
Others	1	1	1	1
Support Staff:				
Secretarial	36	36	37	38
Teacher Aides	65	65	64	67
Maintenance	7	7	7	8
Custodial	28	28	29	32
Transportation	30	29	29	28
Food Service	25	25	28	33
Monitors	25	25	25	25
Library Services	9	9	9	10
Computer Technicians	5	5	5	4
Other	3	3	3	3
Total	<u>541</u>	<u>546</u>	<u>557</u>	<u>573</u>

Source: School District financial records.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
25	25	23	23	23	25
192	200	195	198	206	219
26	29	30	33	35	39
2	3	3	3	4	6
45	46	43	38	37	32
14	11	8	4	3	3
0	0	0	0	0	0
10	11	11	11	11	11
5	5	5	5	5	5
5	5	5	5	5	5
2	6	4	4	4	4
37	37	36	37	38	41
65	64	59	56	52	58
8	10	7	7	8	9
31	34	34	34	35	38
28	26	27	28	29	35
30	30	29	28	28	28
25	30	25	15	15	15
10	10	10	10	9	15
3	4	4	4	4	4
3	5	5	5	4	4
<u>566</u>	<u>591</u>	<u>563</u>	<u>548</u>	<u>555</u>	<u>596</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Source of Revenue - North Olmsted:				
Local	72.3%	72.4%	72.2%	72.0%
State	23.4%	23.1%	23.7%	23.7%
Federal	4.3%	4.5%	4.1%	4.3%
Source of Revenue - Statewide:				
Local	50.5%	48.7%	49.3%	48.8%
State	42.6%	44.4%	43.6%	43.8%
Federal	6.9%	6.9%	7.1%	7.4%
Cost per Pupil:				
North Olmsted	\$ 15,703	\$ 15,077	\$ 15,199	\$ 14,970
Statewide	\$ 12,472	\$ 11,953	\$ 11,603	\$ 11,164
Transportation:				
Percent of students transported	47.0%	47.0%	46.0%	38.0%
Number of miles traveled	270,124	272,618	269,280	299,207
Food Service:				
Annual operating profit (loss)	\$ 11,809	\$ (85,658)	\$ (134,692)	\$ (152,404)
Number of meals served	368,078	374,621	391,416	397,183
Number of federally subsidized meals served	309,860	316,403	306,647	319,227
Number of students receiving federally subsidized meals	1,480	1,664	1,604	1,657
Median Income:				
North Olmsted	\$ 37,808	\$ 36,607	\$ 37,127	\$ 36,654
Statewide	\$ 34,091	\$ 33,132	\$ 33,782	\$ 33,100
New Construction Within the District:				
Residential	\$ 13,630,054	\$ 11,658,230	\$ 12,185,536	\$ 12,155,563
Commercial	\$ 15,003,109	\$ 8,120,166	\$ 18,977,099	\$ 21,527,686

Source: School District financial records.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
70.1%	71.8%	73.6%	71.2%	68.8%	66.4%
25.3%	23.3%	21.4%	23.7%	25.5%	27.5%
4.6%	4.9%	5.0%	5.1%	5.7%	6.1%
48.6%	49.4%	49.7%	47.3%	44.7%	45.7%
44.1%	42.9%	42.1%	44.1%	45.5%	44.1%
7.3%	7.7%	8.2%	8.6%	9.9%	10.2%
\$ 14,676	\$ 14,518	\$ 13,483	\$ 13,697	\$ 13,018	\$ 12,662
\$ 10,985	\$ 10,912	\$ 10,445	\$ 10,508	\$ 10,569	\$ 10,512
38.0%	56.0%	55.0%	53.0%	47.0%	50.0%
268,790	295,853	280,620	295,926	346,890	340,740
\$ (89,798)	\$ (130,565)	\$ (101,390)	\$ (77,329)	\$ (101,620)	\$ (80,843)
416,530	480,806	476,582	528,000	486,728	504,189
319,888	327,343	325,637	370,526	323,877	339,455
1,605	1,687	1,696	1,628	1,624	1,550
\$ 36,056	\$ 35,587	\$ 35,124	\$ 34,380	\$ 33,973	\$ 35,006
\$ 32,873	\$ 33,074	\$ 32,180	\$ 31,681	\$ 30,850	\$ 31,520
\$ 10,303,576	\$ 9,076,195	\$ 11,964,770	\$ 15,797,334	\$ 7,576,054	\$ 7,094,128
\$ 11,016,817	\$ 9,920,152	\$ 33,343,735	\$ 15,627,004	\$ 30,033,394	\$ 3,982,820

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

School Building	2019	2018	2017	2016
Birch Primary (1967)				
Square Feet	35,522	35,522	35,522	35,522
Capacity	464	464	464	464
Enrollment	351	366	355	272
Butternut Primary (1968)				
Square Feet	N/A (2)	N/A (2)	N/A (2)	31,682
Capacity	N/A	N/A	N/A	408
Enrollment	N/A	N/A	N/A	291
Forest Primary (1971)				
Square Feet	31,508	31,508	31,508	31,508
Capacity	336	336	336	336
Enrollment	340	327	315	236
Spruce Primary (1967)				
Square Feet	24,764	24,764	24,764	24,764
Capacity	312	312	312	312
Enrollment	223	229	217	254
Chestnut Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	480	480	480	480
Enrollment (b)	261	335	317	266
Maple Intermediate (1956)				
Square Feet	42,381	42,381	42,381	42,381
Capacity	504	504	504	504
Enrollment	249	374	386	392
Pine Intermediate (1965)				
Square Feet	53,308	53,308	53,308	53,308
Capacity	260	260	260	260
Enrollment	275	380	384	271
Middle School (1930)				
Square Feet	122,890 (1)	N/A (1)	N/A (1)	N/A (1)
Capacity	950	N/A	N/A	N/A
Enrollment	849	N/A	N/A	N/A
High School (1962)				
Square Feet	192,390 (3)	208,304	208,304	208,304
Capacity	1,350	1,194	1,194	1,194
Enrollment	1,234	1,205	1,270	1,339

Source of information - School District financial records.

- (1) The Middle School was closed at the end of fiscal year 2015. The students will be housed in an off-site rented facility to allow for the construction of a new Middle/High School Campus scheduled to be completed August 2018.
- (2) The Butternut Primary School was closed at the end of fiscal year 2016 and converted into an Administrative Center. The students who were to attend this school were reassigned to the remaining primary schools of Birch, Forest and Spruce.
- (3) The old High School built in 1962 was closed in June 2018 and replaced with the newly constructed Middle/High School Campus in August 2018.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
35,522	35,522	35,522	35,522	35,522	35,522
464	464	464	464	464	464
298	321	463	429	428	414
31,682	31,682	31,682	31,682	31,682	31,682
408	408	408	408	408	408
282	278	233	247	253	250
31,508	31,508	31,508	31,508	31,508	31,508
336	336	336	336	336	336
241	255	254	223	237	258
24,764	24,764	24,764	24,764	24,764	24,764
312	312	312	312	312	312
226	245	204	200	190	173
42,381	42,381	42,381	42,381	42,381	42,381
480	480	480	480	480	480
270	261	255	261	292	314
42,381	42,381	42,381	42,381	42,381	42,381
504	504	504	504	504	504
393	397	291	275	296	291
53,308	53,308	53,308	53,308	53,308	53,308
277	456	456	456	456	456
271	271	406	396	420	449
114,987	114,987	114,987	114,987	114,987	114,987
949	949	949	949	949	949
582	646	650	680	619	657
208,304	208,304	208,304	208,304	208,304	208,304
1,194	1,194	1,194	1,194	1,194	1,194
1,289	1,376	1,389	1,405	1,458	1,508

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,504,554	\$ 1,504,554	\$ 1,504,554	\$ 1,504,554
Construction in progress	1,329,475	73,449,541	26,594,140	4,368,321
Land improvements	10,095,500	1,474,231	1,362,544	1,574,609
Buildings and improvements	83,707,874	22,601,506	22,517,010	21,844,536
Furniture and equipment	10,261,706	3,146,411	2,966,630	3,216,945
Vehicles	3,120,379	3,170,866	2,986,869	3,223,202
Total	<u>110,019,488</u>	<u>105,347,109</u>	<u>57,931,747</u>	<u>35,732,167</u>
Less accumulated depreciation	<u>(14,753,371)</u>	<u>(18,110,578)</u>	<u>(17,134,270)</u>	<u>(17,950,904)</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 95,266,117</u>	<u>\$ 87,236,531</u>	<u>\$ 40,797,477</u>	<u>\$ 17,781,263</u>

Source: School District financial records.

2015	2014	2013	2012	2011	2010
\$ 1,490,054	\$ 1,374,279	\$ 1,172,491	\$ 1,172,491	\$ 1,172,491	\$ 1,172,491
-	-	61,142	2,559,093	26,401	-
1,874,235	1,477,160	1,477,160	869,318	869,318	835,881
24,880,819	24,880,819	24,057,405	20,695,929	20,055,478	20,027,650
3,583,540	3,302,784	3,133,348	3,012,418	2,936,573	2,894,313
2,487,753	2,739,976	2,781,976	3,087,156	2,980,704	2,976,568
<u>34,316,401</u>	<u>33,775,018</u>	<u>32,683,522</u>	<u>31,396,405</u>	<u>28,040,965</u>	<u>27,906,903</u>
 (19,420,572)	 (18,662,346)	 (17,861,536)	 (17,135,183)	 (16,414,810)	 (15,568,169)
 <u>\$ 14,895,829</u>	 <u>\$ 15,112,672</u>	 <u>\$ 14,821,986</u>	 <u>\$ 14,261,222</u>	 <u>\$ 11,626,155</u>	 <u>\$ 12,338,734</u>

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