

NORTH OLMSTED
CITY SCHOOL DISTRICT
North Olmsted, Ohio

Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2006

Prepared by
Treasurer's Office
Robert J. Matson CPA
Treasurer

North Olmsted City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006
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North Olmsted City School District

Administrative Offices

27425 Butternut Ridge Road
North Olmsted, Ohio 44070



January 22, 2007

Members of the North Olmsted Board of Education:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the North Olmsted City School District for the year ended June 30, 2006. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the North Olmsted City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Olmsted Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections as follows:

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

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 34,000. The City is primarily residential with a significant commercial tax base of retail businesses.

The School District was chartered in 1831 by the Ohio State legislature two years after the name "Olmstead" was assigned to the area. The region was named after Aaron Olmstead, an investor and Revolutionary War soldier who purchased land in the area in 1794. The exact time and reason for changing to the current spelling is unclear from the historical records. In 1837, under

the auspices of the Office of the State Superintendent of Common School Education, Township Trustees were authorized to levy compulsory taxes for the support of public education. In 1853 State laws were enacted to create locally elected boards of education to govern local school districts. Today, the North Olmsted Board of Education is comprised of five members, elected at large, with staggered four year terms.

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

THE REPORTING ENTITY

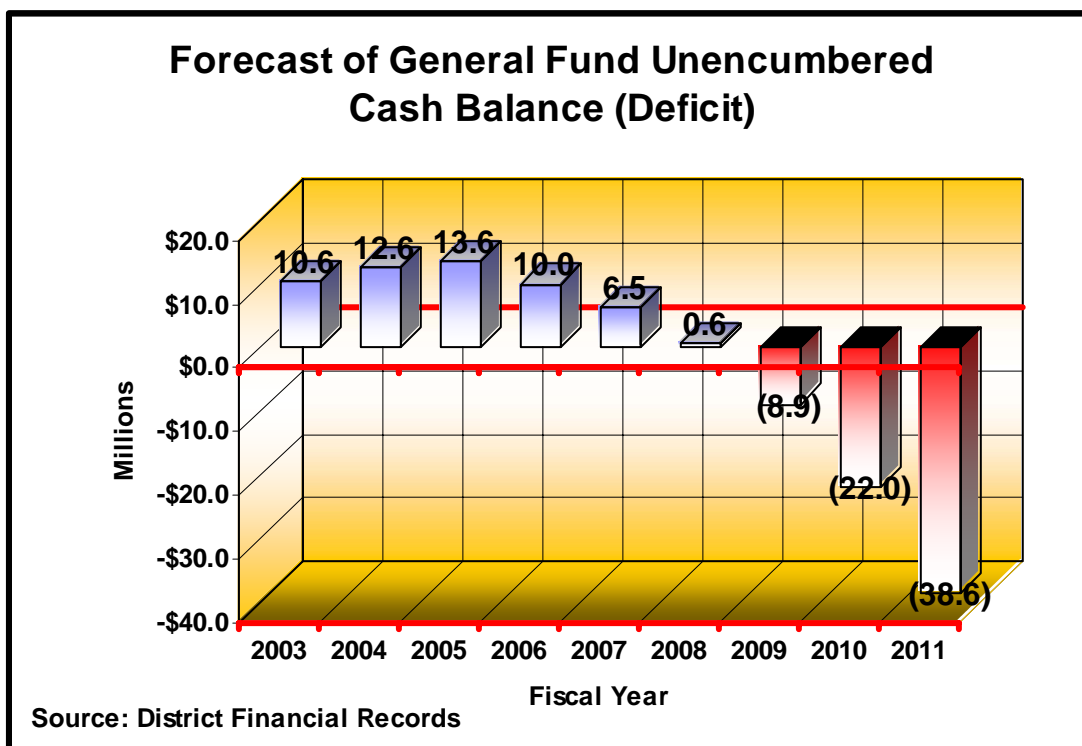
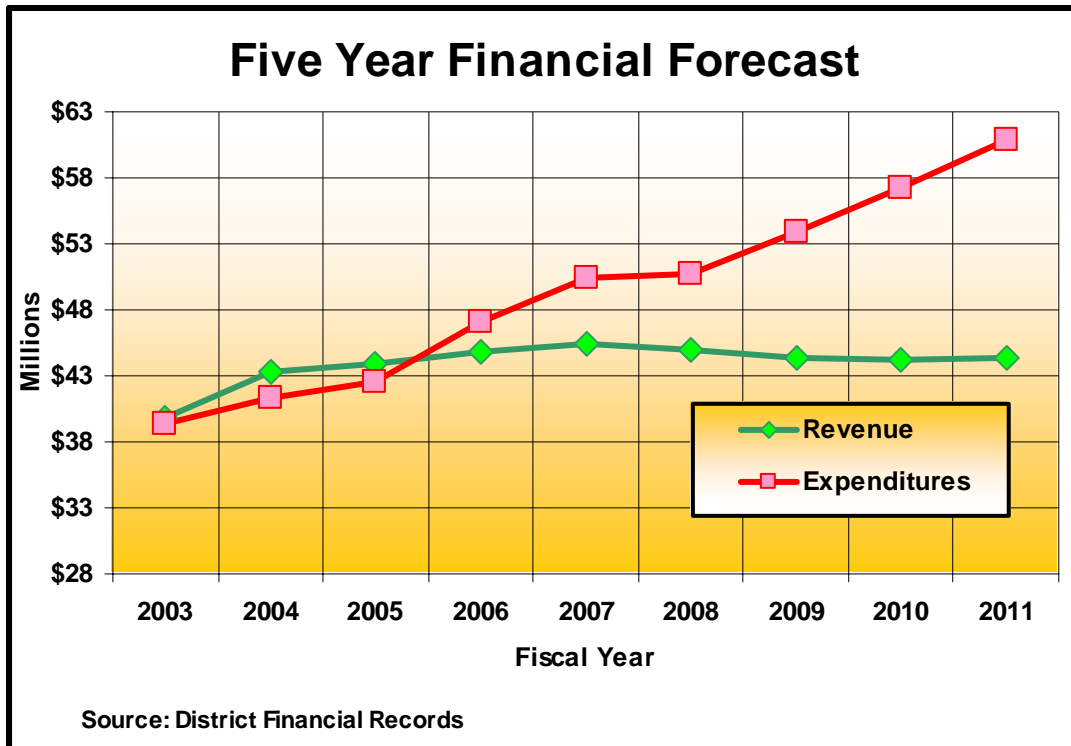
North Olmsted City School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "the Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes,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

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

The School District is a member of the Lake Erie Educational Computer Association, the Polaris Career Center, the North Olmsted City Schools Education Foundation and the Ohio Schools Council Association. The relationship of these jointly governed organizations with the School District is described in more detail in Note 16 of the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

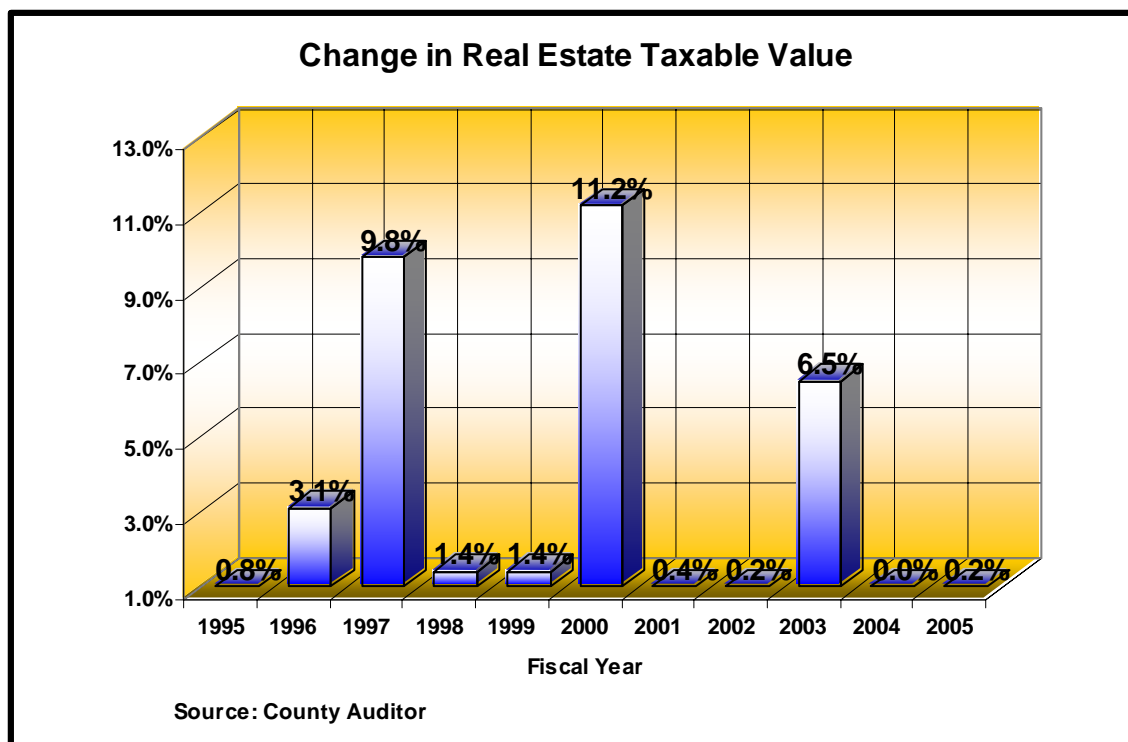
The School District faces a serious financial challenge in the near future because of limited growth in revenue. Based upon the School District's current "Five Year Financial Forecast", operating revenues will not keep pace with inflationary increases in expenditures. It is anticipated the School District will incur an operating deficit of approximately \$4.9 million during fiscal year 2007 and \$5.8 million the following year, at which point cash reserves will be exhausted at the end of fiscal year 2008-09. The School District's "Five Year Financial Forecast" and corresponding General Fund's cash balances are illustrated in the graphs on the next page.



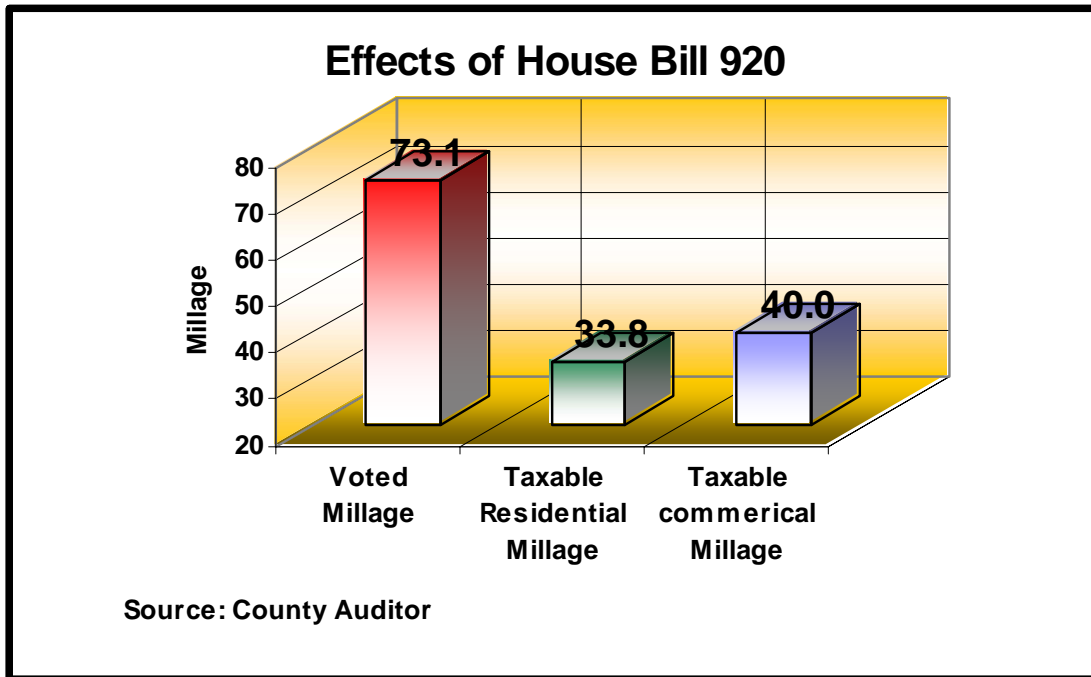
In an effort to stabilize the School District's finances, the Board of Education placed a 6.5 mill Operating levy on the November 2006 ballot. Unfortunately, this levy was defeated by the residents and the Board of Education has placed a similar levy on the February 2007 ballot. The Administration has drafted a contingency plan to reduce staffing and programs next year by \$5.7 million should the February 2007 levy fail. The Teachers Union has recognized the seriousness of the District's financial condition and agreed to a salary freeze effective August 1, 2007.

But why is it necessary for schools to periodically seek additional funds from the taxpayer? The answer to this question is based upon the nature of school funding in Ohio, which severely restricts the growth in operating revenues.

The District's primary source of operating revenues (70.3 percent) comes from the levying of real estate taxes on residential and commercial property located within the community. The City of North Olmsted is a mature community with limited vacant land available for new commercial or residential development. Over the past 10 years, the School District's tax revenue has increased an average of only \$184,000 each year. Increases in the School District's tax base come primarily from reevaluation of the taxable value of real estate by the County Auditor every three years and is illustrated in the following graph.



Unfortunately, current state law prevents school districts in Ohio from receiving additional tax revenue when the County Auditor reevaluates property values. In 1976, the Ohio General Assembly passed House Bill 920. This law requires the tax rate to be lowered by the same percentage property values are increased by the County Auditor's reevaluation. North Olmsted City Schools has levied 77.0 mills of taxes to fund its operation, of which 73.1 is voted millage. House Bill 920 has lowered the effective millage to 33.8 mills for residential properties and 40.0 mills for commercial property and is illustrated in the graph below.



In effect, House Bill 920 removes inflationary revenue growth in revenue and requires school districts throughout Ohio to periodically place tax issues on the ballot for voter approval in order to receive additional revenue to offset rising costs.

The School District also faces the loss of tax revenue from the collection of tangible personal property taxes. This tax is assessed on the value of inventory and equipment owned by businesses located within the community and represents approximately 8.7 percent of General Fund operating revenue in fiscal year 2006.

In June 2005, the Ohio General assembly passed House Bill 66, which will phase-out the assessment and collection of tangible personal taxes in Ohio during the next four years. The School District will be partially reimbursed by the State of Ohio for the loss of this revenue over a period of 12 years. Once fully phased-out, the School District will lose approximately \$3.9 million annually in operating revenue, which is the equivalent of 4.0 mills of taxation. A Schedule of anticipated loss in tangible personal property taxes and the phase-out of State reimbursement under House Bill 66 is summarized in Table 1.

TABLE 1**Schedule of Projected Loss in Tangible Property Tax Collections**

			Net	Accumulated			
		Estimated	Annual Loss	Loss In			
Fiscal	Tax	State	In Tax	Tax			
Year	Collections	Reimbursement	Revenue	Revenue			
2006	\$3,900,000						
2007	2,775,000	\$873,000	\$252,000	\$252,000			
2008	1,850,000	1,575,000	475,000	727,000			
2009	925,000	2,269,000	706,000	1,433,000			
2010	0	2,959,000	941,000	2,374,000			
2011	0	2,959,000	941,000	3,315,000			
2012	0	2,437,000	1,463,000	4,778,000			
2013	0	1,914,000	1,986,000	6,764,000			
2014	0	1,566,000	2,334,000	9,098,000			
2015	0	1,218,000	2,682,000	11,780,000			
2016	0	870,000	3,030,000	14,810,000			
2017	0	522,000	3,378,000	18,188,000			
2018	0	174,000	3,726,000	21,914,000			
2019	0	0	3,900,000	25,814,000			

MAJOR INITIATIVES - FISCAL YEAR 2006**Excellence in Academics**

The North Olmsted City School District earned the top ranking of Excellent on the 2005/2006 State Report Card.

The District invested in new K-12 programs and materials to make sure the curriculum aligned with the state content standards. The High School continued to achieve the ranking of Excellent on their building score.

The Class of 2006 had 401 graduates, of which 83% enrolled in a two or four-year college, university or technical school for further education. 16% of the graduates entered the workforce and 1% entered the armed services.

Students continued to score above the national average on the American College Test (ACT) with a composite of 22.7 and on the Scholastic Aptitude Test (SAT) with a verbal composite of 625 and a math composite of 657.

Eight students were recognized in the 2006 National Merit Scholarship Program. This is a record number for the High School. One of those named as a finalist was awarded a scholarship to Yale to study molecular and cellular biology for a future career in medicine.

A junior student at the High School achieved a perfect score of 2400 on the SAT test. He was recognized at the annual Academic Boosters Undergraduate Honors Ceremony and by the media.

The NOHS Class of 2006 received a record high total of \$7,400,000 in renewable college scholarship offers. The community awarded almost \$65,000 in scholarships from local organizations, civic groups, school associations and special memorials.

Thirty seniors earned Academic Letters, 91 earned Honors diplomas, 105 the Ohio Award of Merit, and 80 were presented with the Presidential Award of Educational Excellence. Twenty-nine seniors were members of the National Honor Society.

The District implemented year two of the Model Classrooms Project in grades K -12 to provide professional development for teachers and administrators focused on six district wide goals – content, thinking, product assessment, facilitation, and reflection. A new K-12 science course of study was implemented. A K-3 Reading Intervention Program was constructed to give extra help to struggling students during the summer of 2006. A new Pre-K – 12 Social Studies course of study was designed, with an implementation date of 2006/2007.

Excellence in Athletics

The NOHS football team made the State playoffs for the first time in the history of the school.

Girls Varsity Soccer won the Southwest Conference (SWC) Title.

The hockey team won the white division in the Greater Cleveland High School Hockey League (GCHSHL).

The Boys Varsity Tennis team won the Southwest Conference (SWC) Title.

Excellence in the Arts

Art students captured five Gold Key awards, two Silver Key awards, and the Herb Ascherman Photo Award in the Regional Scholastic Art Awards.

One senior won National Honors in the Scholastic Art and Writing competition and will travel to Carnegie Hall to receive her award.

Art students also had 30 works of art selected for state judging for the Ohio Governor's Youth Art show in Columbus.

The vocal jazz group "Special Edition" was selected by ***Down Beat Magazine*** for the "outstanding performance" award in their June, 2006 issue.

Excellence in Service to the Community

The SITES (Social Involvement Through Education and Service) service-learning program received the Learn and Serve America 2006 ***Spirit of Service*** award at a national recognition ceremony in Seattle.

Other Awards and Honors

North Olmsted City School Board of Education member, Michael Raig, was named to the Ohio School Boards Association's (OSBA) 2006 Northeast Regional All-Ohio School Board. Every year, OSBA names five board of education members from each of its five regions – Central, Northeast, Northwest, Southeast and Southwest – to the All-Ohio School Board. The award recognizes outstanding service to public education and represents the dedication shown by thousands of board members across the state.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. The legal level of appropriations is at the fund/object level for the General Fund and Debt Service Fund, at the fund/special cost center level for the Other Grants Fund, Miscellaneous State Grants Fund, Auxiliary Services Fund and Miscellaneous Federal Grants Fund, 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. Administrators and school principals are 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 2 of the Notes to the Basic Financial Statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition

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 new 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.

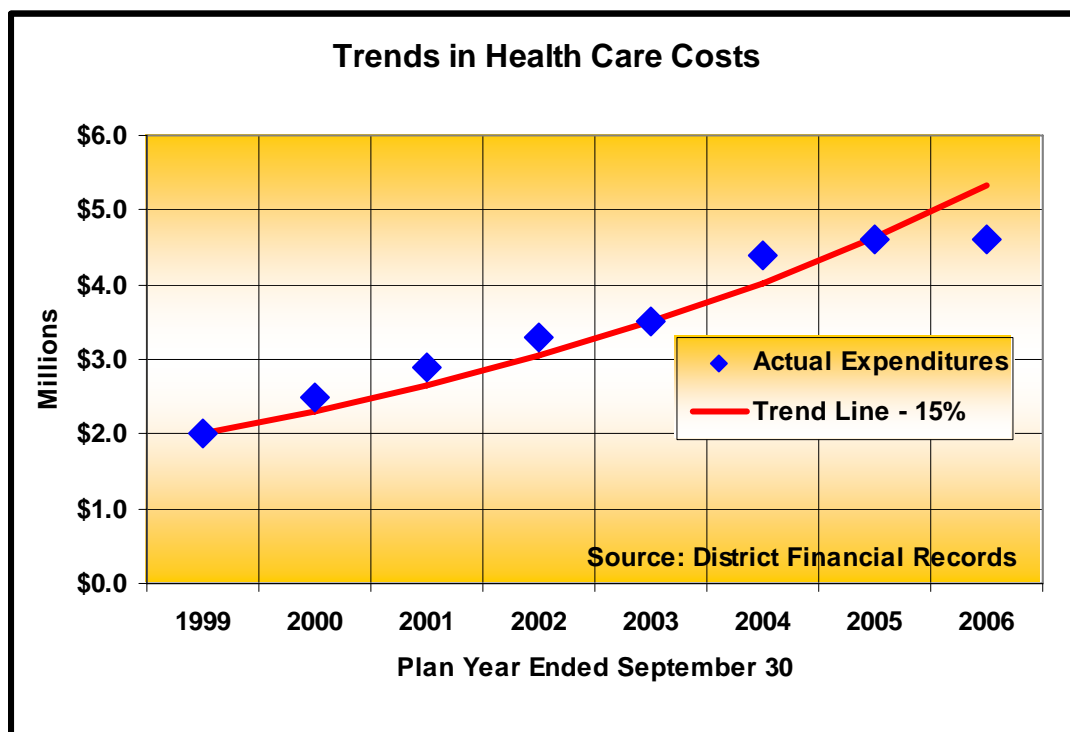
Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report and provides an assessment of the School District's finances for 2005 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.

Financial Highlight - Internal Service Fund

The Internal Service Fund accounts for all activities in which the School District provides goods and/or services to other governmental agencies or to students on a cost plus reimbursement basis. During fiscal year 2006, only one activity, the Self-Insurance Fund, is reported under this category. 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.

As of June 30, 2006, the Self-Insurance Fund has a fund balance of \$643,000. The District is concerned with spiraling health care costs. As illustrated in the graph below, health care costs have increased an average 15% annually the past five years. The District continues in its efforts to contain rising health care costs. With the co-operation of the District's unions, wages were frozen during fiscal year 2004 and 2007 to help off-set rising healthcare costs and the Unions have agreed to pay 5 percent of their monthly healthcare premiums beginning August 1, 2007.



Financial Highlight - Agency Fund

Included in this category are student managed activities assets held by the School District in a trustee capacity. Total assets in these funds at June 30, 2006 were \$77,064.

Cash Management

The Board has developed and implemented a cash management program to maximize investment earnings while maintaining the security of principal and meeting the daily cash flow demands of the School District. The program utilizes sweep accounts that enables the Board to maintain minimum account balances. For the year ended June 30, 2006, the District's investment earnings totaled \$885,550 of which \$853,276 was credited to the General Fund.

Cash not needed for immediate use during the year was invested in the State Treasurer's Asset Reserve of Ohio (STAR) Program administered by the Office of the Treasurer of the State of Ohio.

STAR Ohio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAR Ohio's investment portfolio consists of securities authorized by the Ohio Revised Code including instruments of the Federal government and its agencies, collateralized certificates of deposit and repurchase agreements. This investment pool offers daily liquidity of all funds and no minimum balance requirements.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the financial institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit.

Risk Management

The School District provides employees and their dependents a comprehensive medical, prescription drug, dental and eye care program. The program is self-insured and an internal service fund is maintained to account for and finance this program. Medical Mutual of Ohio administers the plan and reviews all claims. The District limits its liability for medical claims by maintaining a specific stop-loss insurance threshold of \$100,000 per individual.

All employees of North Olmsted City School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School District contracts with Indiana Insurance Company for property and liability insurance coverage. The limits on professional liability coverage are \$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 the past three years.

The School District participates in the Ohio Bureau of Workers' Compensation plan and pays an annual premium based on a rate per \$100 of salaries. The School District is a member of the Ohio Association of School Business Officials Workers' Compensation Group Rating Program and qualifies for a 75 percent reduction in the workers' compensation premium.

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 Independent Auditor of State was selected to render an opinion on the School District's financial statements for the year ended June 30, 2006. 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, 2005. In 1985, North Olmsted City School District was the first school district in Ohio to receive this award and has received the award for twenty-one consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO International Certificate of Excellence

The School District received the Association of School Business Officials (ASBO) International Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2005. This is the nineteenth consecutive Certificate of Excellence award that North Olmsted City Schools has received. 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.

The Auditor of State Award

In July 2006, the Auditor of State Betty Montgomery presented to the District, "The Auditor of State Award" for the District's outstanding commitment to the highest standards of financial reporting.

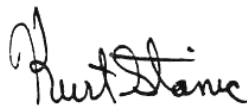
ACKNOWLEDGMENTS

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

Respectfully submitted,



Robert J. Matson, CPA
Chief Financial Officer



Dr. Kurt T. Stanic,
Superintendent of Schools

North Olmsted City School District
Principal Officials
June 30, 2006

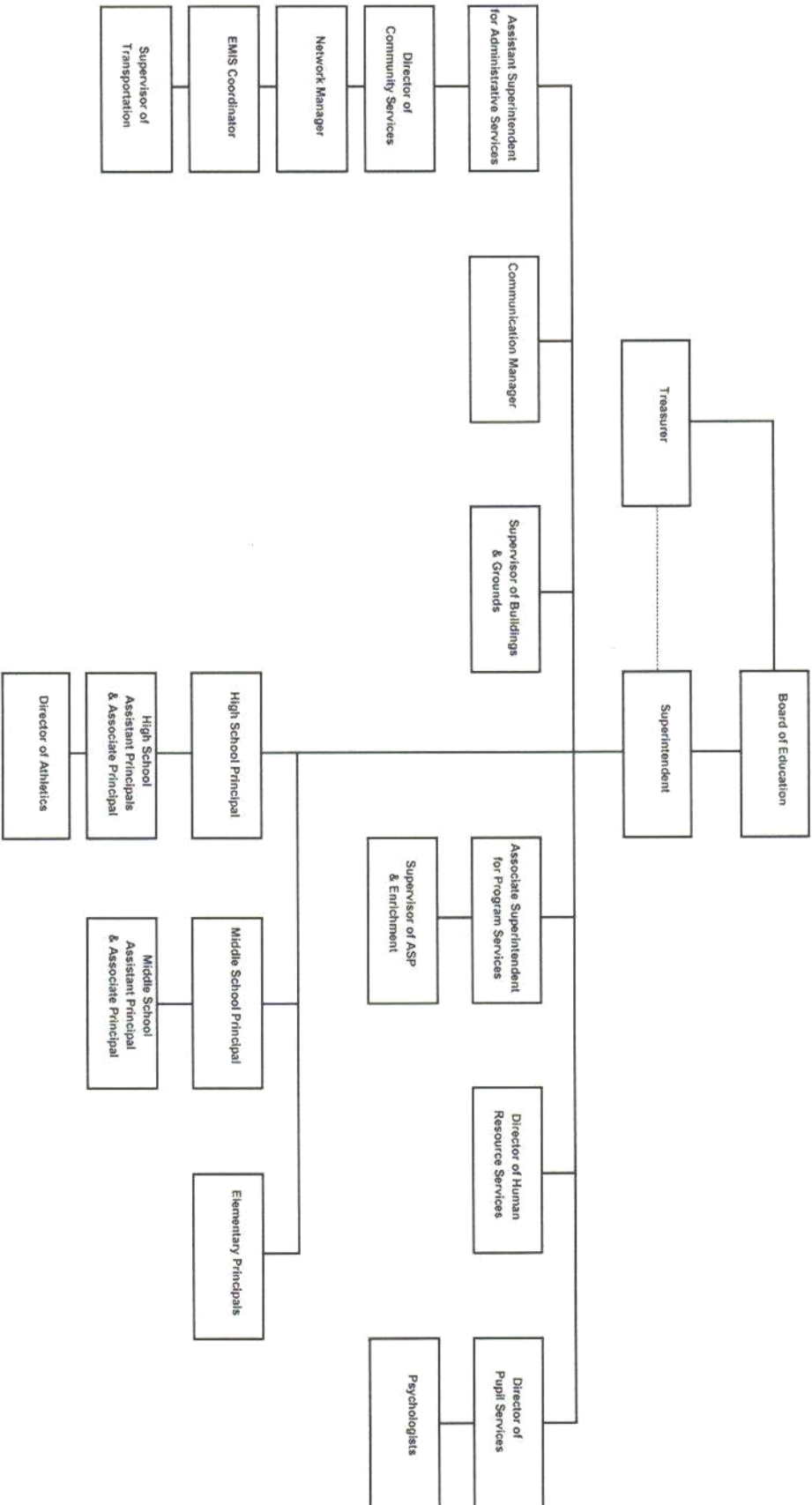
Board of Education

Mr. Michael Raig	President
Mr. John J. Lasko, Jr.	Vice-President
Mr. Donald Frazier	Member
Mrs. Joanne DiCarlo	Member
Mr. Chris Glassburn	Member

Administration

Dr. Kurt T. Stanic	Superintendent
Dr. Cheryl Dubsky	Associate Superintendent
Dr. Douglas A. Sebring	Assistant Superintendent
Mr. Robert J. Matson, CPA	Treasurer
Mr. Gary Novak	Director of Personnel
Mrs. Sharon Humphrey	Director of Pupil Services
Mrs. Vera Brewer	Communications Manager

North Olmsted City School District Organizational Chart



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, 2005

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



A handwritten signature in black ink, appearing to read "Thomas J. Han".

President

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

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

NORTH OLMSTED CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

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

President

Interim Executive Director



Auditor of State
Betty Montgomery
is pleased to present

The Auditor of State's Award

to

Robert Matson, Treasurer

*for his outstanding commitment to the highest standards of financial
reporting as evidenced by presentation of the
2004 Comprehensive Annual Financial Report.*

And, in further recognition, the Auditor commends the

North Olmsted City School District

*for meeting the strict standards established by the
United States Government Finance Officers Association
as qualification for its receipt of the Association's
Certificate of Achievement for Excellence in Financial Reporting.*



Betty Montgomery
Betty Montgomery
Auditor of State

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

North Olmsted City School District
Cuyahoga County
27425 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the 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, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio, as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Mary Taylor". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Mary Taylor, CPA
Auditor of State

January 22, 2007

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

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, 2006. 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 2006 are as follows:

Net assets decreased \$ 2,657,341 from the previous year.

The General Fund maintains a strong unrestricted cash position of \$ 11.8 million at June 30, 2006.

Revenues for governmental activities totaled \$ 47.9 million in fiscal year 2006 as compared to \$ 48.0 million in fiscal year 2005.

In fiscal year 2006, 90.7 percent of total revenue consisted of General revenues while Program revenues accounted for the remaining balance of 9.3 percent.

In fiscal year 2006, total program expenses increased 4.5 percent from the previous year to \$ 50.5 million. Instructional expenses made up 58.5 percent of this total while support services accounted for 35.1 percent. Other expenses rounded out the remaining 6.4 percent.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets 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 assets and changes in those net assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the 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 Assets and the Statement of Activities, the School District is classified into 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.

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Reporting the School District's Most Significant Funds

Governmental Fund Financial Statements

The Governmental Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these governmental fund financial statements focus on the School District's most significant funds. The School District has only one major governmental fund, the General Fund.

Governmental Funds

All of 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2006 compared to 2005.

TABLE 1
Net Assets
Governmental Activities

	2006	2005
Assets		
Current and other assets	\$ 49,677,241	\$ 52,178,782
Capital assets, net	12,458,904	12,773,639
Total assets	<u>\$ 62,136,145</u>	<u>\$ 64,952,421</u>
Liabilities		
Current liabilities	\$ 35,346,916	\$ 35,033,998
Long-term liabilities		
Due in one year	914,613	844,321
Due in more than one year	3,420,520	3,962,665
Total liabilities	<u>39,682,049</u>	<u>39,840,984</u>
Net Assets		
Invested in capital assets, net of related debt	11,614,498	11,759,329
Restricted	2,027,283	1,886,981
Unrestricted	8,812,315	11,465,127
Total net assets	<u>\$ 22,454,096</u>	<u>\$ 25,111,437</u>

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The financial position of the School District can be derived from a comparison of its assets and liabilities. At June 30, 2006, the total net assets of the School District decreased \$ 2,657,341 from the previous year. The majority of this decrease is primarily attributable to a decline in cash reserves, which were used to fund the District's current year operating deficit.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund cash balance of \$ 11.8 million at June 30, 2006. 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.

Governmental Activities

The vast majority of revenues supporting all Governmental Activities are General revenues. General revenue totaled \$ 43.4 million or 90.7 percent of the total revenue. The most significant portion of the General revenues is local property tax. Property tax revenue in fiscal year 2006 decreased \$ 444,080 from the previous year. The majority of the decrease represents normal year-to-year fluctuations in the tax collections by the County Treasurer.

The remaining amount of revenue received in the form of program revenues of \$ 4.4 million or only 9.3 percent of total revenue. Program revenues are derived from fees for services, sales from fund raising activities, operating grants, interest and contributions, and capital grants and contributions.

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

Table 2 summarizes the revenue, expenses and changes in net assets for fiscal years 2006 and 2005.

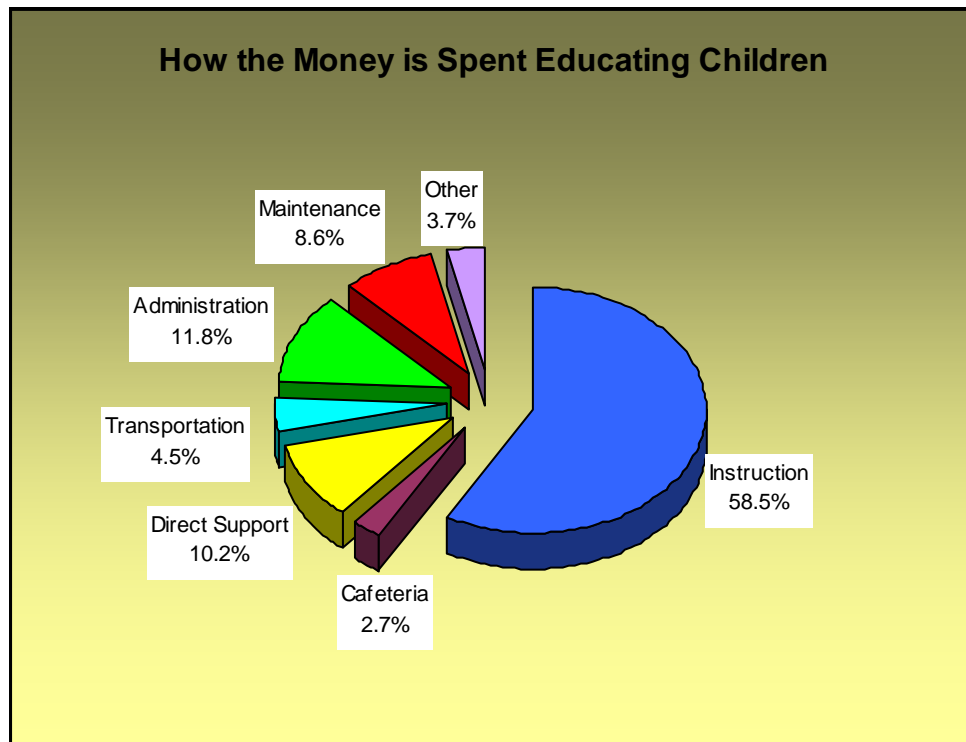
North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

TABLE 2
Governmental Activities

	2006	2005
Revenues		
Program revenues		
Charges for services and sales	\$ 2,237,741	\$ 2,015,633
Operating grants, interest and contributions	2,136,649	2,064,576
Capital grants and contributions	56,601	45,593
Total program revenues	4,430,991	4,125,802
General revenue		
Property tax	31,323,241	31,767,321
Grants and entitlements	11,137,742	11,824,292
Investment earnings	885,550	318,626
Miscellaneous	80,176	(46,165)
Total general revenues	43,426,709	43,864,074
Total revenues	47,857,700	47,989,876
Program expenses		
Instruction		
Regular	22,750,693	22,178,609
Special	5,977,408	5,526,298
Vocational	697,855	488,448
Other instruction	114,260	122,900
Supporting services		
Pupil	3,621,533	3,475,042
Instructional staff	1,545,736	1,604,238
Board of education	200,594	242,616
Administration	3,667,390	3,102,516
Fiscal services	1,026,671	1,011,324
Business	101,859	108,317
Operation and maintenance	4,341,689	4,335,829
Pupil transportation	2,242,536	1,997,265
Central services	972,098	833,133
Operation of non-instructional		
Food service operation	1,379,737	1,502,864
Community services	428,796	435,305
Extracurricular activities	1,407,527	1,305,977
Interest	38,659	40,903
Total program expenses	50,515,041	48,311,584
Change in net assets	(2,657,341)	(321,708)
Net assets, beginning of year	25,111,437	25,433,145
Net assets, end of year	\$ 22,454,096	\$ 25,111,437

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Approximately 68.7 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 11.8 percent of the budget is spent on administrative expenses. The remaining 19.5 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.



The Administration continues to develop and implement cost containment and revenue enhancement programs to manage the School District's funds in an efficient and economic manner. One method to evaluate the effective use of funds is to compare our cost per pupil expenditures with those of neighboring school districts. Based upon the Ohio Department of Education "2006 Expenditure Flow Model Report", the North Olmsted City School's cost per pupil expenditure was the 19th lowest among the 31 school districts in Cuyahoga County.

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

Table 3
Cost per Pupil as of June 30, 2006

<u>School District</u>	<u>Cost Per Pupil</u>	<u>Ranking in Cuyahoga County (31 Districts)</u>
Bay Village	\$10,181	25
Berea	9,963	26
Fairview Park	11,049	17
Lakewood	11,146	14
North Olmsted	10,919	19
Olmsted Falls	9,624	29
Rocky River	10,612	22
Strongsville	10,376	24
Westlake	10,955	18
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.

Table 4
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Governmental Activities				
Instruction	\$ 29,540,216	\$ 28,316,255	\$ (27,654,107)	\$ (26,743,262)
Supporting services	17,720,106	16,710,280	(16,696,082)	(15,780,861)
Operation of non-instructional				
Food service operation	1,379,737	1,502,864	(236,910)	(176,923)
Community services	428,796	435,305	(374,798)	(393,840)
Extracurricular activities	1,407,527	1,305,977	(1,083,494)	(1,049,993)
Debt service - interest	38,659	40,903	(38,659)	(40,903)
Total	<u>\$ 50,515,041</u>	<u>\$ 48,311,584</u>	<u>\$ (46,084,050)</u>	<u>\$ (44,185,782)</u>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax funded approximately 62.0 percent of the total expenses in 2006, down from 65.8 percent in 2005. Grants and entitlements not restricted to specific programs fund 22.0 percent of expenses, while program revenues fund only 8.8 percent. The remaining 7.2 percent of expenses is funded with investment earnings and other miscellaneous general revenues.

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The primary source of general revenue is property taxes levied. In fiscal 2006, property taxes accounted for 72.1 percent of general revenue. For fiscal year 2005, it was 72.4 percent. 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 School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 47.6 million and expenditures of \$ 51.1 million. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$ 3.8 million as compared to an increase of \$.9 million in fiscal year 2005.

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 2006, the School District amended its General Fund Appropriation Budget several times, none significantly.

Investment earnings of \$853,276 exceeded budgetary estimates 79.6 percent because of rising interest rates.

Total expenses for the year were approximately \$1.5 million under budgetary estimates. The savings can be attributed to lower than anticipated health care and utility costs, and the timing in the purchase of textbooks for the newly adopted mathematics and science curriculums.

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

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2006, the School District had \$12.5 million invested in land, buildings, equipment and vehicles. Table 5 shows fiscal 2006 values compared to fiscal 2005.

Table 5
Net Capital Assets at June 30

	2006	2005
Land	\$ 1,088,848	\$ 1,088,848
Land improvements	432,718	463,193
Building and improvements	7,986,640	8,337,056
Furniture and equipment	1,534,696	1,581,748
Vehicles	1,416,002	1,302,794
	<u>\$ 12,458,904</u>	<u>\$ 12,773,639</u>

During fiscal 2006, the School District purchased \$ 471,127 of capital assets. Approximately 55.3 percent or \$ 260,439 of the purchases was for school buses. More information on capital assets is presented in Note 7 of the notes to the basic financial statements.

Debt Administration

At June 30, 2006 the School District had outstanding \$ 765,000 bonds payable. Proceeds from the bonds were used for building and facility improvements. The bonds were issued in August 2005 and will mature in varying amounts through December 2014. During 2006, the School District repaid the outstanding balance of a note payable issued in 1998 for the acquisition of school buses.

The School District's overall legal debt margin was \$ 77,723,802 with an unvoted debt margin of \$ 863,598.

More information on debt is presented in Note 12 of the notes to the basic financial statements.

School District Outlook

The School District has reached a critical point in its financial future. Stagnant growth in operating revenues and rising expenditures has caused the School District to operate in the red. Based upon the School District's five-year financial forecast published in October 2006, it is anticipated the School District will incur an operating deficit of approximately \$4.9 million during fiscal year 2007. The operating deficit will climb to \$5.8 million the following year, at which point cash reserves will be exhausted and the School District will be forced to make over \$9.5 million in program cuts. To avoid these budgetary cuts, the Board of Education has placed a 6.5 mill operating on the February 2007 ballot.

Because four previous levy attempts have failed, the Administration has drafted a list of \$5.7 million of potential cuts in staffing and programs that will be implemented next year to stabilize the School District's finances, should the February 2007 operating levy fail. These proposed budgetary cuts include the reduction of student transportation to State Minimum Standards, the elimination of all student activities and sport programs, and the lay-off of 40 to 60 staff positions. The financial position of the School District

North Olmsted City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

is so serious; the School District's Treasurer believes the Ohio Department of Education will place the School District in fiscal caution.

As a result of the challenges mentioned above, the School District's administration continues to carefully and prudently plan its expenditures to provide adequate resources to meet student needs over the next several years. The administration implemented two early retirement incentive programs in fiscal year 2005 and 2006 to reduce operating costs. All programs and services are being reviewed with the goal of delivering these programs and services in a more economic manner.

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 twenty-one 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 nineteen years. In July 2006, the Auditor of State Betty Montgomery, presented to the District, her "The Auditor of State Award" for the District's outstanding commitment to the highest standards of financial reporting.

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. 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, 27425 Butternut Ridge Road, North Olmsted, Ohio 44070, or by telephone at 440-779-3551.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2006

	Governmental Activities
Assets	
Equity in pooled cash	\$ 15,394,383
Accounts receivable	286,387
Due from other governments	1,146,237
Inventories and supplies	128,452
Taxes receivable	32,721,782
Capital assets	
Nondepreciable capital assets	1,088,848
Depreciable capital assets	11,370,056
Total assets	<u>62,136,145</u>
Liabilities	
Accounts and contracts payable	90,789
Accrued salaries, wages and benefits	4,589,624
Accrued interest payable	2,500
Claims payable	557,000
Due to other governments	1,366,496
Unearned revenue	28,740,507
Long term liabilities	
Due within one year	914,613
Due in more than one year	3,420,520
Total liabilities	<u>39,682,049</u>
Net assets	
Invested in capital assets, net of related debt	11,614,498
Restricted for:	
Debt service	60,560
Capital projects	1,278,341
Set asides	223,073
School supplies	144,138
Extracurricular	81,306
Pupil transportation	100,814
State grants	67,313
Federal grants	3,493
Donations	67,006
Other purposes	1,239
Unrestricted (deficit)	8,812,315
Total net assets	<u>\$ 22,454,096</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants Interest and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction					
Regular	\$ 22,750,693	\$ 640,065	\$ 816,613	\$ -	\$ (21,294,015)
Special	5,977,408	406,905	-	-	(5,570,503)
Vocational	697,855	-	22,526	-	(675,329)
Other instruction	114,260	-	-	-	(114,260)
Supporting services					
Pupil	3,621,533	-	708,168	-	(2,913,365)
Instructional staff	1,545,736	-	125,056	13,045	(1,407,635)
Board of education	200,594	5,162	-	-	(195,432)
Administration	3,667,390	755	-	-	(3,666,635)
Fiscal services	1,026,671	16,300	-	-	(1,010,371)
Business	101,859	-	-	880	(100,979)
Operation and maintenance	4,341,689	28,616	-	-	(4,313,073)
Pupil transportation	2,242,536	60,617	7,402	15,676	(2,158,841)
Central services	972,098	-	15,347	27,000	(929,751)
Operation of non-instructional					
Food service operation	1,379,737	853,104	289,723	-	(236,910)
Community services	428,796	-	53,998	-	(374,798)
Extracurricular activities	1,407,527	226,217	97,816	-	(1,083,494)
Interest	38,659	-	-	-	(38,659)
Totals	<u>\$ 50,515,041</u>	<u>\$ 2,237,741</u>	<u>\$ 2,136,649</u>	<u>\$ 56,601</u>	<u>(46,084,050)</u>
General revenues					
Property taxes levied for:					
General purpose					30,330,456
Capital improvements					992,785
Grants and entitlements not restricted to specific purposes					11,137,742
Investment earnings					885,550
Miscellaneous					80,176
Total general revenues					<u>43,426,709</u>
Change in net assets					(2,657,341)
Net assets at beginning of year					25,111,437
Net assets at end of year					<u>\$ 22,454,096</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2006

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in pooled cash	\$ 11,848,365	\$ 2,122,945	\$ 13,971,310
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	30,671,042	1,024,340	31,695,382
Taxes, delinquent	993,200	33,200	1,026,400
Accounts and other	286,387	-	286,387
Due from other governments	1,073,069	73,168	1,146,237
Interfund receivable	366,902	-	366,902
Inventories and supplies	108,539	19,913	128,452
Total assets	\$ 45,570,577	\$ 3,273,566	\$ 48,844,143
Liabilities and fund balances			
Liabilities			
Accounts and contracts payable	\$ 69,345	\$ 21,444	\$ 90,789
Accrued wages and benefits	4,476,954	112,670	4,589,624
Due to other governments	1,153,721	102,016	1,255,737
Interfund payable	-	366,902	366,902
Unearned revenue			
Taxes	28,804,863	962,044	29,766,907
Other	1,281,826	-	1,281,826
Compensated absences	773,512	6,469	779,981
Total liabilities	36,560,221	1,571,545	38,131,766
Fund balances			
Reserved for budget stabilization	223,073	-	223,073
Reserved for inventories	108,539	19,913	128,452
Reserved for property taxes	2,859,379	95,496	2,954,875
Reserved for encumbrances	1,779,660	565,788	2,345,448
Unreserved, reported in			
General Fund	4,039,705	-	4,039,705
Special Revenue Funds	-	346,894	346,894
Debt Service Fund	-	63,060	63,060
Capital Projects Funds	-	610,870	610,870
Total fund balances	9,010,356	1,702,021	10,712,377
Total liabilities and fund balances	\$ 45,570,577	\$ 3,273,566	\$ 48,844,143

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

Total governmental funds balances			\$ 10,712,377
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.			12,458,904
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property taxes	1,026,400		
Intergovernmental receivables	1,073,069		
Other receivables	208,757		
			<hr/>
			2,308,226
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 assets.			643,000
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.			(110,759)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences	(2,710,746)		
Capital leases	(79,406)		
Bonds payable	(765,000)		
Accrued interest payable	(2,500)		
			<hr/>
			(3,557,652)
Net assets of governmental activities			<hr/> <hr/>
			\$ 22,454,096

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, 2006

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 30,384,799	\$ 1,001,785	\$ 31,386,584
Tuition and fees	518,527	3,522	522,049
Interest	853,276	32,274	885,550
Intergovernmental	10,665,367	2,350,142	13,015,509
Charges for services	-	895,697	895,697
Extracurricular	-	382,788	382,788
Other	181,499	335,884	517,383
Total revenues	<u>42,603,468</u>	<u>5,002,092</u>	<u>47,605,560</u>
Expenditures			
Current			
Instruction			
Regular	22,031,420	1,124,911	23,156,331
Special	6,170,591	-	6,170,591
Vocational	577,105	-	577,105
Other instruction	114,260	-	114,260
Supporting services			
Pupil	2,944,955	738,391	3,683,346
Instructional staff	1,421,932	122,662	1,544,594
Board of education	200,594	-	200,594
Administration	3,147,778	58,429	3,206,207
Fiscal services	1,017,126	7,467	1,024,593
Business	99,272	828	100,100
Operation and maintenance	4,005,448	449,059	4,454,507
Pupil transportation	2,091,711	338,880	2,430,591
Central services	921,791	47,234	969,025
Operation of non-instructional			
Food service operation	50,770	1,350,124	1,400,894
Community services	29,226	422,347	451,573
Extracurricular activities	1,086,440	334,165	1,420,605
Debt service			
Principal	47,904	122,000	169,904
Interest	3,744	35,215	38,959
Total expenditures	<u>45,962,067</u>	<u>5,151,712</u>	<u>51,113,779</u>
Excess (deficiency) of revenues over expenditures	<u>(3,358,599)</u>	<u>(149,620)</u>	<u>(3,508,219)</u>
Other financing sources (uses)			
Transfers-in	-	372,484	372,484
Transfers-out	(464,284)	(108,200)	(572,484)
Total other financing sources (uses)	<u>(464,284)</u>	<u>264,284</u>	<u>(200,000)</u>
Net change in fund balances	(3,822,883)	114,664	(3,708,219)
Fund balances, beginning of year	12,836,604	1,605,635	14,442,239
Decrease in reserve for inventory	(3,365)	(18,278)	(21,643)
Fund balances, end of year	<u>\$ 9,010,356</u>	<u>\$ 1,702,021</u>	<u>\$ 10,712,377</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, 2006

Net change in fund balances - total governmental funds \$ (3,708,219)

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays 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 depreciation
and deletions exceeded capital outlay in the current period.

Capital outlay, net	468,186	
Depreciation expense	(782,921)	
Total	(314,735)	(314,735)

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the funds.

Property taxes	(272,100)	
Intergovernmental revenue	315,483	
Other	208,757	
	252,140	252,140

The issuance of long-term debt provides current financial resources
to governmental funds, while the repayment of principal long-term
debt consumes the current financial resources of governmental funds.
Neither transaction has any effect on net assets. This amount is
the net effect of the differences in the treatment of long-term
debt on the statement of activities.

169,904

Accrued interest expense on the statement of activities does not require
the use of current financial resources and, therefore is not reported as
an expenditure in the governmental funds.

300

Some expenses reported in the statement of activities,
such as compensated absences and intergovernmental
payable which represents contractually required pension
contributions, do not require the use of current financial
resources and therefore are not reported as expenditures
in governmental funds.

Compensated absences	407,512	
Intergovernmental payable	334,400	
Change in inventory	(21,643)	
	720,269	720,269

The internal service fund used by management to charge the
costs of insurance to individual funds is not reported in
the district-wide statement of activities. Governmental
fund expenditures and the related internal service fund
revenues are eliminated. The net revenue (expense) of
the internal service fund is allocated among the
governmental activities.

223,000

Change in net assets of governmental activities \$ (2,657,341)

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, 2006

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 31,996,000	\$ 32,246,000	\$ 32,058,417	\$ (187,583)
Tuition and fees	531,000	481,000	518,527	37,527
Interest	475,000	475,000	853,276	378,276
Intergovernmental	11,092,000	10,719,853	10,709,823	(10,030)
Other	156,000	156,000	186,829	30,829
Total revenues	<u>44,250,000</u>	<u>44,077,853</u>	<u>44,326,872</u>	<u>249,019</u>
Expenditures				
Current				
Instruction				
Regular	22,422,344	24,576,197	23,937,359	638,838
Special	6,414,881	6,532,169	6,406,022	126,147
Vocational	661,000	608,643	603,396	5,247
Other instruction	129,000	120,000	114,260	5,740
Supporting services				
Pupil	3,053,400	2,994,169	2,946,658	47,511
Instructional staff	1,430,220	1,527,732	1,395,307	132,425
Board of education	248,400	264,690	225,439	39,251
Administration	3,218,776	3,207,655	3,132,310	75,345
Fiscal services	1,090,550	1,119,270	1,008,285	110,985
Business	107,600	109,100	99,272	9,828
Operation and maintenance	4,051,400	4,226,175	4,062,756	163,419
Pupil transportation	1,995,600	2,083,682	2,041,772	41,910
Central services	992,105	1,043,088	990,209	52,879
Operation of non-instructional				
Food service operation	69,300	52,100	49,803	2,297
Community services	28,000	32,000	29,226	2,774
Extracurricular activities	1,110,400	1,106,156	1,087,528	18,628
Total expenditures	<u>47,022,976</u>	<u>49,602,826</u>	<u>48,129,602</u>	<u>1,473,224</u>
Excess (deficiency) of revenues over expenditures	<u>(2,772,976)</u>	<u>(5,524,973)</u>	<u>(3,802,730)</u>	<u>1,722,243</u>
Other financing sources (uses)				
Advances-in	504,502	504,502	504,502	-
Refund prior year expenditure	3,000	3,000	346	(2,654)
Advances-out	(400,000)	(500,000)	(366,903)	133,097
Transfers-out	(288,600)	(471,919)	(466,834)	5,085
Total other financing sources (uses)	<u>(181,098)</u>	<u>(464,417)</u>	<u>(328,889)</u>	<u>135,528</u>
Net change in fund balances	(2,954,074)	(5,989,390)	(4,131,619)	1,857,771
Fund balances, beginning of year	13,854,594	13,854,594	13,854,594	-
Prior year encumbrances appropriated	499,458	499,458	499,458	-
Fund balances, end of year	<u>\$ 11,399,978</u>	<u>\$ 8,364,662</u>	<u>\$ 10,222,433</u>	<u>\$ 1,857,771</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS -
INTERNAL SERVICE FUND

JUNE 30, 2006

	<u>Self Insurance</u>
Current assets	
Equity in pooled cash	\$ 1,200,000
Current liabilities	
Claims payable	<u>557,000</u>
Total liabilities	<u>557,000</u>
Net assets	
Unrestricted	<u>\$ 643,000</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Self Insurance</u>
Operating revenues	
Charges for services	<u>\$ 4,602,613</u>
Operating expenses	
Claims	<u>4,579,613</u>
Total operating expenses	<u>4,579,613</u>
Operating income	23,000
Transfers-in	<u>200,000</u>
Change in net assets	223,000
Net assets, beginning of year	<u>420,000</u>
Net assets, end of year	<u><u>\$ 643,000</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, 2006

	<u>Self Insurance</u>
Cash flow s from operating activities	
Cash received from interfund services	\$ 4,602,613
Cash payments for claims	<u>(4,602,613)</u>
Net cash provided by operating activities	<u>-</u>
 Cash flow s from noncapital financing activities	
Transfer from other funds	<u>200,000</u>
Net cash provided by noncapital financing activities	<u>200,000</u>
 Net increase in cash and cash equivalents	200,000
 Cash and cash equivalents, beginning of year	<u>1,000,000</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,200,000</u></u>
 Reconciliation of operating income to net cash used for operating activities	
 Operating income	<u>\$ 23,000</u>
 Adjustments	
Decrease in claims payable	<u>(23,000)</u>
	<u>(23,000)</u>
 Net cash used for operating activities	<u><u>\$ -</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, 2006

	Student Activities
Assets	
Equity in pooled cash	\$ 77,064
Total assets	<u>77,064</u>
Liabilities	
Accounts payable	1,579
Due to students	75,485
Total liabilities	<u>\$ 77,064</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Olmsted City School District (the 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 District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 2005 was 4,551. The District employs 400 certificated and 247 non-certificated employees.

REPORTING ENTITY

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 District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the 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 District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and, 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District is associated with the Lake Erie Educational Computer Association, the Polaris Career Center, the North Olmsted City Schools Education Foundation, and the Ohio Schools Council, which are considered to be jointly governed organizations. The District also participates in a public risk pool managed by the Ohio Schools Boards Association Workers' Compensation Group Rating Program. These organizations and their relationships with the District are described in more detail in Notes 9 and 16 of these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its proprietary fund. Following are the more significant of the District's accounting policies.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. 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 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 District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental 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, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING

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

Governmental Funds

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

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.

The other governmental funds of the 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 assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the 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 District on a cost reimbursement basis. The 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 District employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The 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, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets. The Statement of Activities presents increases (revenues) and decreases (expenses) in the total net assets.

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

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

D. 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 fund 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 unearned revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "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 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, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

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

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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 and Debt Service Fund. The legal level of budgetary control is at the fund, special cost center level for the Other Grants Fund, Miscellaneous State Grants Fund, Auxiliary Services 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 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.

F. CASH AND INVESTMENTS

Cash received by the District is deposited in one central bank account with individual fund balance integrity maintained through District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAROhio) or other short term investments. Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest income earned for the year ended June 30, 2006 totaled \$ 885,550.

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.

The District has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2006.

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. INVENTORY

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

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

H. 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.

I. CAPITAL ASSETS

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$ 2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not 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, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

J. 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 assets.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 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 District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

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.

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

M. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include money for scholarships and data communications support.

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

N. FUND BALANCE RESERVES AND DESIGNATIONS

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

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND BALANCE RESERVES AND DESIGNATIONS (continued)

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures.

O. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are 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.

P. 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.

Q. ESTIMATES

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 a reservation of fund balance (GAAP basis).

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (continued)

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	\$ (4,131,619)
Adjustments, increase (decrease)	
Revenue accruals	(1,723,404)
Expenditure accruals	2,167,535
Other sources (uses)	(135,395)
GAAP basis, as reported	<u>\$ (3,822,883)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

Inactive deposits are public deposits 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 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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the District's deposits was \$ 764,634 and the bank balance was \$ 2,299,346. Of the bank balance, \$ 100,000 was covered by federal depository insurance and \$ 2,199,346 was uninsured. Of the remaining balance, \$ 2,199,346 was collateralized with securities held by the pledging institution's trust department not in the District's name.

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2006, the District had the following investments:

	Weighted Average Maturities Years	Fair Value
Investment in State Treasurer's Investment Pool	n/a	<u>\$ 14,706,813</u>

D. INTEREST RATE RISK

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

E. CREDIT RISK

The District follows the Ohio Revised Code that limits its investment choices. STAR Ohio carries a rating of AAA by Standard and Poor's.

F. CONCENTRATION OF CREDIT RISK

The District places no limit on the amount that may be invested in any one issuer. The District's total investments (100%) are in STAR Ohio.

G. CUSTODIAL CREDIT RISK

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2006 represent the collection of calendar year 2005 taxes. Real property taxes for 2006 were levied after April 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2006 represents collections of calendar 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar 2006 were levied after April 1, 2005, on the value as of December 31, 2005. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006/2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2006 operations. The receivable is therefore offset by a credit to unearned revenue for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - PROPERTY TAXES (continued)

The amount available as an advance at June 30, 2006, was \$ 2,859,379 in the General Fund and \$ 95,496 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2005, was \$ 4,610,627 in the General Fund and \$ 154,761 in the Permanent Improvements Fund

The assessed values upon which the fiscal year 2006 taxes were collected are:

	2005 Second Half Collections		2006 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 561,258,110	65.34 %	\$ 562,125,960	65.09 %
Other Commercial	234,722,760	27.33	237,578,290	27.51
Public Utility Tangible	15,759,330	1.83	14,629,810	1.70
Tangible Personal Property	47,248,786	5.50	49,263,743	5.70
	<u>\$ 858,988,986</u>	<u>100.00 %</u>	<u>\$ 863,597,803</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>77.0</u>		<u>77.0</u>	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2006, 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. A summary of the principal items of due from other governments follows:

	Amount
Governmental Activities	
General Fund	\$ 1,073,069
Food Service	62,662
Miscellaneous Federal Grants	10,506
Due from other governments	<u>\$ 1,146,237</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	Balance June 30, 2005	Additions	Disposals	Balance June 30, 2006
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,088,848	\$ -	\$ -	\$ 1,088,848
Depreciable capital assets				
Land improvements	835,881	-	-	835,881
Buildings and improvements	17,645,361	23,594	-	17,668,955
Furniture and equipment	2,876,362	187,094	16,107	3,047,349
Vehicles	2,796,398	260,439	123,868	2,932,969
Total capital assets being depreciated	24,154,002	471,127	139,975	24,485,154
Less accumulated depreciation				
Land improvements	372,688	30,475	-	403,163
Buildings and improvements	9,308,305	374,010	-	9,682,315
Furniture and equipment	1,294,614	233,455	15,416	1,512,653
Vehicles	1,493,604	144,981	121,618	1,516,967
Total accumulated depreciation	12,469,211	782,921	137,034	13,115,098
Depreciable capital assets, net of accumulated depreciation	11,684,791	(311,794)	2,941	11,370,056
Governmental activities capital assets, net	\$ 12,773,639	\$ (311,794)	\$ 2,941	\$ 12,458,904

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 285,304
Special	40,969
Vocational	17,866
Supporting services	
Pupil	806
Instructional staff	68,343
Administration	43,189
Fiscal	5,828
Business	1,759
Operation and maintenance of plant	131,418
Pupil transportation	144,679
Central services	16,560
Operation of non-instructional services	
Food service	13,142
Extracurricular activities	13,058
Total depreciation expense	\$ 782,921

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 8 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2006, interfund balances consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 366,902	\$ -
Special Revenue Funds		
Limited English Proficiency	-	22,316
Title 1		2,030
Alternative Education	-	5,392
Tile VIB	-	266,417
Title V	-	16,352
Drug Free Schools	-	4,799
Title II-A	-	12,770
Miscellaneous Federal Grants	-	36,826
	<u>\$ 366,902</u>	<u>\$ 366,902</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.

NOTE 9 - 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 2006, the District contracted with Indiana Insurance Company for property insurance. General liability is protected by Indiana Insurance Company with a \$ 1 million per occurrence, \$ 2 million aggregate with a \$ 5 million supplemental umbrella policy. Vehicles are covered by Indiana Insurance Company. 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 \$ 30,000 are maintained for the Superintendent and Board President and \$ 100,000 for the Treasurer from Ohio Casualty. The District provides life insurance, disability and accidental death and dismemberment insurance to its employees, through Standard Life Insurance Company.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 9 - RISK MANAGEMENT (continued)

B. WORKERS' COMPENSATION

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc., provides administrative, cost control and actuarial services to the GRP.

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 \$ 100,000.

The claim liability of \$ 557,000 reported at June 30, 2006 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, 2006 and 2005 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, 2006	June 30, 2005
Unpaid claims, beginning of year	\$ 580,000	\$ 628,000
Incurred claims	4,579,613	4,412,367
Claims payments	(4,602,613)	(4,460,367)
Unpaid claims, end of year	<u>\$ 557,000</u>	<u>\$ 580,000</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 10 - PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at ohsers.org.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004 were \$ 779,100, \$ 712,680, and \$ 556,950, respectively; 73 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

B. STATE TEACHERS RETIREMENT SYSTEM OF OHIO

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio 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. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 10 - PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM OF OHIO (continued)

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004, were \$ 3,173,826, \$ 2,934,398, and \$ 2,874,150, respectively; 81 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

C. SOCIAL SECURITY SYSTEM

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2006, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$ 244,140 for fiscal year 2006.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$ 254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$ 35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$ 363,333.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$ 178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$ 267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2006 were as follows:

	Balance June 30, 2005	Increase	Decrease	Balance June 30, 2006	Amounts Due In One Year
Notes payable - 1998, 5%					
Bus acquisition	\$ 32,000	\$ -	\$ 32,000	\$ -	\$ -
Bonds payable - 2004, 4.15%					
Building improvements	855,000	-	90,000	765,000	85,000
Capital lease	127,310	-	47,904	79,406	49,632
Compensated absences	3,792,676	372,469	674,418	3,490,727	779,981
	<u>\$ 4,806,986</u>	<u>\$ 372,469</u>	<u>\$ 844,322</u>	<u>\$ 4,335,133</u>	<u>\$ 914,613</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 12 - LONG-TERM OBLIGATIONS (continued)

The School District's overall legal debt margin was \$ 77,723,802 with an unvoted debt margin of \$ 863,598.

Principal and interest requirements to retire the building improvement bonds outstanding at June 30, 2006, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2007	\$ 85,000	\$ 29,984	\$ 114,984
2008	85,000	26,456	111,456
2009	85,000	22,929	107,929
2010	85,000	19,401	104,401
2011	85,000	15,874	100,874
2012 - 2015	340,000	28,220	368,220
Totals	<u>\$ 765,000</u>	<u>\$ 142,864</u>	<u>\$ 907,864</u>

Notes payable and bonds payable were repaid from the Debt Service Fund. The capital lease obligation will be repaid from the General Fund. Compensated absences will be repaid from the funds from which employees' salaries are paid.

During 2005, the Board of Education negotiated a retirement incentive plan for all certified non-administrative personnel. Each person who meets certain eligibility requirements will receive \$ 1,000 per year for each year of STRS service credit up to a maximum of \$ 30,000. Beginning July of the year of retirement, payment will be made in three equal annual installments into a qualified tax exempt Health Retirement Account. At June 30, 2006, the District's liability for the retirement incentive plan was \$ 305,000. This liability is recorded as part of compensated absences in the General Fund.

NOTE 13 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2006 consisted of the following:

	Transfer from:		
	General Fund	Nonmajor Governmental Funds	Total Transfers-in
Transfer to:			
Nonmajor			
governmental funds	\$ 264,284	\$ 108,200	\$ 372,484
Internal Service	200,000	-	200,000
Total transfers-out	<u>\$ 464,284</u>	<u>\$ 108,200</u>	<u>\$ 572,484</u>

Transfers from the General Fund were to provide for payment of expenditures. Transfers from nonmajor governmental funds included \$ 108, 200 to the Debt Service Fund for payment of principal and interest. Not apparent in the basic financial statements was a transfer of \$ 2,550 from the General Fund to the Student Activities Agency Fund.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 14 – CAPITAL LEASES

The District has entered into a lease agreement for financing certain copier equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of June 30, 2006. The assets acquired through capital lease consist of:

	Cost	Depreciation	Net
Copier equipment	<u>\$ 237,000</u>	<u>\$ 165,900</u>	<u>\$ 71,100</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, are as follow:

	Year ending June 30,	Amount
	<u>2007</u>	<u>\$ 51,648</u>
	2008	30,128
Total future minimum lease payments		<u>81,776</u>
Less amount representing interest		(2,370)
Net present value of minimum lease payments		<u>\$ 79,406</u>

NOTE 15 – OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. During 2006, expenditures for operating leases totaled \$ 87,150.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2006.

	Year ending June 30,	Amount
	<u>2007</u>	<u>\$ 48,000</u>
	2008	28,000
Future minimum lease payments		<u>\$ 76,000</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

A. LAKE ERIE EDUCATION COMPUTER ASSOCIATION

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty school districts. The jointly governed organization was formed to provide data processing services for accounting, administrative and instructional functions of member districts. Each of the governments of these districts supports LEECA based upon a per pupil charge dependent upon the software packages utilized. The LEECA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent.

LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2006, the District paid \$ 67,099 to LEECA.

B. POLARIS CAREER CENTER

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

C. NORTH OLMSTED CITY SCHOOLS EDUCATION FOUNDATION

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

The ex officio trustees are composed of the following individuals: the Superintendent of the North Olmsted City School District, a member of the North Olmsted Board of Education, a member of the North Olmsted PTA Council, a member of the North Olmsted City Schools' Financial Advisory Board, and a member of the Community Education Advisory Board. All trustees are voting members. The Foundation is responsible for approving its own budgets, appointing personnel, creation of committees, and accounting and financial related activities. Financial information can be obtained by contacting Nickolas Mazzone, c/o The North Olmsted Board of Education, 24100 Palm Drive, North Olmsted, Ohio 44070.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 16 - JOINTLY GOVERNED ORGANIZATION (continued)

D. OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among ninety-one school districts. The Council was formed to offer supplies and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee for the services provided. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2006 the District paid \$ 2,146 to the Council.

The North Olmsted City Schools participates in the Council's electric purchase program which was implemented during fiscal year 2000. The program allows school districts to purchase electricity at reduced rates for a period of eight years through Energy Acquisition Corporation (Corporation), a non-profit corporation with a self-appointing board of trustees. The Corporation issued \$ 119,140,000 of notes to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI). The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement during the eight year period, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The North Olmsted City Schools participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage and any necessary adjustments are made.

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

The North Olmsted City Schools also participates in the Council's group life insurance and school bus acquisition programs. Financial information can be obtained by contacting David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

NOTE 17 - CONTINGENCIES

The 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 District at June 30, 2006.

NORTH OLMSTED CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 18 - SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the District has set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2006.

	Textbook	Capital Maintenance	Budget Stabilization
Set-aside reserve balances as of June 30, 2005	\$ -	\$ -	\$ 223,073
Set-aside balance carried forward	(2,719,810)	-	-
Current year set-aside requirement	662,625	662,625	-
Qualifying offsets and disbursements	(1,468,208)	(1,387,859)	-
Total	<u>\$ (3,525,393)</u>	<u>\$ (725,234)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ (3,525,393)</u>	<u>\$ -</u>	<u>\$ -</u>
Set-aside reserve balance as of June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,073</u>

The District had qualifying disbursements during the fiscal year that reduced the textbook set-aside below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. Although the 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 19 – DEFICIT FUND EQUITY

At June 30, 2006, the following funds had deficit fund balances.

Special Revenue Funds	
Alternative Education	\$ 2,282
Title VIB	\$ 86,538
Title V	\$ 15,737
Title II-A	\$ 4,374
Miscellaneous Federal Grants	\$ 15,290

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.

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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 are 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.

Miscellaneous Local Projects – This fund accounts for local revenues to support scholarships and curriculum improvements.

Rotary – This fund accounts for all revenues and expenses related to telephone commissions and vending machines at the District high school, all revenues and expenses related to bus maintenance and repair services provided to other school districts, and all revenues and expenses related to the purchase and resale of city transit system bus tickets for student transportation.

Public Support Services – This fund accounts for school site sales projects, field trips, assemblies, and other extra-curricular activity costs.

Other Grants – This fund accounts for various local grants received to enhance educational programs of the district.

Data Communication Support – This fund accounts for State revenue received for the installation and ongoing support of data communication links to the Statewide Network.

Athletic – 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 Services – 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.

Education M.I.S. – This fund accounts for revenues provided by the State of Ohio to support expenditures for development of a statewide management information system required by Senate Bill 140.

Entry Year Teacher – This fund accounts for monies used to support an entry year program for beginning teachers that hold a two year provisional teaching license and are teaching in their license field.

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

Schoolnet – This fund accounts for workstations and training of personnel and for wiring upgrades at the individual schools.

Video Distance Learning – This fund accounts for monies received from the State of Ohio for purchase of video conferencing equipment and technology.

(continued)

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (continued)

SPECIAL REVENUE FUNDS

Ohio Reads – This fund accounts for the State revenue received to improve reading performance, especially on the fourth grade reading proficiency test.

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

Student Intervention – This fund accounts for state revenue received for the purpose of staff development and materials used to assist primary students with reading disabilities.

Parent Mentor Program – This fund accounts for state revenue received for the purpose of providing training and technical assistance to parents of special education need students.

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

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

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

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.

Title V – This fund accounts for Federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to profit schools within the community.

Drug Free Schools – This fund accounts for Federal revenues used to implement programs to educate and encourage students to live lives free of drug dependency.

Preschool – This fund accounts for Federal monies supporting programs for handicapped services for children ages 2-5 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.

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS (concluded)

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

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

Schoolnet Plus – This fund accounts for money received from the State of Ohio for the purpose of supporting the District's voice, video and data communications network.

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NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 907,783	\$ 63,060	\$ 1,152,102	\$ 2,122,945
Receivables, net of allowance				
Taxes, current	-	-	1,024,340	1,024,340
Taxes, delinquent	-	-	33,200	33,200
Due from other governments	73,168	-	-	73,168
Inventories and supplies	19,913	-	-	19,913
Total assets	\$ 1,000,864	\$ 63,060	\$ 2,209,642	\$ 3,273,566
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 18,987	\$ -	\$ 2,457	\$ 21,444
Accrued salaries, wages and benefits	112,670	-	-	112,670
Due to other governments	102,016	-	-	102,016
Interfund payable	366,902	-	-	366,902
Unearned revenue				
Taxes	-	-	962,044	962,044
Compensated absences	6,469	-	-	6,469
Total liabilities	607,044	-	964,501	1,571,545
Fund balances				
Reserved for inventories	19,913	-	-	19,913
Reserved for property taxes	-	-	95,496	95,496
Reserved for encumbrances	27,013	-	538,775	565,788
Unreserved	346,894	63,060	610,870	1,020,824
Total fund balances	393,820	63,060	1,245,141	1,702,021
Total liabilities and fund balances	\$ 1,000,864	\$ 63,060	\$ 2,209,642	\$ 3,273,566

NORTH OLMSTED CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 1,001,785	\$ 1,001,785
Tuition and fees	3,522	-	-	3,522
Interest	4,747	-	27,527	32,274
Intergovernmental	2,238,856	-	111,286	2,350,142
Charges for services	895,697	-	-	895,697
Extracurricular	382,788	-	-	382,788
Other	335,884	-	-	335,884
Total revenues	<u>3,861,494</u>	<u>-</u>	<u>1,140,598</u>	<u>5,002,092</u>
Expenditures				
Current				
Instruction				
Regular	1,032,697	-	92,214	1,124,911
Supporting services				
Pupil	738,391	-	-	738,391
Instructional staff	122,662	-	-	122,662
Administration	857	-	57,572	58,429
Fiscal services	-	-	7,467	7,467
Business	828	-	-	828
Operation and maintenance	-	-	449,059	449,059
Pupil transportation	74,981	-	263,899	338,880
Central services	47,234	-	-	47,234
Operation of non-instructional services				
Food service operations	1,350,124	-	-	1,350,124
Community service	422,347	-	-	422,347
Extracurricular activities	334,165	-	-	334,165
Debt service				
Principal	-	122,000	-	122,000
Interest	-	35,215	-	35,215
Total expenditures	<u>4,124,286</u>	<u>157,215</u>	<u>870,211</u>	<u>5,151,712</u>
Excess revenues over expenditures	<u>(262,792)</u>	<u>(157,215)</u>	<u>270,387</u>	<u>(149,620)</u>
Other financing sources (uses)				
Transfers-in	230,769	141,715	-	372,484
Transfers-out	-	-	(108,200)	(108,200)
Total other financing sources (uses)	<u>230,769</u>	<u>141,715</u>	<u>(108,200)</u>	<u>264,284</u>
Excess (deficiency) of expenditures and other sources	(32,023)	(15,500)	162,187	114,664
Fund balances, beginning of year	444,121	78,560	1,082,954	1,605,635
Decrease in reserve for inventory	(18,278)	-	-	(18,278)
Fund balances, end of year	<u>\$ 393,820</u>	<u>\$ 63,060</u>	<u>\$ 1,245,141</u>	<u>\$ 1,702,021</u>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2006

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
Assets					
Equity in pooled cash	\$ 77,739	\$ 1,239	\$ 100,814	\$ 146,216	\$ 67,033
Due from other governments	62,662	-	-	-	-
Inventories and supplies	19,913	-	-	-	-
Total assets	\$ 160,314	\$ 1,239	\$ 100,814	\$ 146,216	\$ 67,033
Liabilities and fund balances					
Liabilities					
Accounts and contracts payable	\$ 9,472	\$ -	\$ -	\$ 2,078	\$ 27
Accrued salaries, wages and benefits	48,627	-	-	-	-
Due to other governments	51,639	-	-	-	-
Interfund payable	-	-	-	-	-
Compensated absences	6,469	-	-	-	-
Total liabilities	116,207	-	-	2,078	27
Fund balances					
Reserved for inventories	19,913	-	-	-	-
Reserved for encumbrances	-	-	-	-	327
Unreserved	24,194	1,239	100,814	144,138	66,679
Total fund balances	44,107	1,239	100,814	144,138	67,006
Total liabilities and fund balances	\$ 160,314	\$ 1,239	\$ 100,814	\$ 146,216	\$ 67,033

Data Communication Support	Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ -	\$ 88,124	\$ 55,831	\$ -	\$ -	\$ 17,374	\$ 5,942	\$ 893
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 88,124</u>	<u>\$ 55,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,374</u>	<u>\$ 5,942</u>	<u>\$ 893</u>
\$ -	\$ 6,818	\$ 50	\$ -	\$ -	\$ -	\$ 150	\$ -
-	-	10,755	-	-	-	-	-
-	-	6,100	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>6,818</u>	<u>16,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	6,074	4,419	-	-	500	1,050	-
-	75,232	34,507	-	-	16,874	4,742	893
<u>-</u>	<u>81,306</u>	<u>38,926</u>	<u>-</u>	<u>-</u>	<u>17,374</u>	<u>5,792</u>	<u>893</u>
<u>\$ -</u>	<u>\$ 88,124</u>	<u>\$ 55,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,374</u>	<u>\$ 5,942</u>	<u>\$ 893</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2006

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Student Intervention	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
Assets						
Equity in pooled cash	\$ -	\$ 26,547	\$ -	\$ 6,566	\$ 3,502	\$ 10,126
Due from other governments	-	-	-	-	-	-
Inventories and supplies	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 26,547</u>	<u>\$ -</u>	<u>\$ 6,566</u>	<u>\$ 3,502</u>	<u>\$ 10,126</u>
Liabilities and fund balances						
Liabilities						
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 392	\$ -
Accrued salaries, wages and benefits	-	-	-	2,622	-	-
Due to other governments	-	-	-	2,790	-	-
Interfund payable	-	22,316	-	-	5,392	-
Compensated absences	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>22,316</u>	<u>-</u>	<u>5,412</u>	<u>5,784</u>	<u>-</u>
Fund balances						
Reserved for inventories	-	-	-	-	-	-
Reserved for encumbrances	-	355	-	-	-	-
Unreserved	-	3,876	-	1,154	(2,282)	10,126
Total fund balances	<u>-</u>	<u>4,231</u>	<u>-</u>	<u>1,154</u>	<u>(2,282)</u>	<u>10,126</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 26,547</u>	<u>\$ -</u>	<u>\$ 6,566</u>	<u>\$ 3,502</u>	<u>\$ 10,126</u>

Title VIB	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 272,032	\$ 2,057	\$ 615	\$ 5,707	\$ -	\$ 8,396	\$ 11,030	\$ 907,783
-	-	-	-	-	-	10,506	73,168
-	-	-	-	-	-	-	19,913
<u>\$ 272,032</u>	<u>\$ 2,057</u>	<u>\$ 615</u>	<u>\$ 5,707</u>	<u>\$ -</u>	<u>\$ 8,396</u>	<u>\$ 21,536</u>	<u>\$ 1,000,864</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,987
50,666	-	-	-	-	-	-	112,670
41,487	-	-	-	-	-	-	102,016
266,417	2,030	16,352	4,799	-	12,770	36,826	366,902
-	-	-	-	-	-	-	6,469
<u>358,570</u>	<u>2,030</u>	<u>16,352</u>	<u>4,799</u>	<u>-</u>	<u>12,770</u>	<u>36,826</u>	<u>607,044</u>
-	-	-	-	-	-	-	19,913
10,923	-	596	-	-	-	2,769	27,013
(97,461)	27	(16,333)	908	-	(4,374)	(18,059)	346,894
<u>(86,538)</u>	<u>27</u>	<u>(15,737)</u>	<u>908</u>	<u>-</u>	<u>(4,374)</u>	<u>(15,290)</u>	<u>393,820</u>
<u>\$ 272,032</u>	<u>\$ 2,057</u>	<u>\$ 615</u>	<u>\$ 5,707</u>	<u>\$ -</u>	<u>\$ 8,396</u>	<u>\$ 21,536</u>	<u>\$ 1,000,864</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
NONMAJOR SPECIAL REVENUES FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
Revenues					
Tuition and fees	\$ -	\$ -	\$ -	\$ 3,522	\$ -
Interest	1,226	-	-	-	-
Intergovernmental	289,723	-	-	-	15,829
Charges for services	846,794	-	48,903	-	-
Extracurricular	-	-	-	167,280	-
Other	6,310	-	8,624	211,554	18,402
Total revenues	<u>1,144,053</u>	<u>-</u>	<u>57,527</u>	<u>382,356</u>	<u>34,231</u>
Expenditures					
Current					
Instruction					
Regular	-	-	-	392,435	19,746
Supporting services					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	-	-
Administration	-	-	-	857	-
Business	-	-	-	-	-
Pupil transportation	-	-	67,256	-	-
Central services	-	-	-	-	-
Operation of non-instructional services					
Food service operations	1,350,124	-	-	-	-
Community service	-	-	-	-	-
Extracurricular activities	-	-	-	12,157	4,915
Total expenditures	<u>1,350,124</u>	<u>-</u>	<u>67,256</u>	<u>405,449</u>	<u>24,661</u>
Excess revenues over expenditures	<u>(206,071)</u>	<u>-</u>	<u>(9,729)</u>	<u>(23,093)</u>	<u>9,570</u>
Other financing sources (uses)					
Transfers-in	<u>195,000</u>	<u>-</u>	<u>15,000</u>	<u>8,000</u>	<u>-</u>
Total other financing sources (uses)	<u>195,000</u>	<u>-</u>	<u>15,000</u>	<u>8,000</u>	<u>-</u>
Excess (deficiency) of expenditures and other sources	<u>(11,071)</u>	<u>-</u>	<u>5,271</u>	<u>(15,093)</u>	<u>9,570</u>
Fund balances, beginning of year	73,456	1,239	95,543	159,231	57,436
Increase in reserve for inventory	<u>(18,278)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 44,107</u>	<u>\$ 1,239</u>	<u>\$ 100,814</u>	<u>\$ 144,138</u>	<u>\$ 67,006</u>

Data Communication Support	Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,521	-	-	-	-	-
-	-	404,758	15,347	4,000	27,000	13,925	-
-	-	-	-	-	-	-	-
-	215,508	-	-	-	-	-	-
-	90,994	-	-	-	-	-	-
-	306,502	408,279	15,347	4,000	27,000	13,925	-
-	-	-	-	-	-	-	-
-	-	-	-	4,000	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,273	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	828	-
-	-	-	-	-	-	-	-
5,391	-	-	15,347	-	26,496	-	-
-	-	-	-	-	-	-	-
-	-	344,416	-	-	-	-	-
-	317,093	-	-	-	-	-	-
5,391	317,093	344,416	15,347	4,000	26,496	13,101	-
(5,391)	(10,591)	63,863	-	-	504	824	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(5,391)	(10,591)	63,863	-	-	504	824	-
5,391	91,897	(24,937)	-	-	16,870	4,968	893
-	-	-	-	-	-	-	-
\$ -	\$ 81,306	\$ 38,926	\$ -	\$ -	\$ 17,374	\$ 5,792	\$ 893

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES—
 NONMAJOR SPECIAL REVENUES FUNDS
 FOR THE YEAR ENDED JUNE 30, 2006

(CONCLUDED)

	Ohio Reads	Limited English Proficiency	Student Intervention	Parent Mentor Program	Alternative Education	Miscellaneous State Grants
Revenues						
Tuition and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Intergovernmental	10,000	71,838	-	24,375	102,453	750
Charges for services	-	-	-	-	-	-
Extracurricular	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>10,000</u>	<u>71,838</u>	<u>-</u>	<u>24,375</u>	<u>102,453</u>	<u>750</u>
Expenditures						
Current						
Instruction						
Regular	12,683	3,323	8,174	-	74,424	3,105
Supporting services						
Pupil	-	-	-	-	28,920	750
Instructional staff	-	52,747	-	27,031	-	-
Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Operation of non-instructional services						
Food service operations	-	-	-	-	-	-
Community service	-	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-
Total expenditures	<u>12,683</u>	<u>56,070</u>	<u>8,174</u>	<u>27,031</u>	<u>103,344</u>	<u>3,855</u>
Excess revenues over expenditures	<u>(2,683)</u>	<u>15,768</u>	<u>(8,174)</u>	<u>(2,656)</u>	<u>(891)</u>	<u>(3,105)</u>
Other financing sources (uses)						
Transfers-in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures and other sources	(2,683)	15,768	(8,174)	(2,656)	(891)	(3,105)
Fund balances, beginning of year	2,683	(11,537)	8,174	3,810	(1,391)	13,231
Increase in reserve for inventory	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 4,231</u>	<u>\$ -</u>	<u>\$ 1,154</u>	<u>\$ (2,282)</u>	<u>\$ 10,126</u>

Title VIB	Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,522
-	-	-	-	-	-	-	4,747
834,360	171,408	1,430	9,904	32,048	103,119	106,589	2,238,856
-	-	-	-	-	-	-	895,697
-	-	-	-	-	-	-	382,788
-	-	-	-	-	-	-	335,884
<u>834,360</u>	<u>171,408</u>	<u>1,430</u>	<u>9,904</u>	<u>32,048</u>	<u>103,119</u>	<u>106,589</u>	<u>3,861,494</u>
99,527	157,682	15,985	2,585	32,048	107,593	99,387	1,032,697
701,402	-	-	7,319	-	-	-	738,391
20,348	471	-	-	-	-	9,792	122,662
-	-	-	-	-	-	-	857
-	-	-	-	-	-	-	828
7,725	-	-	-	-	-	-	74,981
-	-	-	-	-	-	-	47,234
-	-	-	-	-	-	-	1,350,124
62,901	13,848	1,182	-	-	-	-	422,347
-	-	-	-	-	-	-	334,165
<u>891,903</u>	<u>172,001</u>	<u>17,167</u>	<u>9,904</u>	<u>32,048</u>	<u>107,593</u>	<u>109,179</u>	<u>4,124,286</u>
<u>(57,543)</u>	<u>(593)</u>	<u>(15,737)</u>	<u>-</u>	<u>-</u>	<u>(4,474)</u>	<u>(2,590)</u>	<u>(262,792)</u>
12,769	-	-	-	-	-	-	230,769
<u>12,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,769</u>
(44,774)	(593)	(15,737)	-	-	(4,474)	(2,590)	(32,023)
(41,764)	620	-	908	-	100	(12,700)	444,121
-	-	-	-	-	-	-	(18,278)
<u>\$ (86,538)</u>	<u>\$ 27</u>	<u>\$ (15,737)</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ (4,374)</u>	<u>\$ (15,290)</u>	<u>\$ 393,820</u>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2006

	Permanent Improvements	Schoolnet Plus	Total Non-Major Capital Projects Funds
Assets			
Equity in pooled cash	\$ 1,152,102	\$ -	\$ 1,152,102
Receivables, net of allowance			
Taxes, current	1,024,340	-	1,024,340
Taxes, delinquent	33,200	-	33,200
Total assets	<u>\$ 2,209,642</u>	<u>\$ -</u>	<u>\$ 2,209,642</u>
Liabilities and fund balances			
Liabilities			
Accounts and contracts payable	\$ 2,457	\$ -	\$ 2,457
Unearned revenue			
Taxes	962,044	-	962,044
Total liabilities	<u>964,501</u>	<u>-</u>	<u>964,501</u>
Fund balances			
Reserved for property taxes	95,496	-	95,496
Reserved for encumbrances	538,775	-	538,775
Unreserved	610,870	-	610,870
Total fund balances	<u>1,245,141</u>	<u>-</u>	<u>1,245,141</u>
Total liabilities and fund balances	<u>\$ 2,209,642</u>	<u>\$ -</u>	<u>\$ 2,209,642</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, 2006

	Permanent Improvements	Schoolnet Plus	Total Non-Major Capital Projects Funds
Revenues			
Taxes	\$ 1,001,785	\$ -	\$ 1,001,785
Interest	27,527	-	27,527
Intergovernmental	111,286	-	111,286
Total revenues	<u>1,140,598</u>	<u>-</u>	<u>1,140,598</u>
Expenditures			
Current			
Instruction			
Regular	71,454	20,760	92,214
Supporting services			
Administration	57,572	-	57,572
Fiscal services	7,467	-	7,467
Operation and maintenance	449,059	-	449,059
Pupil transportation	263,899	-	263,899
Total expenditures	<u>849,451</u>	<u>20,760</u>	<u>870,211</u>
Excess revenues over expenditures	<u>291,147</u>	<u>(20,760)</u>	<u>270,387</u>
Other financing sources (uses)			
Transfers-out	(108,200)	-	(108,200)
Total other financing sources (uses)	<u>(108,200)</u>	<u>-</u>	<u>(108,200)</u>
Excess (deficiency) of expenditures and other sources	182,947	(20,760)	162,187
Fund balances, beginning of year	<u>1,062,194</u>	<u>20,760</u>	<u>1,082,954</u>
Fund balances, end of year	<u>\$ 1,245,141</u>	<u>\$ -</u>	<u>\$ 1,245,141</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Beginning Balance, June 30, 2005	Additions	Deductions	Ending Balance, June 30, 2006
Assets				
Equity in pooled cash	\$ 81,477	\$ 239,788	\$ 244,201	\$ 77,064
Total assets	<u>81,477</u>	<u>239,788</u>	<u>244,201</u>	<u>77,064</u>
Liabilities				
Accounts payable	3,755	1,579	3,755	1,579
Due to students	77,722	238,209	240,446	75,485
Total liabilities	<u>\$ 81,477</u>	<u>\$ 239,788</u>	<u>\$ 244,201</u>	<u>\$ 77,064</u>

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NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

GENERAL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Taxes	\$ 31,996,000	\$ 32,246,000	\$ 32,058,417	\$ (187,583)
Tuition and fees	531,000	481,000	518,527	37,527
Interest	475,000	475,000	853,276	378,276
Intergovernmental	11,092,000	10,719,853	10,709,823	(10,030)
Other	156,000	156,000	186,829	30,829
Total revenues	44,250,000	44,077,853	44,326,872	249,019
Expenditures				
Current				
Instruction				
Regular				
Salaries	15,428,300	15,797,190	15,788,609	8,581
Benefits	5,100,800	5,114,000	4,937,888	176,112
Purchased services	520,500	556,382	461,324	95,058
Materials and supplies	1,332,644	1,488,200	1,133,996	354,204
Capital outlay	7,600	1,588,925	1,584,940	3,985
Other	32,500	31,500	30,602	898
Total regular	22,422,344	24,576,197	23,937,359	638,838
Special				
Salaries	4,548,100	4,350,200	4,342,958	7,242
Benefits	1,503,700	1,399,300	1,349,722	49,578
Purchased services	281,000	704,051	639,591	64,460
Materials and supplies	82,081	78,618	73,751	4,867
Total special	6,414,881	6,532,169	6,406,022	126,147
Vocational				
Salaries	488,000	440,700	440,681	19
Benefits	161,300	142,700	137,823	4,877
Purchased services	1,900	524	524	-
Materials and supplies	9,800	10,150	9,799	351
Capital outlay	-	14,569	14,569	-
Total vocational	661,000	608,643	603,396	5,247
Other instruction				
Purchased services	129,000	120,000	114,260	5,740
Total other instruction	129,000	120,000	114,260	5,740
Total instruction	29,627,225	31,837,009	31,061,037	775,972

(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, 2006

GENERAL FUND - (CONTINUED)				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	2,105,300	2,049,800	2,039,480	10,320
Benefits	696,000	671,800	647,440	24,360
Purchased services	210,000	229,569	226,225	3,344
Materials and supplies	42,100	43,000	33,513	9,487
Total pupil	3,053,400	2,994,169	2,946,658	47,511
Instructional staff				
Salaries	875,500	947,500	940,386	7,114
Benefits	289,500	297,400	285,711	11,689
Purchased services	156,070	176,177	88,748	87,429
Materials and supplies	96,500	93,518	72,936	20,582
Capital outlay	8,150	8,637	5,446	3,191
Other	4,500	4,500	2,080	2,420
Total instructional staff	1,430,220	1,527,732	1,395,307	132,425
Board of education				
Salaries	16,000	17,000	16,992	8
Benefits	5,300	2,400	2,338	62
Purchased services	221,000	238,690	199,914	38,776
Materials and supplies	600	600	297	303
Other	5,500	6,000	5,898	102
Total board of education	248,400	264,690	225,439	39,251
Administration				
Salaries	2,330,400	2,313,700	2,308,044	5,656
Benefits	776,500	743,800	720,114	23,686
Purchased services	68,600	107,153	69,483	37,670
Materials and supplies	28,276	27,652	21,854	5,798
Capital outlay	-	350	335	15
Other	15,000	15,000	12,480	2,520
Total administration	3,218,776	3,207,655	3,132,310	75,345
Fiscal services				
Salaries	322,700	333,600	332,336	1,264
Benefits	106,700	127,700	122,430	5,270
Purchased services	6,000	6,300	2,960	3,340
Materials and supplies	9,000	9,000	3,256	5,744
Capital outlay	50,250	45,950	21,534	24,416
Other	595,900	596,720	525,769	70,951
Total fiscal services	1,090,550	1,119,270	1,008,285	110,985
Business				
Purchased services	107,600	109,100	99,272	9,828
Total business	107,600	109,100	99,272	9,828

(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, 2006

GENERAL FUND - (CONTINUED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation and maintenance				
Salaries	1,978,600	1,993,000	1,980,236	12,764
Benefits	665,800	631,700	606,478	25,222
Purchased services	1,148,179	1,332,231	1,230,498	101,733
Materials and supplies	153,221	171,444	153,021	18,423
Capital outlay	4,000	4,000	683	3,317
Other	101,600	93,800	91,840	1,960
Total operation and maintenance	4,051,400	4,226,175	4,062,756	163,419
Pupil transportation				
Salaries	1,128,500	1,091,900	1,088,325	3,575
Benefits	377,900	346,800	332,791	14,009
Purchased services	277,000	356,712	347,200	9,512
Materials and supplies	207,200	288,270	273,456	14,814
Capital outlay	5,000	-	-	-
Total pupil transportation	1,995,600	2,083,682	2,041,772	41,910
Central services				
Salaries	470,500	476,000	471,523	4,477
Benefits	176,800	173,000	165,810	7,190
Purchased services	247,705	270,627	238,273	32,354
Materials and supplies	97,100	123,461	114,603	8,858
Total central services	992,105	1,043,088	990,209	52,879
Total supporting services	16,188,051	16,575,561	15,902,008	673,553
Operation of non-instructional				
Food service operation				
Salaries	52,100	52,100	49,803	2,297
Benefits	17,200	-	-	-
Total food service operation	69,300	52,100	49,803	2,297
Community services				
Purchased services	28,000	32,000	29,226	2,774
Total community services	28,000	32,000	29,226	2,774
Total operation of non-instructional	97,300	84,100	79,029	5,071
Extracurricular activities				
Academic and subject oriented				
Salaries	184,600	206,500	202,925	3,575
Benefits	61,000	65,200	62,828	2,372
Total academic and subject oriented	245,600	271,700	265,753	5,947
Sports oriented				
Salaries	633,600	618,700	615,209	3,491
Benefits	209,500	196,900	189,533	7,367
Purchased services	21,700	18,856	17,033	1,823
Total sports oriented	864,800	834,456	821,775	12,681
Total extracurricular activities	1,110,400	1,106,156	1,087,528	18,628
Total expenditures	47,022,976	49,602,826	48,129,602	1,473,224
Excess (deficiency) of revenues over expenditures	(2,772,976)	(5,524,973)	(3,802,730)	1,722,243

(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, 2006

GENERAL FUND - (CONCLUDED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Advances-in	504,502	504,502	504,502	-
Refund prior year expenditure	3,000	3,000	346	(2,654)
Advances-out	(400,000)	(500,000)	(366,903)	133,097
Transfers-out	(288,600)	(471,919)	(466,834)	5,085
Total other financing sources (uses)	<u>(181,098)</u>	<u>(464,417)</u>	<u>(328,889)</u>	<u>135,528</u>
Net change in fund balance	(2,954,074)	(5,989,390)	(4,131,619)	1,857,771
Fund balance, beginning of year	13,854,594	13,854,594	13,854,594	-
Prior year encumbrances appropriated	<u>499,458</u>	<u>499,458</u>	<u>499,458</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,399,978</u>	<u>\$ 8,364,662</u>	<u>\$ 10,222,433</u>	<u>\$ 1,857,771</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, 2006

FOOD SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 4,000	\$ 1,226	\$ 1,226	\$ -
Charges for services	862,302	841,375	846,794	5,419
Extracurricular	-	-	-	-
Intergovernmental	344,205	331,205	330,679	(526)
Other	6,000	6,000	6,310	310
Total revenues	1,216,507	1,179,806	1,185,009	5,203
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	410,300	408,700	402,716	5,984
Benefits	288,300	271,700	255,907	15,793
Purchased services	565,300	614,600	600,502	14,098
Materials and supplies	4,000	3,000	2,091	909
Other	-	-	-	-
Total food service operation	1,267,900	1,298,000	1,261,216	36,784
Total operation of non-instructional	1,267,900	1,298,000	1,261,216	36,784
Capital outlay	-	-	-	-
Total expenditures	1,267,900	1,298,000	1,261,216	36,784
Excess (deficiency) of revenues over expenditures	(51,393)	(118,194)	(76,207)	41,987
Other financing sources (uses)				
Transfers-in	95,000	195,000	195,000	-
Advances-in	-	-	-	-
Refund prior year expenditure	-	-	-	-
Advances-out	(100,000)	(100,000)	(100,000)	-
Transfers-out	-	-	-	-
Total other financing sources (uses)	(5,000)	95,000	95,000	-
Net change in fund balance	(56,393)	(23,194)	18,793	41,987
Fund balance, beginning of year	57,346	57,346	57,346	-
Prior year encumbrances appropriated	800	800	800	-
Fund balance, end of year	\$ 1,753	\$ 34,952	\$ 76,939	\$ 41,987

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, 2006

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year	1,239	1,239	1,239	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	<u>\$ 1,239</u>	<u>\$ 1,239</u>	<u>\$ 1,239</u>	<u>\$ -</u>

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

ROTARY FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ 58,000	\$ 48,000	\$ 48,903	\$ 903
Other	7,300	6,800	8,624	1,824
Total revenues	65,300	54,800	57,527	2,727
Expenditures				
Current				
Instruction				
Regular				
Purchased services	2,200	2,000	1,900	100
Total regular	2,200	2,000	1,900	100
Total instruction	2,200	2,000	1,900	100
Supporting services				
Pupil transportation				
Purchased services	73,000	70,000	65,356	4,644
Total pupil transportation	73,000	70,000	65,356	4,644
Total supporting services	73,000	70,000	65,356	4,644
Total expenditures	75,200	72,000	67,256	4,744
Excess (deficiency) of revenues over expenditures	(9,900)	(17,200)	(9,729)	7,471
Other financing sources (uses)				
Transfers-in	15,000	15,000	15,000	-
Total other financing sources (uses)	15,000	15,000	15,000	-
Net change in fund balance	5,100	(2,200)	5,271	7,471
Fund balance, beginning of year	95,543	95,543	95,543	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 100,643	\$ 93,343	\$ 100,814	\$ 7,471

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, 2006

PUBLIC SUPPORT SERVICES FUND

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Tuition and fees	\$ 5,000	\$ 3,522	\$ 3,522	\$ -
Extracurricular	222,990	162,228	167,280	5,052
Other	346,418	208,070	211,554	3,484
Total revenues	<u>574,408</u>	<u>373,820</u>	<u>382,356</u>	<u>8,536</u>
Expenditures				
Current				
Instruction				
Regular				
Purchased services	140,200	69,100	62,919	6,181
Materials and supplies	175,525	136,715	125,074	11,641
Capital outlay	24,630	-	-	-
Other	291,150	199,945	191,328	8,617
Total regular	<u>631,505</u>	<u>405,760</u>	<u>379,321</u>	<u>26,439</u>
Total instruction	<u>631,505</u>	<u>405,760</u>	<u>379,321</u>	<u>26,439</u>
Supporting services				
Instructional staff				
Materials and supplies	1,300	-	-	-
Total instructional staff	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administration				
Materials and supplies	1,000	900	857	43
Total administration	<u>1,000</u>	<u>900</u>	<u>857</u>	<u>43</u>
Total supporting services	<u>2,300</u>	<u>900</u>	<u>857</u>	<u>43</u>
Extracurricular activities				
Sports oriented				
Other	11,500	12,160	12,157	3
Total sports oriented	<u>11,500</u>	<u>12,160</u>	<u>12,157</u>	<u>3</u>
Total extracurricular activities	<u>11,500</u>	<u>12,160</u>	<u>12,157</u>	<u>3</u>
Capital outlay	<u>-</u>	<u>16,160</u>	<u>13,915</u>	<u>2,245</u>
Total expenditures	<u>645,305</u>	<u>434,980</u>	<u>406,250</u>	<u>28,730</u>
Excess (deficiency) of revenues over expenditures	<u>(70,897)</u>	<u>(61,160)</u>	<u>(23,894)</u>	<u>37,266</u>
Other financing sources (uses)				
Transfers-in	8,000	8,000	8,000	-
Total other financing sources (uses)	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	(62,897)	(53,160)	(15,894)	37,266
Fund balance, beginning of year	158,033	158,033	158,033	-
Prior year encumbrances appropriated	2,710	2,710	2,710	-
Fund balance, end of year	<u>\$ 97,846</u>	<u>\$ 107,583</u>	<u>\$ 144,849</u>	<u>\$ 37,266</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, 2006

OTHER GRANTS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 11,300	\$ 15,829	\$ 15,829	\$ -
Other	2,000	12,276	18,402	6,126
Total revenues	13,300	28,105	34,231	6,126
Expenditures				
Current				
Instruction				
Regular				
Purchased services	6,183	7,800	3,782	4,018
Materials and supplies	15,047	12,045	7,351	4,694
Other	17,412	15,692	12,505	3,187
Total regular	38,642	35,537	23,638	11,899
Total instruction	38,642	35,537	23,638	11,899
Supporting services				
Pupil				
Purchased services	2,800	2,800	-	2,800
Total pupil	2,800	2,800	-	2,800
Total supporting services	2,800	2,800	-	2,800
Extracurricular activities				
Academic and subject oriented				
Other	-	4,915	4,915	-
Total academic and subject oriented	-	4,915	4,915	-
Total extracurricular activities	-	4,915	4,915	-
Capital outlay				
Total expenditures	41,442	43,252	28,553	14,699
Excess (deficiency) of revenues over expenditures	(28,142)	(15,147)	5,678	20,825
Other financing sources (uses)				
Advances-out	(2,000)	(2,000)	(2,000)	-
Total other financing sources (uses)	(2,000)	(2,000)	(2,000)	-
Net change in fund balance	(30,142)	(17,147)	3,678	20,825
Fund balance, beginning of year	58,087	58,087	58,087	-
Prior year encumbrances appropriated	4,914	4,914	4,914	-
Fund balance, end of year	\$ 32,859	\$ 45,854	\$ 66,679	\$ 20,825

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, 2006

DATA COMMUNICATION SUPPORT FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	\$ 5,391	\$ 5,391	\$ 5,391	\$ -
Total central services	5,391	5,391	5,391	-
Total supporting services	5,391	5,391	5,391	-
Total expenditures	5,391	5,391	5,391	-
Net change in fund balance	(5,391)	(5,391)	(5,391)	-
Fund balance, beginning of year	5,391	5,391	5,391	-
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, 2006

	ATHLETIC FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Extracurricular	\$ 192,400	\$ 215,108	\$ 215,508	\$ 400
Other	71,550	90,325	90,994	669
Total revenues	263,950	305,433	306,502	1,069
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	60,800	51,715	50,620	1,095
Materials and supplies	41,300	46,215	45,674	541
Other	159,000	179,099	172,596	6,503
Total sports oriented	261,100	277,029	268,890	8,139
Total extracurricular activities	261,100	277,029	268,890	8,139
Capital outlay	81,550	61,022	60,017	1,005
Total expenditures	342,650	338,051	328,907	9,144
Excess (deficiency) of revenues over expenditures	(78,700)	(32,618)	(22,405)	10,213
Other financing sources (uses)				
Transfers-in	30,000	-	-	-
Advances-out	(6,000)	(6,000)	(6,000)	-
Total other financing sources (uses)	24,000	(6,000)	(6,000)	-
Net change in fund balance	(54,700)	(38,618)	(28,405)	10,213
Fund balance, beginning of year	92,281	92,281	92,281	-
Prior year encumbrances appropriated	11,355	11,355	11,355	-
Fund balance, end of year	\$ 48,936	\$ 65,018	\$ 75,231	\$ 10,213

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, 2006

AUXILIARY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 800	\$ 3,400	\$ 3,521	\$ 121
Intergovernmental	397,926	404,758	404,758	-
Total revenues	398,726	408,158	408,279	121
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	65,971	67,001	57,676	9,325
Benefits	26,414	27,044	22,882	4,162
Purchased services	139,436	96,922	96,727	195
Materials and supplies	149,455	198,900	161,890	37,010
Other	16,450	16,300	16,300	-
Total community services	397,726	406,167	355,475	50,692
Total operation of non-instructional	397,726	406,167	355,475	50,692
Capital outlay	1,000	1,391	1,391	-
Total expenditures	398,726	407,558	356,866	50,692
Net change in fund balance	-	600	51,413	50,813
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ 600	\$ 51,413	\$ 50,813

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, 2006

EDUCATION M.I.S. FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 14,200	\$ 15,347	\$ 15,347	\$ -
Total revenues	14,200	15,347	15,347	-
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	14,200	15,347	15,347	-
Total central services	14,200	15,347	15,347	-
Total supporting services	14,200	15,347	15,347	-
Total expenditures	14,200	15,347	15,347	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

ENTRY YEAR TEACHER FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Total revenues	4,000	4,000	4,000	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	3,435	3,435	3,435	-
Benefits	565	565	565	-
Total regular	4,000	4,000	4,000	-
Total instruction	4,000	4,000	4,000	-
Total expenditures	4,000	4,000	4,000	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTH OLMSTED CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

DATA COMMUNICATION FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Total revenues	27,000	27,000	27,000	-
Expenditures				
Current				
Supporting services				
Business				
Purchased services	1,600	1,600	-	1,600
Total business	1,600	1,600	-	1,600
Central services				
Purchased services	27,000	27,000	26,996	4
Total central services	27,000	27,000	26,996	4
Total supporting services	28,600	28,600	26,996	1,604
Capital outlay	15,270	15,270	-	15,270
Total expenditures	43,870	43,870	26,996	16,874
Net change in fund balance	(16,870)	(16,870)	4	16,874
Fund balance, beginning of year	16,870	16,870	16,870	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 16,874	\$ 16,874

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, 2006

SCHOOLNET FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 13,300	\$ 13,925	\$ 13,925	\$ -
Total revenues	13,300	13,925	13,925	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	9,440	10,065	8,065	2,000
Total instructional staff	9,440	10,065	8,065	2,000
Business				
Purchased services	828	828	828	-
Total business	828	828	828	-
Total supporting services	10,268	10,893	8,893	2,000
Capital outlay	8,000	8,000	5,108	2,892
Total expenditures	18,268	18,893	14,001	4,892
Net change in fund balance	(4,968)	(4,968)	(76)	4,892
Fund balance, beginning of year	4,968	4,968	4,968	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 4,892	\$ 4,892

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, 2006

VIDEO DISTANCE LEARNING FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses)				
Refund prior year receipt	\$ (893)	\$ (893)	\$ -	\$ 893
Total other financing sources (uses)	(893)	(893)	-	893
Net change in fund balance	(893)	(893)	-	893
Fund balance, beginning of year	893	893	893	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 893	\$ 893

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, 2006

OHIO READS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 18,054	\$ 28,723	\$ 28,723	\$ -
Total revenues	18,054	28,723	28,723	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	-	8,355	8,355	-
Benefits	-	1,645	1,645	-
Materials and supplies	-	2,014	2,014	-
Total regular	-	12,014	12,014	-
Total instruction	-	12,014	12,014	-
Total expenditures	-	12,014	12,014	-
Excess (deficiency) of revenues over expenditures	18,054	16,709	16,709	-
Other financing sources (uses)				
Refund prior year receipts	-	(669)	(669)	-
Advances-out	(20,679)	(20,679)	(20,679)	-
Total other financing sources (uses)	(20,679)	(21,348)	(21,348)	-
Net change in fund balance	(2,625)	(4,639)	(4,639)	-
Fund balance, beginning of year	2,625	2,625	2,625	-
Prior year encumbrances appropriated	2,014	2,014	2,014	-
Fund balance, end of year	\$ 2,014	\$ -	\$ -	\$ -

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, 2006

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 98,904	\$ 95,131	\$ 72,815	\$ (22,316)
Total revenues	98,904	95,131	72,815	(22,316)
Expenditures				
Current				
Instruction				
Regular				
Salaries	23,904	20,325	4,224	16,101
Benefits	2,915	2,041	-	2,041
Materials and supplies	-	2,571	1,949	622
Total regular	26,819	24,937	6,173	18,764
Total instruction	26,819	24,937	6,173	18,764
Supporting services				
Pupil				
Purchased services	927	927	-	927
Total pupil	927	927	-	927
Instructional staff				
Salaries	63,218	44,496	42,981	1,515
Benefits	6,437	13,012	12,885	127
Purchased services	597	9,453	6,794	2,659
Total instructional staff	70,252	66,961	62,660	4,301
Total supporting services	71,179	67,888	62,660	5,228
Capital outlay	800	800	-	800
Total expenditures	98,798	93,625	68,833	24,792
Excess (deficiency) of revenues over expenditures	106	1,506	3,982	2,476
Other financing sources (uses)				
Advances-in	-	-	22,316	22,316
Advances-out	(13,006)	(13,006)	(13,006)	-
Total other financing sources (uses)	(13,006)	(13,006)	9,310	22,316
Net change in fund balance	(12,900)	(11,500)	13,292	24,792
Fund balance, beginning of year	12,900	12,900	12,900	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ 1,400	\$ 26,192	\$ 24,792

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, 2006

STUDENT INTERVENTION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 506	\$ 506	\$ 506	\$ -
Total revenues	506	506	506	-
Excess (deficiency) of revenues over expenditures	506	506	506	-
Other financing sources (uses)				
Advances-out	(2,369)	(2,369)	(2,369)	-
Total other financing sources (uses)	(2,369)	(2,369)	(2,369)	-
Net change in fund balance	(1,863)	(1,863)	(1,863)	-
Fund balance, beginning of year	1,863	1,863	1,863	-
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, 2006

PARENT MENTOR PROGRAM FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 24,375	\$ 24,375	\$ 24,375	\$ -
Total revenues	24,375	24,375	24,375	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Salaries	17,084	17,084	14,421	2,663
Benefits	6,031	6,031	6,031	-
Purchased services	1,414	1,414	1,167	247
Total instructional staff	24,529	24,529	21,619	2,910
Total supporting services	24,529	24,529	21,619	2,910
Total expenditures	24,529	24,529	21,619	2,910
Excess (deficiency) of revenues over expenditures	(154)	(154)	2,756	2,910
Other financing sources (uses)				
Refund prior year receipts	(3,656)	(3,656)	-	3,656
Total other financing sources (uses)	(3,656)	(3,656)	-	3,656
Net change in fund balance	(3,810)	(3,810)	2,756	6,566
Fund balance, beginning of year	3,810	3,810	3,810	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 6,566	\$ 6,566

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, 2006

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 112,128	\$ 110,737	\$ 105,345	\$ (5,392)
Total revenues	112,128	110,737	105,345	(5,392)
Expenditures				
Current				
Instruction				
Regular				
Purchased services	75,815	75,815	75,815	-
Total regular	75,815	75,815	75,815	-
Total instruction	75,815	75,815	75,815	-
Supporting services				
Pupil				
Purchased services	32,030	32,030	28,920	3,110
Total pupil	32,030	32,030	28,920	3,110
Total supporting services	32,030	32,030	28,920	3,110
Total expenditures	107,845	107,845	104,735	3,110
Excess (deficiency) of revenues over expenditures	4,283	2,892	610	(2,282)
Other financing sources (uses)				
Advances-in	-	-	5,392	5,392
Refund of prior year expenditure	-	1,391	1,391	-
Advances-out	(4,283)	(4,283)	(4,283)	-
Total other financing sources (uses)	(4,283)	(2,892)	2,500	5,392
Net change in fund balance	-	-	3,110	3,110
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 3,110	\$ 3,110

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, 2006

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 750	\$ 750	\$ 750	\$ -
Total revenues	750	750	750	-
Expenditures				
Current				
Instruction				
Regular				
Purchased services	9,500	9,500	-	9,500
Materials and supplies	2,810	2,960	2,660	300
Total regular	12,310	12,460	2,660	9,800
Total instruction	12,310	12,460	2,660	9,800
Supporting services				
Pupil				
Salaries	-	500	500	-
Purchased services	-	250	250	-
Total pupil	-	750	750	-
Total supporting services	-	750	750	-
Capital outlay	771	771	445	326
Total expenditures	13,081	13,981	3,855	10,126
Net change in fund balance	(12,331)	(13,231)	(3,105)	10,126
Fund balance, beginning of year	13,081	13,081	13,081	-
Prior year encumbrances appropriated	150	150	150	-
Fund balance, end of year	\$ 900	\$ -	\$ 10,126	\$ 10,126

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, 2006

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 1,258,159	\$ 1,258,159	\$ 978,973	\$ (279,186)
Total revenues	1,258,159	1,258,159	978,973	(279,186)
Expenditures				
Current				
Instruction				
Regular				
Salaries	49,454	57,750	43,424	14,326
Benefits	3,416	12,276	6,250	6,026
Purchased services	374	18,326	4,393	13,933
Materials and supplies	10,744	25,303	25,299	4
Total regular	63,988	113,655	79,366	34,289
Total instruction	63,988	113,655	79,366	34,289
Supporting services				
Pupil				
Salaries	482,200	470,572	339,774	130,798
Benefits	498,972	165,047	174,415	(9,368)
Purchased services	16,257	253,144	192,400	60,744
Materials and supplies	-	2,520	1,756	764
Total pupil	997,429	891,283	708,345	182,938
Instructional staff				
Salaries	15,341	14,568	10,298	4,270
Benefits	519	2,396	1,174	1,222
Purchased services	2,881	21,000	8,611	12,389
Materials and supplies	1,681	1,200	265	935
Total instructional staff	20,422	39,164	20,348	18,816
Pupil transportation				
Purchased services	7,000	14,725	7,725	7,000
Total pupil transportation	7,000	14,725	7,725	7,000
Total supporting services	1,024,851	945,172	736,418	208,754
Operation of non-instructional				
Community services				
Salaries	31,368	20,730	16,763	3,967
Benefits	3,658	5,076	4,000	1,076
Purchased services	-	39,407	39,407	-
Materials and supplies	-	1,538	1,535	3
Total community services	35,026	66,751	61,705	5,046
Total operation of non-instructional	35,026	66,751	61,705	5,046
Capital outlay	22,547	28,364	15,344	13,020
Total expenditures	1,146,412	1,153,942	892,833	261,109
Excess (deficiency) of revenues over expenditures	111,747	104,217	86,140	(18,077)
Other financing sources (uses)				
Transfers-in	-	-	12,769	12,769
Advances-in	-	-	266,417	266,417
Advances-out	(292,965)	(292,965)	(292,965)	-
Total other financing sources (uses)	(292,965)	(292,965)	(13,779)	279,186
Net change in fund balance	(181,218)	(188,748)	72,361	261,109
Fund balance, beginning of year	181,219	181,219	181,219	-
Prior year encumbrances appropriated	7,529	7,529	7,529	-
Fund balance, end of year	\$ 7,530	\$ -	\$ 261,109	\$ 261,109

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, 2006

	TITLE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 173,872	\$ 173,439	\$ 171,408	\$ (2,031)
Total revenues	173,872	173,439	171,408	(2,031)
Expenditures				
Current				
Instruction				
Regular				
Salaries	120,794	127,391	128,055	(664)
Benefits	24,834	25,902	25,722	180
Purchased services	-	1,030	370	660
Materials and supplies	2,000	1,742	1,742	-
Total regular	147,628	156,065	155,889	176
Total instruction	147,628	156,065	155,889	176
Supporting services				
Instructional staff				
Purchased services	5,952	433	471	(38)
Materials and supplies	1,296	-	-	-
Total instructional staff	7,248	433	471	(38)
Total supporting services	7,248	433	471	(38)
Operation of non-instructional				
Community services				
Salaries	11,469	7,454	5,797	1,657
Benefits	1,963	1,458	1,465	(7)
Purchased services	155	4,340	4,340	-
Materials and supplies	2,279	1,348	1,348	-
Total community services	15,866	14,600	12,950	1,650
Total operation of non-instructional	15,866	14,600	12,950	1,650
Capital outlay	3,750	2,961	2,691	270
Total expenditures	174,492	174,059	172,001	2,058
Excess (deficiency) of revenues over expenditures	(620)	(620)	(593)	27
Other financing sources (uses)				
Advances-in	-	-	2,030	2,030
Total other financing sources (uses)	-	-	2,030	2,030
Net change in fund balance	(620)	(620)	1,437	2,057
Fund balance, beginning of year	620	620	620	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 2,057	\$ 2,057

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, 2006

	TITLE V FUND		Actual	Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final		
Revenues				
Intergovernmental	\$ 17,782	\$ 17,782	\$ 1,430	\$ (16,352)
Total revenues	17,782	17,782	1,430	(16,352)
Expenditures				
Current				
Operation of non-instructional				
Community services				
Materials and supplies	1,797	1,797	1,777	20
Total community services	1,797	1,797	1,777	20
Total operation of non-instructional	1,797	1,797	1,777	20
Capital outlay	15,985	15,985	15,985	-
Total expenditures	17,782	17,782	17,762	20
Excess (deficiency) of revenues over expenditures	-	-	(16,332)	(16,332)
Other financing sources (uses)				
Advances-in	-	-	16,352	16,352
Advances-out	(3,483)	(3,483)	(3,483)	-
Total other financing sources (uses)	(3,483)	(3,483)	12,869	16,352
Net change in fund balance	(3,483)	(3,483)	(3,463)	20
Fund balance, beginning of year	3,483	3,483	3,483	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 20	\$ 20

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, 2006

DRUG FREE SCHOOLS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental	\$ 14,790	\$ 14,790	\$ 9,991	\$ (4,799)
Total revenues	14,790	14,790	9,991	(4,799)
Expenditures				
Current				
Instruction				
Regular				
Salaries	1,021	5,242	1,135	4,107
Benefits	443	859	184	675
Purchased services	2,995	894	894	-
Materials and supplies	244	389	372	17
Total regular	4,703	7,384	2,585	4,799
Total instruction	4,703	7,384	2,585	4,799
Supporting services				
Pupil				
Purchased services	10,000	7,319	7,319	-
Total pupil	10,000	7,319	7,319	-
Total supporting services	10,000	7,319	7,319	-
Capital outlay				
Total expenditures	14,703	14,703	9,904	4,799
Excess (deficiency) of revenues over expenditures	87	87	87	-
Other financing sources (uses)				
Advances-in	-	-	4,799	4,799
Advances-out	(1,595)	(1,595)	(1,595)	-
Refund of prior year receipts	(908)	(908)	-	908
Total other financing sources (uses)	(2,503)	(2,503)	3,204	5,707
Net change in fund balance	(2,416)	(2,416)	3,291	5,707
Fund balance, beginning of year	2,416	2,416	2,416	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 5,707	\$ 5,707

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, 2006

PRESCHOOL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 31,497	\$ 33,756	\$ 33,756	\$ -
Total revenues	31,497	33,756	33,756	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	23,228	24,841	24,841	-
Benefits	3,795	4,441	4,441	-
Purchased services	-	2,766	2,766	-
Total regular	27,023	32,048	32,048	-
Total instruction	27,023	32,048	32,048	-
Supporting services				
Pupil				
Salaries	2,376	-	-	-
Benefits	390	-	-	-
Total pupil	2,766	-	-	-
Total supporting services	2,766	-	-	-
Total expenditures	29,789	32,048	32,048	-
Excess (deficiency) of revenues over expenditures	1,708	1,708	1,708	-
Other financing sources (uses)				
Advances-out	(4,474)	(4,474)	(4,474)	-
Total other financing sources (uses)	(4,474)	(4,474)	(4,474)	-
Net change in fund balance	(2,766)	(2,766)	(2,766)	-
Fund balance, beginning of year	2,766	2,766	2,766	-
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, 2006

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 121,555	\$ 120,097	\$ 107,327	\$ (12,770)
Total revenues	121,555	120,097	107,327	(12,770)
Expenditures				
Current				
Instruction				
Regular				
Salaries	25,503	25,491	25,491	-
Benefits	4,635	4,647	4,647	-
Purchased services	86,141	84,583	76,187	8,396
Materials and supplies	1,168	1,168	1,168	-
Total regular	117,447	115,889	107,493	8,396
Total instruction	117,447	115,889	107,493	8,396
Total expenditures	117,447	115,889	107,493	8,396
Excess (deficiency) of revenues over expenditures	4,108	4,208	(166)	(4,374)
Other financing sources (uses)				
Advances-in	-	-	12,770	12,770
Advances-out	(4,208)	(4,208)	(4,208)	-
Refund of prior year receipts	-	(100)	(100)	-
Total other financing sources (uses)	(4,208)	(4,308)	8,462	12,770
Net change in fund balance	(100)	(100)	8,296	8,396
Fund balance, beginning of year	100	100	100	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 8,396	\$ 8,396

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, 2006

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 152,242	\$ 151,421	\$ 114,595	\$ (36,826)
Total revenues	152,242	151,421	114,595	(36,826)
Expenditures				
Current				
Instruction				
Regular				
Salaries	31,344	31,372	30,343	1,029
Benefits	5,241	5,241	4,994	247
Purchased services	42,423	42,423	39,204	3,219
Materials and supplies	19,198	34,811	31,044	3,767
Total regular	98,206	113,847	105,585	8,262
Total instruction	98,206	113,847	105,585	8,262
Supporting services				
Instructional staff				
Purchased services	5,292	5,292	5,292	-
Materials and supplies	5,000	4,500	4,500	-
Total instructional staff	10,292	9,792	9,792	-
Total supporting services	10,292	9,792	9,792	-
Capital outlay	300	300	300	-
Total expenditures	108,798	123,939	115,677	8,262
Excess (deficiency) of revenues over expenditures	43,444	27,482	(1,082)	(28,564)
Other financing sources (uses)				
Advances-in	-	-	36,826	36,826
Advances-out	(49,441)	(49,441)	(49,441)	-
Refund of prior year receipts	-	(1,038)	(1,038)	-
Total other financing sources (uses)	(49,441)	(50,479)	(13,653)	36,826
Net change in fund balance	(5,997)	(22,997)	(14,735)	8,262
Fund balance, beginning of year	5,998	5,998	5,998	-
Prior year encumbrances appropriated	16,999	16,999	16,999	-
Fund balance, end of year	\$ 17,000	\$ -	\$ 8,262	\$ 8,262

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, 2006

DEBT SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Expenditures				
Debt service				
Principal	\$ 122,000	\$ 122,000	\$ 122,000	\$ -
Interest and fiscal charges	35,215	35,215	35,215	-
Total debt service	157,215	157,215	157,215	-
Total expenditures	157,215	157,215	157,215	-
Excess (deficiency) of revenues over expenditures	(157,215)	(157,215)	(157,215)	-
Other financing sources (uses)				
Transfers-in	141,783	141,715	141,715	-
Total other financing sources (uses)	141,783	141,715	141,715	-
Net change in fund balance	(15,432)	(15,500)	(15,500)	-
Fund balance, beginning of year	78,560	78,560	78,560	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 63,128	\$ 63,060	\$ 63,060	\$ -

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, 2006

PERMANENT IMPROVEMENTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,047,096	\$ 1,054,730	\$ 1,061,050	\$ 6,320
Interest	10,000	18,000	27,527	9,527
Intergovernmental	127,000	127,000	111,286	(15,714)
Total revenues	<u>1,184,096</u>	<u>1,199,730</u>	<u>1,199,863</u>	<u>133</u>
Expenditures				
Current				
Supporting services				
Fiscal services				
Other	-	15,000	7,467	7,533
Total fiscal services	-	15,000	7,467	7,533
Total supporting services	-	15,000	7,467	7,533
Capital outlay	925,000	1,437,177	1,389,000	48,177
Total expenditures	<u>925,000</u>	<u>1,452,177</u>	<u>1,396,467</u>	<u>55,710</u>
Excess (deficiency) of revenues over expenditures	<u>259,096</u>	<u>(252,447)</u>	<u>(196,604)</u>	<u>55,843</u>
Other financing sources (uses)				
Transfers-out	-	(108,200)	(108,200)	-
Total other financing sources (uses)	<u>-</u>	<u>(108,200)</u>	<u>(108,200)</u>	<u>-</u>
Net change in fund balance	259,096	(360,647)	(304,804)	55,843
Fund balance, beginning of year	542,561	542,561	542,561	-
Prior year encumbrances appropriated	<u>373,114</u>	<u>373,114</u>	<u>373,114</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,174,771</u>	<u>\$ 555,028</u>	<u>\$ 610,871</u>	<u>\$ 55,843</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, 2006

SCHOOLNET PLUS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Expenditures				
Capital outlay	\$ 20,760	\$ 20,760	\$ 20,760	\$ -
Total expenditures	20,760	20,760	20,760	-
Net change in fund balance	(20,760)	(20,760)	(20,760)	-
Fund balance, beginning of year	20,760	20,760	20,760	-
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, 2006

SELF INSURANCE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Other	\$ 5,065,000	\$ 4,550,000	\$ 4,602,613	\$ 52,613
Total revenues	5,065,000	4,550,000	4,602,613	52,613
Operating expenses				
Claims	4,700,000	4,700,000	4,602,613	97,387
Total expenditures	4,700,000	4,700,000	4,602,613	97,387
Excess (deficiency) of revenues over expenditures	365,000	(150,000)	-	150,000
Other financing sources (uses)				
Transfers-in	100,000	200,000	200,000	-
Total other financing sources (uses)	100,000	200,000	200,000	-
Net change in fund balance	465,000	50,000	200,000	150,000
Fund balance, beginning of year	1,000,000	1,000,000	1,000,000	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 1,465,000	\$ 1,050,000	\$ 1,200,000	\$ 150,000

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STATISTICAL SECTION

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

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 5
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 14
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 17
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 19

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement No. 34 for the year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

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

	2006	2005	2004	2003	2002
Governmental activities					
Invested in capital assets, net of related debt	\$ 11,614,498	\$ 11,759,329	\$ 12,761,807	\$ 12,218,897	\$ 12,533,580
Restricted	2,027,283	1,886,981	1,027,008	899,960	1,567,229
Unrestricted	8,812,315	11,465,127	11,644,330	7,047,914	8,198,653
Total primary government net assets	<u>\$ 22,454,096</u>	<u>\$ 25,111,437</u>	<u>\$ 25,433,145</u>	<u>\$ 20,166,771</u>	<u>\$ 22,299,462</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
Instruction					
Regular	\$ 22,750,693	\$ 22,178,609	\$ 20,649,582	\$ 20,216,074	\$ 19,996,444
Special	5,977,408	5,526,298	4,639,555	5,011,288	4,279,749
Vocational	697,855	488,448	756,455	726,168	682,107
Adult/continuing	-	-	72,566	120,007	148,210
Other instruction	114,260	122,900	296,051	100,779	537,666
Supporting services					
Pupil	3,621,533	3,475,042	3,445,989	3,061,499	3,012,740
Instructional staff	1,545,736	1,604,238	1,200,750	1,326,206	1,539,103
Board of education	200,594	242,616	204,220	224,903	121,763
Administration	3,667,390	3,102,516	3,176,333	3,275,887	3,089,415
Fiscal services	1,026,671	1,011,324	955,088	861,122	855,813
Business	101,859	108,317	150,934	138,036	306,056
Operation and maintenance	4,341,689	4,335,829	4,057,511	3,950,519	3,878,826
Pupil transportation	2,242,536	1,997,265	1,840,301	1,892,034	1,696,739
Central services	972,098	833,133	786,758	917,579	683,277
Operation of non-instructional					
Food service operation	1,379,737	1,502,864	1,355,537	1,346,509	1,446,434
Community services	428,796	435,305	477,934	514,523	508,363
Extracurricular activities	1,407,527	1,305,977	1,198,455	1,087,237	956,213
Interest	38,659	40,903	11,474	65,557	99,571
Total primary government expenses	<u>50,515,041</u>	<u>48,311,584</u>	<u>45,275,493</u>	<u>44,835,927</u>	<u>43,838,489</u>
Program revenues					
Governmental activities:					
Charges for services and sales					
Instruction	1,046,970	771,779	1,029,675	725,191	356,338
Supporting services	111,450	87,414	98,843	76,670	52,881
Food service	853,104	901,660	863,642	887,630	1,304,817
Extracurricular activities	226,217	254,780	167,712	153,540	96,146
Operating grants, interest and contributions	2,136,649	2,064,576	2,093,133	2,220,495	1,725,183
Capital grants and contributions	56,601	45,593	46,092	36,718	41,767
Total primary government program revenues	<u>4,430,991</u>	<u>4,125,802</u>	<u>4,299,097</u>	<u>4,100,244</u>	<u>3,577,132</u>
Net (expense) revenue					
Total primary government net expense	<u>\$ (46,084,050)</u>	<u>\$ (44,185,782)</u>	<u>\$ (40,976,396)</u>	<u>\$ (40,735,683)</u>	<u>\$ (40,261,357)</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2006	2005	2004	2003	2002
Net (expense) revenue					
Total primary government net expense	\$ (46,084,050)	\$ (44,185,782)	\$ (40,976,396)	\$ (40,735,683)	\$ (40,261,357)
General revenues and other changes in net assets					
Governmental activities:					
Property taxes levied for:					
General purposes	30,330,456	30,740,398	33,372,329	25,577,053	29,109,564
Capital improvements	992,785	1,026,923	1,102,567	930,097	1,148,089
Grants and entitlements					
not restricted to specific purposes	11,137,742	11,824,292	11,446,852	11,377,257	10,659,176
Investment earnings	885,550	318,626	238,534	439,975	660,300
Miscellaneous	80,176	(46,165)	82,488	278,610	334,286
Total primary government	<u>43,426,709</u>	<u>43,864,074</u>	<u>46,242,770</u>	<u>38,602,992</u>	<u>41,911,415</u>
Change in net assets					
Total primary government	<u>\$ (2,657,341)</u>	<u>\$ (321,708)</u>	<u>\$ 5,266,374</u>	<u>\$ (2,132,691)</u>	<u>\$ 1,650,058</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in 2002.

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ 4,970,651	\$ 5,324,359	\$ 5,477,365	\$ 3,206,316	\$ 5,628,608	\$ 3,228,705	\$ 2,409,342	\$ 3,985,790	\$ 2,568,024	\$ 1,794,720
Unreserved	4,039,705	7,512,245	6,483,748	6,018,398	5,968,481	5,694,060	7,340,244	5,764,059	4,290,716	423,986
Total General Fund	<u>\$ 9,010,356</u>	<u>\$ 12,836,604</u>	<u>\$ 11,961,113</u>	<u>\$ 9,224,714</u>	<u>\$ 11,597,089</u>	<u>\$ 8,922,765</u>	<u>\$ 9,749,586</u>	<u>\$ 9,749,849</u>	<u>\$ 6,858,740</u>	<u>\$ 2,218,706</u>
All other governmental funds										
Reserved	\$ 681,197	\$ 588,667	\$ 534,834	\$ 344,043	\$ 614,487	\$ 201,799	\$ 327,072	\$ 637,538	\$ 334,819	\$ 313,164
Unreserved, reported in										
Special Revenue Funds (1)	346,894	375,087	486,108	424,116	518,866	354,741	588,722	393,404	302,496	279,233
Debt Service Funds	63,060	78,560	-	-	-	-	-	-	-	257,621
Capital Projects Funds	610,870	563,321	434,878	574,849	516,217	360,830	106,676	(146,913)	12,694	(462,498)
Total all other governmental funds	<u>\$ 1,702,021</u>	<u>\$ 1,605,635</u>	<u>\$ 1,455,820</u>	<u>\$ 1,343,008</u>	<u>\$ 1,649,570</u>	<u>\$ 917,370</u>	<u>\$ 1,022,470</u>	<u>\$ 884,029</u>	<u>\$ 650,009</u>	<u>\$ 387,520</u>

(1) Prior to the implementation of GASB Statement No. 34 in 2002, certain funds were previously accounted for as Enterprise Funds.

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Taxes	\$ 31,386,584	\$ 31,798,589	\$ 34,028,601	\$ 26,552,981	\$ 30,437,168	\$ 26,413,276	\$ 24,798,980	\$ 26,296,670	\$ 25,834,991	\$ 24,998,311
Tuition and fees	522,049	150,672	426,529	177,297	415,270	197,485	199,896	496,914	682,765	199,349
Interest	885,550	318,626	238,534	439,975	660,917	1,194,485	959,022	818,268	737,345	419,299
Intergovernmental	13,015,509	13,951,604	13,518,265	13,581,051	12,756,105	11,964,058	11,205,505	10,930,642	10,574,697	10,389,081
Charges for services	895,697	960,088	909,899	934,116	1,005,577	-	-	-	-	-
Extracurricular	382,788	347,623	528,690	504,133	147,471	511,643	509,781	488,527	453,664	395,722
Other	517,383	511,083	387,554	517,248	368,299	358,205	272,572	142,306	471,380	190,297
Total	<u>\$ 47,605,560</u>	<u>\$ 48,038,285</u>	<u>\$ 50,038,072</u>	<u>\$ 42,706,801</u>	<u>\$ 45,790,807</u>	<u>\$ 40,639,152</u>	<u>\$ 37,945,756</u>	<u>\$ 39,173,327</u>	<u>\$ 38,754,842</u>	<u>\$ 36,592,059</u>

Source: School District Financial Records, All Governmental Fund Types.

(a) - Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Expenditures										
Instruction	\$ 30,018,287	\$ 27,614,812	\$ 26,697,402	\$ 26,297,334	\$ 25,135,002	\$ 24,533,252	\$ 22,851,368	\$ 21,974,455	\$ 20,035,314	\$ 18,831,203
Pupil supporting services	3,683,346	3,506,155	3,451,757	2,984,687	2,902,456	2,699,844	1,949,556	1,909,027	1,911,440	2,079,792
Instructional support	1,544,594	1,498,106	1,199,000	1,267,770	1,483,948	1,378,700	1,308,495	1,178,549	1,161,626	1,143,208
Board of education and administration	3,406,801	3,305,319	3,883,907	3,060,685	2,934,415	2,981,168	2,582,587	2,332,162	2,332,158	2,392,035
Fiscal and business services	1,124,693	1,108,844	1,116,134	1,036,062	1,094,055	958,847	994,849	983,607	898,038	830,696
Operation and maintenance	4,454,507	4,649,755	4,351,709	4,199,068	3,367,661	3,315,479	3,008,439	2,892,338	2,972,227	2,898,795
Pupil transportation	2,430,591	1,827,419	1,877,274	1,872,299	1,571,695	1,380,383	1,328,688	1,211,191	1,189,912	1,259,856
Central and community services	1,420,598	1,382,052	1,238,629	1,642,701	1,255,767	1,300,090	1,247,037	1,025,583	1,187,790	1,305,584
Food service operation	1,400,894	1,466,486	1,384,730	1,372,001	1,424,210	18,867	-	-	-	-
Extracurricular activities	1,420,605	1,297,225	1,198,900	1,074,833	912,161	1,020,518	873,503	797,292	767,675	719,679
Capital outlay	-	-	-	-	906,601	1,448,834	1,305,574	1,412,553	1,760,255	1,157,425
Debt service										
Principal	169,904	75,234	72,625	45,831	199,570	236,358	225,178	240,865	415,968	116,322
Interest	38,959	38,103	11,474	65,557	100,274	160,564	102,303	121,931	179,407	109,382
Total expenditures	<u>\$ 51,113,779</u>	<u>\$ 47,769,510</u>	<u>\$ 46,483,541</u>	<u>\$ 44,918,828</u>	<u>\$ 43,287,815</u>	<u>\$ 41,432,904</u>	<u>\$ 37,777,577</u>	<u>\$ 36,079,553</u>	<u>\$ 34,811,810</u>	<u>\$ 32,843,977</u>
Debt service as a percentage of noncapital expenditures	<u>0.41%</u>	<u>0.24%</u>	<u>0.18%</u>	<u>0.25%</u>	<u>0.71%</u>	<u>0.99%</u>	<u>0.90%</u>	<u>1.05%</u>	<u>1.80%</u>	<u>0.71%</u>

Source: School District Financial Records, All Governmental Fund Types.

(a) - Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

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)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Excess of revenues over (under) expenditures	<u>\$ (3,508,219)</u>	<u>\$ 268,775</u>	<u>\$ 3,554,531</u>	<u>\$ (2,212,027)</u>	<u>\$ 2,502,992</u>	<u>\$ (793,752)</u>	<u>\$ 168,179</u>	<u>\$ 3,093,774</u>	<u>\$ 3,943,032</u>	<u>\$ 3,748,082</u>
Other financing sources (uses)										
Proceeds from bond issue	-	855,000	-	-	-	-	-	-	-	-
Proceeds from note issue	-	-	-	-	-	-	-	-	677,000	-
Transfers-in	372,484	793,471	144,450	153,060	255,226	161,011	161,417	194,830	432,794	95,511
Capital lease proceeds	-	-	-	237,000	-	-	-	-	327,630	215,183
Transfers-out	(572,484)	(893,471)	(844,450)	(253,060)	(255,226)	(314,865)	(219,617)	(269,830)	(480,303)	(373,632)
Total other financing sources (uses)	<u>(200,000)</u>	<u>755,000</u>	<u>(700,000)</u>	<u>137,000</u>	<u>-</u>	<u>(153,854)</u>	<u>(58,200)</u>	<u>(75,000)</u>	<u>957,121</u>	<u>(62,938)</u>
Net change in fund balances	<u><u>\$ (3,708,219)</u></u>	<u><u>\$ 1,023,775</u></u>	<u><u>\$ 2,854,531</u></u>	<u><u>\$ (2,075,027)</u></u>	<u><u>\$ 2,502,992</u></u>	<u><u>\$ (947,606)</u></u>	<u><u>\$ 109,979</u></u>	<u><u>\$ 3,018,774</u></u>	<u><u>\$ 4,900,153</u></u>	<u><u>\$ 3,685,144</u></u>

(a) - Beginning in fiscal year 2002, the first year the School District implemented the provisions of GASB Statement 34, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Assessed Value Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)	Assessed Value	Estimated Actual Value	
2006	\$ 799,704,250	\$ 2,284,869,286	\$ 14,629,810	\$ 16,624,784	\$ 49,263,743	\$ 214,190,187	\$ 863,597,803	\$ 2,515,684,257	34.3%
2005	795,980,870	2,274,231,057	15,759,330	17,908,330	47,248,786	196,869,942	858,988,986	2,489,009,329	34.5%
2004	795,784,110	2,273,668,886	16,245,870	18,461,216	43,142,745	179,761,438	855,172,725	2,471,891,540	34.6%
2003	747,221,840	2,134,919,543	16,116,080	18,313,727	46,093,216	192,055,067	809,431,136	2,345,288,337	34.5%
2002	745,908,230	2,131,166,371	17,160,110	19,500,125	50,663,682	211,098,675	813,732,022	2,361,765,171	34.5%
2001	743,312,040	2,123,748,686	20,789,070	23,623,943	48,393,017	193,572,068	812,494,127	2,340,944,697	34.7%
2000	668,471,450	1,909,918,429	22,399,090	25,453,511	45,819,672	183,278,688	736,690,212	2,118,650,628	34.8%
1999	659,211,490	1,883,461,400	24,629,710	27,988,307	46,864,374	187,457,496	730,705,574	2,098,907,203	34.8%
1998	649,920,820	1,856,916,629	23,804,710	27,050,807	45,200,585	180,802,340	718,926,115	2,064,769,776	34.8%
1997	591,673,740	1,690,496,400	24,522,540	27,866,523	42,711,806	171,087,224	658,908,086	1,889,450,147	34.9%

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

(1) This amount is calculated based upon an assessed value of 35 percent of actual value.

(2) This amount is calculated based upon the current assessed value of 88 percent of actual value.

(3) The amount is calculated based upon an assessed value of 23 percent of actual value in 2006; 24 percent from 2005 to 2002; and 25 percent from 2001 to 1997.

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

Year	School District			County	Vocational School	City	Total
	General	Improvements	Total				
2006	75.10	1.90	77.00	20.20	2.40	13.20	112.80
2005	75.10	1.90	77.00	20.30	2.40	13.30	113.00
2004	75.10	1.90	77.00	19.40	2.40	13.40	112.20
2003	75.10	1.90	77.00	19.40	2.40	13.40	112.20
2002	67.20	1.90	69.10	17.60	2.40	13.60	102.70
2001	67.20	1.90	69.10	17.60	2.40	13.70	102.80
2000	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1999	67.20	1.90	69.10	16.70	2.40	12.70	100.90
1998	67.20	1.90	69.10	18.00	2.40	12.70	102.20
1997	67.20	1.90	69.10	18.00	2.40	12.70	102.20

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

NORTH OLMSTED CITY SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
AS OF JUNE 30, 2006 AND JUNE 30, 1997

December 31, 2005			December 31, 1996		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Mercantile Stores	\$ 4,330,180	0.50%	Kaufmann's Department Store	\$ 2,478,300	0.38%
Moen, Inc.	2,536,920	0.29%	GSS, Inc.	1,554,360	0.24%
Walmart Stores, Inc.	1,787,790	0.21%	J C Penny Company	1,510,230	0.23%
Riser Foods Company	1,635,380	0.19%	Sears Roebuck & Company	1,385,410	0.21%
May Department Stores Company	1,630,180	0.19%	Money Access Service Corporation	1,366,790	0.21%
Great Northern Dodge, Inc.	1,445,210	0.17%	Sunnyside Cars, Inc.	1,326,440	0.20%
Sears Roebuck & Company	1,334,540	0.15%	Great Northern Dodge, Inc.	1,142,134	0.17%
Chrysler Jeep of North Olmsted	1,327,300	0.15%	Rini Rego Supermarkets, Inc.	1,126,280	0.17%
Sunnyside Cars, Inc.	1,120,240	0.13%	Best Buy Company	1,075,510	0.16%
Nissan of North Olmsted, LLC	1,078,900	0.12%	Motorcars USA, Inc.	995,910	0.15%
	<u>\$ 18,226,640</u>	<u>2.11%</u>		<u>\$ 13,961,364</u>	<u>2.12%</u>
Total Value in the District	<u>\$ 863,597,803</u>		Total Value in the District	<u>\$ 658,968,086</u>	

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

(1) Assessed Values are for the 2005 and 1996 collection year, respectively.

NORTH OLMSTED CITY SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
AS OF JUNE 30, 2006 AND JUNE 30, 1997

December 31, 2005			December 31, 1996		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Great Northern Partnership	\$ 23,068,675	2.67%	Great Northern Partnership	\$ 15,497,090	2.35%
DDRC Great Northern, LLC	21,872,200	2.53%	Great Northern Shopping Center	9,741,490	1.48%
Higbee Company	6,213,025	0.72%	Great Northern Property Company	5,663,320	0.86%
Butternut Ridge Apartment, LLC	5,642,875	0.65%	Water Tow ers Apartments, LTD	4,431,670	0.67%
B&G Properties, LTD	5,012,875	0.58%	Mays Department Stores	4,262,200	0.65%
Water Tow ers Apartments, LTD	4,790,660	0.55%	B&G Properties, LTD	4,035,090	0.61%
WEA Great Northern Mall, LLC	4,762,625	0.55%	Wal Mart	3,500,000	0.53%
Wal Mart	4,305,805	0.50%	Great Northern Partnership & Pennstead	3,344,820	0.51%
Sears Roebuck & Company	3,603,495	0.42%	Sears Roebuck & Company	3,326,120	0.50%
Great Northern Partnership & Pennstead	3,088,050	0.36%	Great Northern Plaza South	3,217,640	0.49%
	<u>\$ 82,360,285</u>	<u>9.53%</u>		<u>\$ 57,019,440</u>	<u>8.65%</u>
Total Value in the District	<u>\$ 863,597,803</u>		Total Value in the District	<u>\$ 658,968,086</u>	

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

(1) Assessed Values are for the 2005 and 1996 collection year, respectively.

NORTH OLMSTED CITY SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
PUBLIC UTILITY TAX
AS OF JUNE 30, 2006 AND JUNE 30, 1997

December 31, 2005			December 31, 1996		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Illuminating Company	\$ 7,531,020	0.87%	Cleveland Illuminating Company	\$ 12,971,150	1.97%
Ohio Bell Telephone Company	4,053,151	0.47%	Ohio Bell Telephone Company	8,649,720	1.31%
East Ohio Gas Company	876,502	0.10%	East Ohio Gas Company	2,381,160	0.36%
American Transmission System	749,301	0.09%	Northern Ohio Cellular	156,550	0.02%
Alltel Ohio Limited Partnership	329,662	0.04%			
New Cingular Wireless PCS LLC	260,411	0.03%			
New Par	248,563	0.03%			
Sprintcon, Inc.	159,593	0.02%			
	<u>\$ 14,208,203</u>	<u>1.65%</u>		<u>\$ 24,158,580</u>	<u>3.66%</u>
Total Value in the District	<u>\$ 863,597,803</u>		Total Value in the District	<u>\$ 658,908,086</u>	

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

(1) Assessed Values are for the 2005 and 1996 collection year, respectively.

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

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Taxes Collections	Percent of Current Levy Collected	Delinquent Taxes Collections	Total Tax Collections	Total Collection As a Percent of Current Levy
2005	\$32,635,396	\$1,256,788	\$33,892,184	\$31,534,646	96.6%	\$ 985,919	\$32,520,565	99.6%
2004	32,600,071	1,810,229	34,410,300	31,186,760	95.7%	1,036,087	32,222,847	98.8%
2003	31,865,015	1,281,930	33,146,945	30,317,124	95.1%	710,490	31,027,614	97.4%
2002	25,972,760	1,406,952	27,379,712	24,971,411	96.1%	824,843	25,796,254	99.3%
2001	25,974,633	1,583,758	27,558,391	25,119,931	96.7%	760,608	25,880,539	99.6%
2000	25,675,526	1,383,374	27,058,900	24,757,611	96.4%	617,022	25,374,633	98.8%
1999	25,533,556	1,529,526	27,063,082	24,841,980	97.3%	653,940	25,495,920	99.9%
1998	24,876,522	1,522,238	26,398,760	24,244,799	97.5%	573,279	24,818,078	99.8%
1997	24,595,296	1,353,212	25,948,508	24,225,861	98.5%	423,118	24,648,979	100.2%
1996	24,173,715	852,034	25,025,749	23,960,322	99.1%	353,377	24,313,699	100.6%

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

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

(2) Represents collection year. June 30, 2006 information cannot be presented because all collections have not been made by June 30.

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	Percentage of Personal Income (2)	Per Capita (2)	Per ADM (2)
2006	\$ 765,000	\$ 79,406	\$ -	\$ 844,406	0.11%	\$ 26	\$ 183
2005	855,000	127,310	32,000	1,014,310	0.13%	31	221
2004	-	173,544	61,000	234,544	0.03%	7	51
2003	-	218,169	89,000	307,169	0.04%	9	66
2002	-	-	116,000	116,000	0.01%	3	24
2001	-	48,269	267,301	315,570	0.04%	9	66
2000	-	141,281	410,647	551,928	0.07%	16	113
1999	-	229,784	547,322	777,106	0.14%	23	155
1998	-	340,971	677,000	1,017,971	0.18%	30	203
1997	-	429,309	-	429,309	0.08%	12	86

Source: (1) School District Financial Records

(2) See Schedule S-17 for personal income, population, and ADM data. These ratios are calculated using data for the prior calendar year.

NORTH OLMSTED CITY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
AS OF DECEMBER 31, 2005

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Amount (1) Applicable to School District</u>
<i>Direct Debt:</i>			
North Olmsted City School District	<u>\$ 797,000</u>	100.00%	<u>\$ 797,000</u>
<i>Underlying Debt:</i>			
Cuyahoga County	231,365,971	2.80%	6,478,247
Regional Transit Authority	139,790,000	2.80%	3,914,120
Polaris Joint Vocational School	-	100.00%	-
North Olmsted City	<u>63,640,000</u>	100.00%	<u>63,640,000</u>
Subtotal	<u>434,795,971</u>		<u>74,032,367</u>
Total	<u>\$ 435,592,971</u>		<u>\$ 74,829,367</u>

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

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

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessed Valuation	<u>\$ 863,597,803</u>	<u>\$ 858,988,986</u>	<u>\$ 855,172,725</u>	<u>\$ 809,431,136</u>	<u>\$ 813,732,022</u>	<u>\$ 812,494,127</u>	<u>\$ 736,690,212</u>	<u>\$ 730,705,574</u>	<u>\$ 718,926,115</u>	<u>\$ 658,968,086</u>
Debt Limit - 9% of Assessed Value (1)	<u>77,723,802</u>	<u>77,309,009</u>	<u>76,965,545</u>	<u>72,848,802</u>	<u>73,235,882</u>	<u>73,124,471</u>	<u>66,302,119</u>	<u>65,763,502</u>	<u>64,703,350</u>	<u>59,307,128</u>
Debt Applicable to Debt Limit:										
General Obligation Notes	765,000	887,000	61,000	89,000	116,000	267,301	410,647	547,322	677,000	568,846
Revenue Anticipation Notes	-	-	-	-	-	-	-	-	-	-
Amount Available in Debt Service Fund	(63,060)	(78,560)	-	-	-	-	-	-	-	(257,621)
Total	<u>701,940</u>	<u>808,440</u>	<u>61,000</u>	<u>89,000</u>	<u>116,000</u>	<u>267,301</u>	<u>410,647</u>	<u>547,322</u>	<u>677,000</u>	<u>311,225</u>
Overall Debt Margin	<u>\$ 77,021,862</u>	<u>\$ 76,500,569</u>	<u>\$ 76,904,545</u>	<u>\$ 72,759,802</u>	<u>\$ 73,119,882</u>	<u>\$ 72,857,170</u>	<u>\$ 65,891,472</u>	<u>\$ 65,216,180</u>	<u>\$ 64,026,350</u>	<u>\$ 58,995,903</u>
Overall Limit - .10% of Assessed Value (1)	\$ 863,598	\$ 858,989	\$ 855,173	\$ 809,431	\$ 813,732	\$ 812,494	\$ 736,690	\$ 730,706	\$ 718,926	\$ 658,968
Amount of Debt Applicable	<u>765,000</u>	<u>850,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$ 98,598</u>	<u>\$ 8,989</u>	<u>\$ 855,173</u>	<u>\$ 809,431</u>	<u>\$ 813,732</u>	<u>\$ 812,494</u>	<u>\$ 736,690</u>	<u>\$ 730,706</u>	<u>\$ 718,926</u>	<u>\$ 658,968</u>

Source: Cuyahoga County Auditor and School District Financial Records.

(1) Ohio Bond Law established a limit of 9% for voted debt and 1/10
of .1% of unvoted debt.

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

Calendar Year	North Olmsted City Population (1)	Per Capita Income (2)	Personal Income	Average Daily Student Enrollment (3)	Cuyahoga County Unemployment Rate (4)
2006	32,653	\$ 24,329	\$ 794,414,837	4,613	5.2%
2005	33,105	24,329	805,411,545	4,587	5.9%
2004	33,786	24,329	821,979,594	4,573	6.8%
2003	33,786	24,329	821,979,594	4,665	6.0%
2002	34,113	24,329	829,935,177	4,794	6.7%
2001	34,113	24,329	829,935,177	4,764	4.5%
2000	34,204	24,329	832,149,116	4,895	4.0%
1999	34,204	16,567	566,657,668	5,008	4.3%
1998	34,486	16,567	571,329,562	5,013	4.1%
1997	34,524	16,567	571,959,108	4,964	5.0%

Source: (1) The City of North Olmsted.
(2) Per Capita information from U.S. Census Bureau, 2000 and 1990 census, respectively.
(3) The School District's Records.
(4) Ohio Job and Family Service Department.

NORTH OLMSTED CITY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
AS OF DECEMBER 31, 2005 AND DECEMBER 31, 1996

December 31, 2005		December 31, 1996	
Name of Taxpayer	Approximate Number of Employees (1)	Name of Taxpayer	Approximate Number of Employees (1)
North Olmsted City Schools	665	North Olmsted City Schools	560
Moen Incorporated	590	North Olmsted City	535
North Olmsted City	519	Moen Incorporated	423
Riser Foods Company	417	Wal*Mart	350
Kaufmann's Department Stores	330	J. C. Penney Company	330
Wal*Mart	310	Kaufmann's Department Stores	300
Dillard's Department Stores	255	Rini-Rego Supermarkets	300
Sears, Roeback & Company	180	Sears, Roeback & Company	290
Olmsted Manor Nursing Center	96	Olmsted Manor Nursing Center	184
Sunnyside Cars, Inc.	91	Finast Supermarkets	140

Source of information - Finance Department of the City of North Olmsted.

(1) Approximate number of employees within the City.

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Administration	26	26	26	26	28	30	29	28	28	28
Instructional:										
Regular Teaching	230	226	236	236	243	243	239	238	237	244
Special Education	42	42	45	52	47	46	44	41	37	32
Vocational Education	8	8	9	9	10	9	11	11	11	11
Remedial Specialist	19	19	12	3	2	5	5	4	3	4
Tutors	6	15	16	16	13	14	14	15	20	17
Others	5	5	4	2	3	3	3	3	4	4
Other Professional:										
Counseling	12	12	12	12	13	13	12	12	13	13
Psychologist	5	4	6	7	5	4	3	3	3	3
Speech therapist	6	5	6	6	5	5	3	3	3	3
Others	2	2	2	2	2	3	1	1	1	1
Support Staff:										
Secretarial	42	42	42	44	43	44	44	41	41	40
Teacher Aides	51	51	41	42	41	39	29	21	18	18
Maintenance	8	8	8	10	10	10	10	10	9	9
Custodial	39	36	37	38	39	38	36	36	37	36
Transportation	31	33	34	34	30	30	29	31	30	31
Food Service	26	28	28	31	29	28	25	25	25	22
Monitors	15	14	14	14	21	17	16	16	17	13
Library Services	14	15	15	16	16	15	15	15	14	14
Computer Technicians	4	3	3	3	3	3	2	2	2	2
Other	3	1	2	2	5	4	1	3	3	4
Total	<u>594</u>	<u>595</u>	<u>598</u>	<u>605</u>	<u>608</u>	<u>603</u>	<u>571</u>	<u>559</u>	<u>556</u>	<u>549</u>

Source: School District financial records.

NORTH OLMSTED CITY SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Source of Revenue - North Olmsted:										
Local	72.9%	71.0%	71.6%	70.1%	69.8%	70.0%	70.8%	71.6%	71.9%	71.1%
State	23.1%	25.3%	25.8%	26.9%	27.5%	27.4%	26.7%	26.3%	25.8%	26.7%
Federal	4.0%	3.8%	2.6%	2.9%	2.7%	2.6%	2.5%	2.1%	2.3%	2.2%
Source of Revenue - Statewide:										
Local	48.8%	47.4%	46.9%	47.6%	48.1%	50.0%	50.5%	51.0%	51.6%	51.7%
State	42.7%	44.2%	45.4%	45.7%	45.8%	43.8%	43.8%	43.4%	42.7%	42.3%
Federal	8.5%	8.4%	7.8%	6.7%	6.1%	6.2%	5.8%	5.6%	5.7%	6.0%
Cost per Pupil:										
North Olmsted	\$10,919	\$10,220	\$9,793	\$9,365	\$9,076	\$8,668	\$7,942	\$7,144	\$6,839	\$6,508
Statewide	\$9,359	\$9,051	\$8,761	\$8,439	\$8,079	\$7,589	\$7,054	\$6,640	\$6,225	\$5,929
Transportation:										
Percent of students transported	53.5%	54.9%	53.5%	48.6%	48.3%	49.3%	49.5%	53.9%	52.9%	54.1%
Number of miles traveled	410,403	432,796	366,766	382,610	403,987	368,975	374,700	402,240	370,380	363,720
Food Service:										
Annual operating deficit	(\$206,071)	(\$60,714)	(\$64,697)	(\$68,988)	(\$91,893)	(\$35,239)	(\$33,481)	(\$40,430)	(\$50,079)	(\$75,482)
Number of meals served	295,060	365,582	347,725	368,979	411,087	410,075	N/A	N/A	N/A	N/A
Number of federally subsidized subsidized meals served	128,103	122,507	126,749	120,958	118,275	N/A	N/A	N/A	N/A	N/A
Median Income:										
North Olmsted	\$34,604	\$34,456	\$34,162	\$34,358	\$36,890	\$34,493	\$38,054	\$32,658	\$28,698	N/A
Statewide	\$30,505	\$29,677	\$29,464	\$29,187	\$30,090	\$29,069	\$29,411	\$27,232	\$24,446	N/A
New Construction Within the District:										
Residential	\$8,804,637	\$6,712,977	\$7,180,459	\$10,178,440	\$5,783,836	\$10,092,256	\$12,913,535	\$13,436,512	\$14,482,863	\$11,680,825
Commercial	\$14,709,091	\$19,197,115	\$20,052,718	\$27,061,724	\$9,675,166	\$10,280,276	\$17,170,778	\$31,876,717	\$21,582,756	\$10,380,000
Number of Board of Education Meetings per Year	30	26	28	36	28	38	27	28	24	29

Source: School District financial records.

(a) In fiscal year 2006, the School District stopped providing lunches to a neighboring school(s) which resulted in the a 19% decline in the number of meals served.

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

School Building	2006	2005	2004	2003	2002(1)	2001	2000	1999	1998	1997
Birch Primary (1967)										
Square Feet	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522	35,522
Capacity	464	464	284	284	284	284	284	284	284	284
Enrollment	405	323	319	301	336	320	268	311	344	328
Butternut Primary (1968)										
Square Feet	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682	31,682
Capacity	408	408	408	408	408	408	408	408	408	408
Enrollment	264	346	335	318	309	311	325	341	331	355
Forest Primary (1971)										
Square Feet	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508	31,508
Capacity	336	336	336	336	336	336	336	336	336	336
Enrollment	278	264	259	272	245	263	291	302	294	316
Spruce Primary (1967)										
Square Feet	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764	24,764
Capacity	312	312	312	312	312	312	312	312	312	312
Enrollment	221	218	200	198	252	257	271	285	281	280
Chestnut Intermediate (1956)										
Square Feet	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	304	315	336	356	412 (2)	0	0	0	0	0
Maple Intermediate (1956)										
Square Feet	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381	42,381
Capacity	504	504	504	504	504	504	504	504	504	504
Enrollment	307	286	312	367	458	431	473	492	456	445
Pine Intermediate (1965)										
Square Feet	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308	53,308
Capacity	456	456	456	456	456	456	456	456	456	456
Enrollment	410	456	424	435	384	398	409	388	381	395
Middle School (1930)										
Square Feet	114,987	114,987	114,987	114,987	137,853	137,853	137,853	137,853	137,853	137,853
Capacity	949	949	949	949	949	949	949	949	949	949
Enrollment	772	765	774	779	781	1,098	1,166	1,186	1,197	1,195
High School (1962)										
Square Feet	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304	208,304
Capacity	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194	1,194
Enrollment	1,652	1,610	1,611	1,634	1,613	1,682	1,662	1,674	1,698	1,636

Source of information - School District financial records.

- (1) In 2002, the School District reconfigured its elementary and middle school buildings into a primary and intermediate grade alignment.
- (2) In 2002, the District reactivated this school building that had been leased to a day care center.