

**NORTH OLMSTED**  
**CITY SCHOOL DISTRICT**  
North Olmsted, Ohio

**Comprehensive**  
**Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2008**

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, 2008  
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North Olmsted City School District  
Administrative Offices  
27425 Butternut Ridge Road  
North Olmsted, Ohio 44070



March 13, 2009

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, 2008. This CAFR includes an opinion from the State Auditor and conforms to U.S. generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the North Olmsted City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Olmsted Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

#### THE REPORTING ENTITY

North Olmsted City School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "the Financial Reporting Entity". 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 14 of the basic financial statements.

## ORGANIZATIONAL STRUCTURE

Statutorily, the School District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer. The District is one of 876 public school districts and community schools in the State of Ohio. The District provides education to 4,484 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively stable over the last several years.

## SCHOOL DISTRICT

The North Olmsted City School District is located in western Cuyahoga County, approximately 17 miles southwest of downtown Cleveland. The School District encompasses the entire City of North Olmsted, a community with a population of approximately 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.

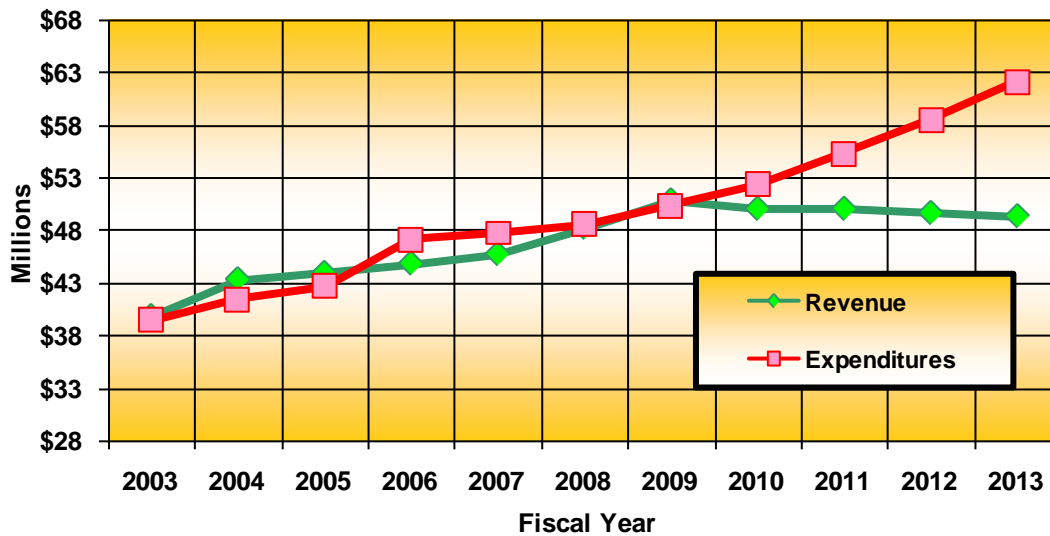
Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in Section 3301.07(D) of the Ohio Revised Code, to provide educational services authorized by charter and further mandated by State and Federal agencies. Under Ohio law, the School District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

## ECONOMIC CONDITION AND OUTLOOK

The School District faces a serious financial challenge in the near future because of limited growth in revenue. Although the District was successful in the passage of a 6.5 mill operating levy in February 2007, the additional \$ 5.8 million of tax revenue from this tax levy will not keep pace with inflationary increases in expenditures and the loss of tax revenues from legislative actions. It is anticipated the School District will start incurring operating deficits in fiscal year 2010 and will exhaust its cash reserves at the end of fiscal year 2011. Graphics of the District's General Fund's financial forecast of operating revenue and expenditures, and financial forecast of General Fund's unencumbered cash balances have been included on the next page. A detailed analysis of the District's financial forecast and the assumptions used in its preparation can be found on the District's website "[www.northolmstedschools.org](http://www.northolmstedschools.org)".

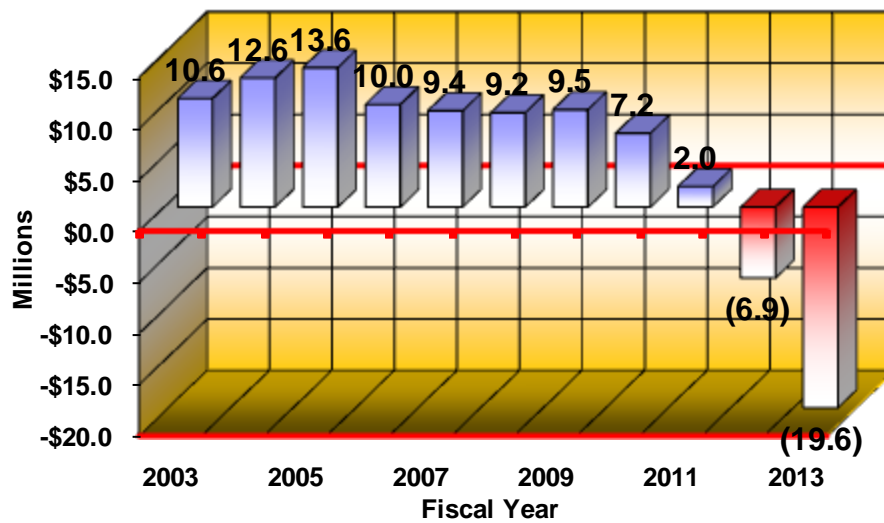


### Forecast of General Fund Operating Revenue and Expenditures



Source: District Financial Records

### Forecast of General Fund Unencumbered Cash Balance (Deficit)

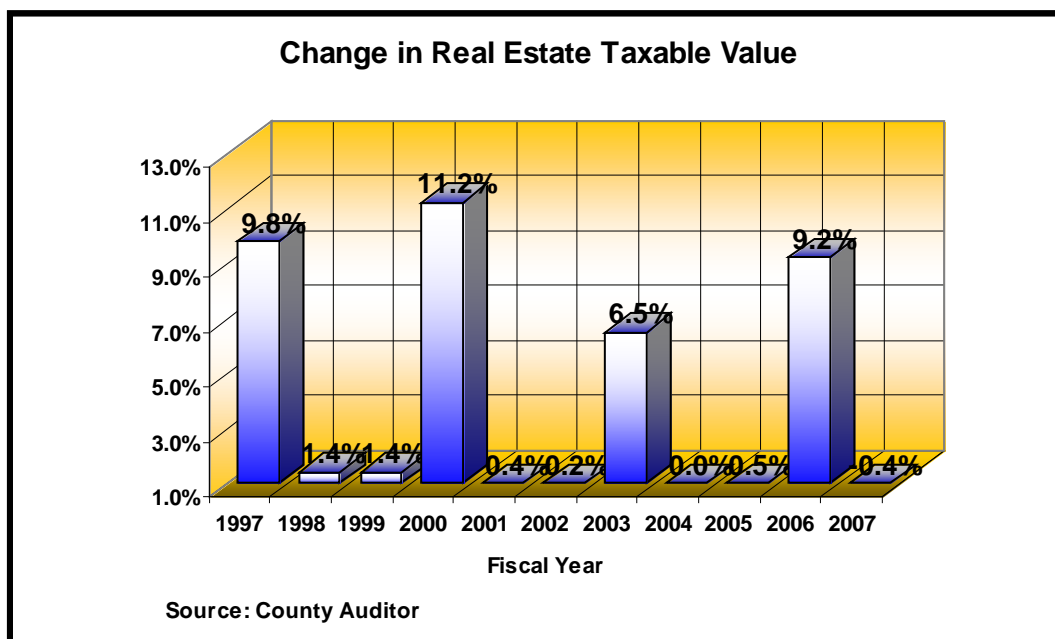


Source: District Financial Records

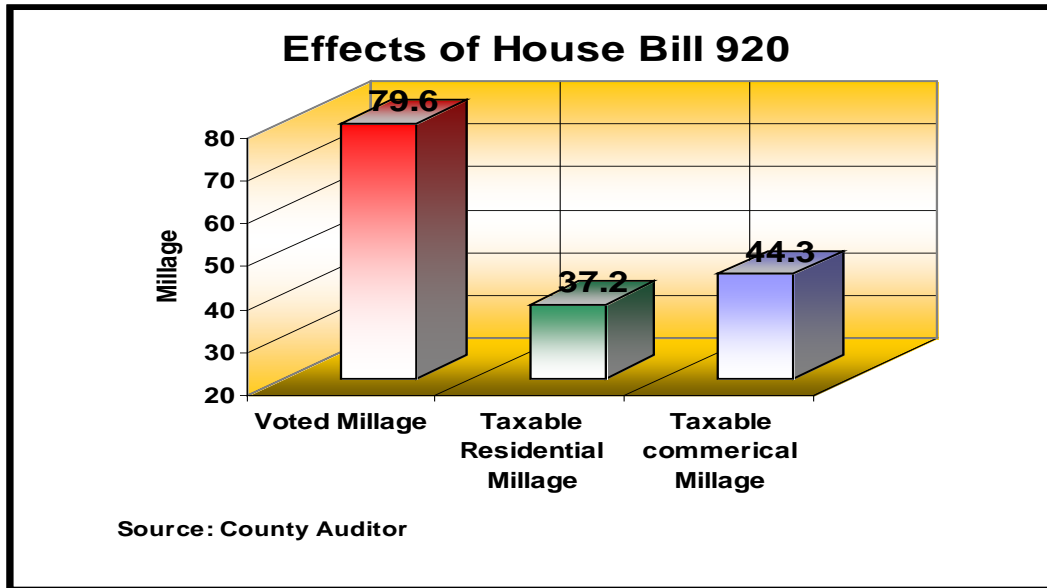
In an effort to stabilize the School District's finances and extend the time for the passage of a new operating levy, the Administration and the unions jointly developed a number of cost containment strategies to reduce operating expenditures. The teachers and hourly employees unions agreed to a salary freeze for the 2007-08 school year. The unions also agreed to significant changes in their medial plan which will increase employee paid contributions to 10% of the monthly insurance premiums, doubling the prescription drug co-pays, and the creation of coordination of benefit program for spouses.

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 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 taxable value of 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 81.60 mills of taxes to fund its operation, of which 77.7 is voted millage. House Bill 920 has lowered the effective millage to 36.0 mills for residential properties and 43.0 mills for commercial property and is illustrated in the graph below.



In effect, House Bill 920 removes inflationary 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 is facing the loss of approximately 8.7% of its' operating revenues through legislative action. In June 2005, the Ohio General Assembly eliminated the assessment of tangible personal property taxes. This tax was assessed on the value of inventory and equipment owned by businesses located within the community.

The School District will be partially reimbursed by the State of Ohio for the loss of this revenue over a period of 12 years. Even with the State's reimbursement, the District is projected to lose \$ 24.8 million of operating revenue during the 12 year period. 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 operating revenues during the phase-out period is summarized in Table 1.

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

<b><u>Fiscal Year</u></b>	<b><u>Tax Collections</u></b>	<b><u>Estimated State Reimbursement</u></b>	<b><u>Net Annual Loss In Tax Revenue</u></b>	<b><u>Accumulated Loss In Tax Revenue</u></b>
2006	\$3,900,000	\$ 125,000		\$ (125,000)
2007	3,155,000	973,000	\$ (228,000)	(353,000)
2008	2,303,000	1,674,000	(77,000)	(430,000)
2009	1,100,000	2,368,000	432,000	2,000
2010	0	2,959,000	941,000	943,000
2011	0	2,884,000	1,016,000	1,959,000
2012	0	2,362,000	1,538,000	3,497,000
2013	0	1,864,000	2,036,000	5,533,000
2014	0	1,516,000	2,384,000	7,917,000
2015	0	1,168,000	2,732,000	10,649,000
2016	0	820,000	3,080,000	13,729,000
2017	0	472,000	3,428,000	17,157,000
2018	0	174,000	3,726,000	20,883,000
2019	0	0	3,900,000	24,783,000

**MAJOR INITIATIVES - FISCAL YEAR 2008****Excellence in Academics**

For the third year in a row, the North Olmsted City School District earned the top ranking of Excellent on the State Report Card and was one of only 74 school districts in Ohio to receive the "Excellent with Distinction" rating.

The High School received a ranking of Excellent on the state report card for the seventh consecutive year. The High School was also named a bronze medal award winner in U.S. News and World Report's list of America's Best High Schools.

Students continued to score above the national average on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). North Olmsted students taking the American College Test had a composite score of 22.6. Those taking the Scholastic Aptitude Test (SAT) had a verbal composite score of 625 and a math composite of 657. North Olmsted had one student with a perfect score on the ACT, one of 172 in the nation and abroad to achieve this feat.

One student was named a Finalist and two students were designated Commended Students in the 2008 National Merit Scholarship Program. Two other students in the program were designated as Commended Students. Eighty-seven members of the graduating Class of 2008 were awarded the Presidential Award of Educational Excellence.

The North Olmsted High School Class of 2008 received a record high dollar amount total of \$ 8.0 million in renewable college scholarship offers. The students also received approximately \$ 77,000 in community awarded scholarships from local North Olmsted community and civic groups.

North Olmsted's four primary schools, Birch, Butternut, Forest, and Spruce were named "Schools of Distinction" by the Ohio Department of Education because of their high academic performance for all students, including students with disabilities. This is the second year in a row that Spruce Primary School has achieved this honor.

Butternut Primary School was also recognized as a State Superintendent School of Promise for the 2007-08 school year because of significant student achievement in reading and math scores.

### **Excellence in Athletics**

The North Olmsted Girls Varsity Basketball Team earned top honors as the Southwest Conference Champions. The team had their best record in twenty years.

The Girls and Boys Varsity Soccer Teams also had their best record in school history. These students placed 3<sup>rd</sup> and 4<sup>th</sup> place in the Southwest Conference.

Two students qualified for the State Tennis Tournament.

### **Excellence in the Arts**

North Olmsted students are very active in art and music competitions. Three students earned Silver Key awards in the 2008 Regional Scholastic Art Competition. One senior earned first place honors in the annual Veteran's Memorial Art Competition. Additionally, two students placed in the Ohio Governor's Youth Art Criticism Open.

The North Olmsted Band and Orchestra students earned ratings of Superior and Excellent in the Greater Cleveland Instrumental Solo and Ensemble Competition. One member of this group was selected for the Ohio All-State Orchestra, while three members participated in the Cleveland Youth Wind Symphony.

Some senior Orchestra members were awarded the opportunity to participate in the Baldwin Wallace College Youth Orchestra, the Contemporary Youth Orchestra, the Cleveland Youth Symphony, the Northern Ohio Youth Orchestra, and the OMEA Northeast Ohio Regional Orchestra.

The North Olmsted High School Marching Band traveled to Walt Disney World in Orlando, Florida. The Band performed in the Main Street USA Parade and participated in the Magic Music Days professional workshops. The entire community showed its support by donating over \$70,000 to help fund the costs of this trip.

### **Excellence in Service to the Community**

The SITES (Social Involvement Through Education and Service) program was recognized by the State of Ohio and Nationally as a model program for service-learning. Students have contributed over 300,000 service hours to the community since the program was started in 1991.

Students in the Key Club collected over 160 pints of blood for the American Red Cross. Students were also activity involved in the Make-a-Wish Foundation and Coats for Kids.

## **Building Improvements**

In July 2007, the District commissioned a feasibility study for the construction of a 250 KW wind turbine electric generator. The initial study concluded the project could reduce the District's energy costs approximately \$2.1 million over the twenty-five year life of the turbine. The District is working with the City of North Olmsted to create the appropriate zoning regulation. If the project is approved, construction of the wind turbine has been targeted for the spring of 2010 at the District's Middle School /High School Campus.

The District started a major renovation and expansion of the High School computer and science labs. The initial phase of the plan, the wiring, carpeting and furnishing of the computer labs was completed during the summer of 2008. The second phase of the plan, the renovation of the science labs is scheduled to be completed during the summer of 2009.

The District successfully completed a breakfast pilot program at two of its elementary schools. Based upon the positive feedback, the District implemented a district-wide breakfast program during the 2008-09 school year.

## **LONG-TERM FINANCIAL PLANNING**

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

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

The Board of Education has adopted guidelines to maintain a prudent level of financial resources to protect the School District against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. To achieve this goal, the Board of Education has established a budget stabilization fund, a medical claims reserve fund, and a contingency fund to finance the next 27<sup>th</sup> pay period scheduled to occur during the 2015-16 fiscal year. A detailed discussion of these funds is provided in Notes 9.C and 16 to the basic financial statements.

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

## **FINANCIAL INFORMATION**

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

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. The legal level of appropriations is at the fund/object level for the General Fund 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 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.

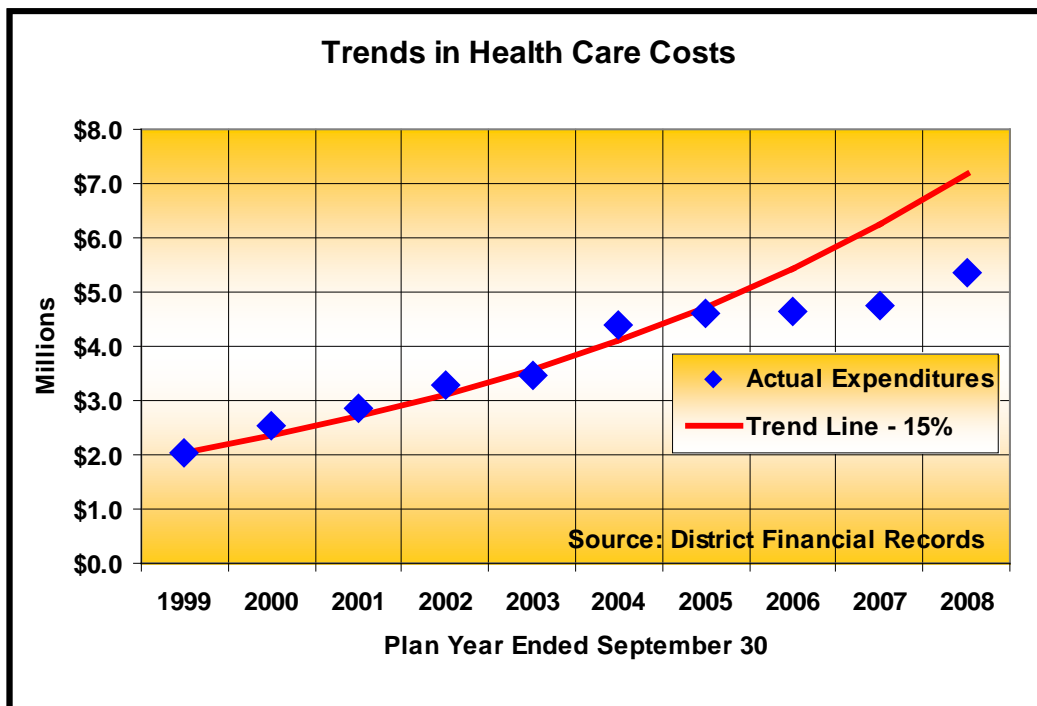
Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

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 2008 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 2008, 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, 2008, the Self-Insurance Fund had net assets of \$ 984,207. The District is concerned with spiraling health care costs. As illustrated in the graph below, health care costs have been increasing 12% to 15% annually. To help off-set rising health care costs, the Unions have agreed to pay 5.0 percent of the cost of the monthly insurance premiums. Employee contributions toward health insurance are scheduled to increase to 7.5 percent on August 1, 2009 and 10 percent on August 1, 2010. Administrators are required to pay 10 percent of the cost of their monthly healthcare premiums as of August 1, 2007. The Unions have also agreed to double the co-pays for prescription drugs and enroll their spouses in a coordination of benefit program.



#### 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, 2008 were \$ 85,806.



## 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 enable the Board to maintain minimum account balances. For the year ended June 30, 2008, the District's investment earnings totaled \$ 733,560 of which \$ 686,750 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 54 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, 2008. 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, 2007. 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-four consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

##### ASBO International Certificate of Excellence

The School District received the Association of School Business Officials (ASBO) International Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended June 30, 2007. This is the twenty-first 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.

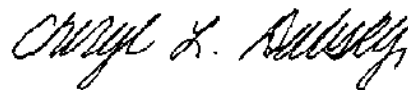
#### ACKNOWLEDGMENTS

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



Cheryl L. Dubsky Ed.D.  
Superintendent of Schools

North Olmsted City School District  
Principal Officials  
June 30, 2008

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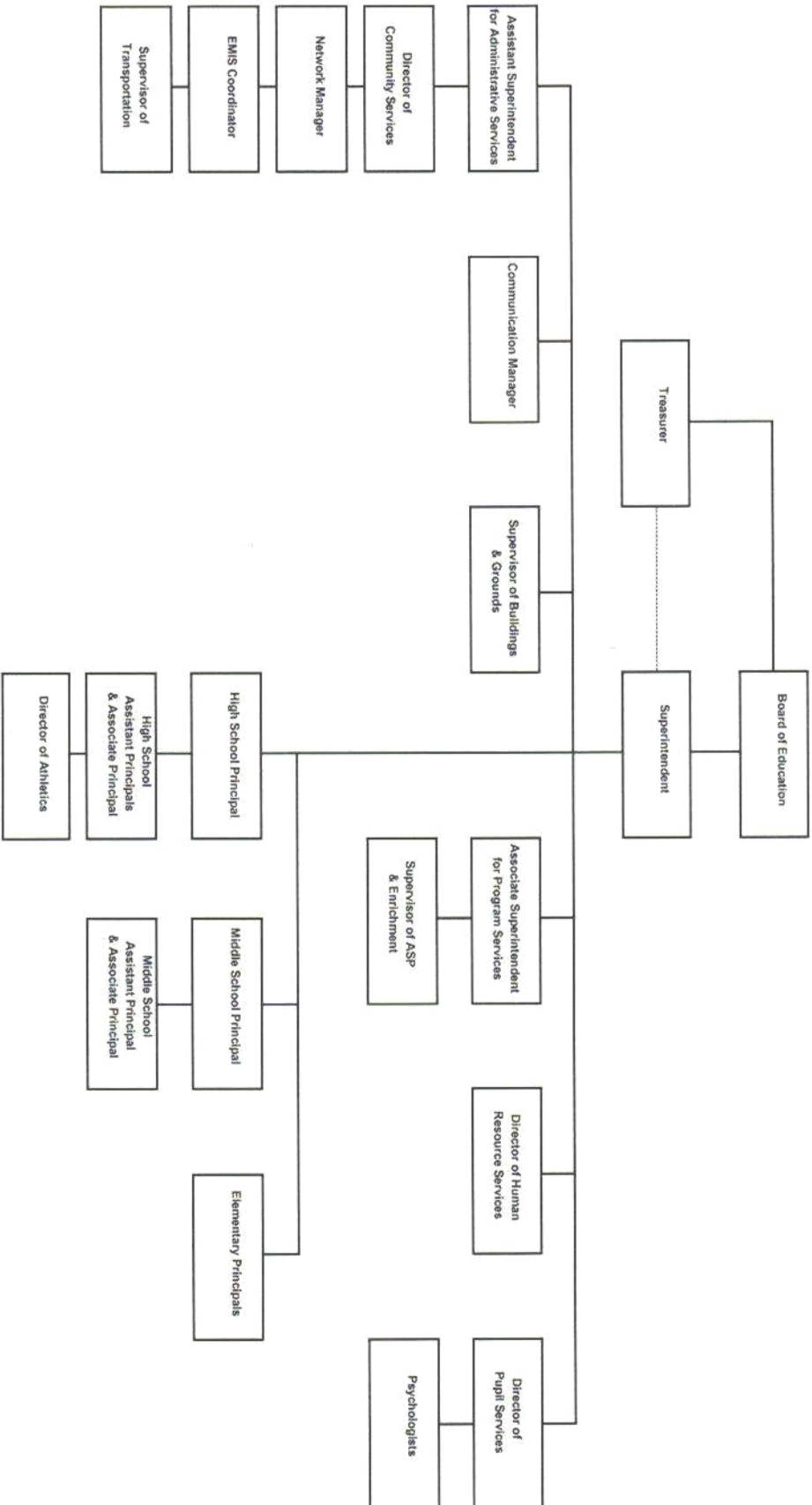
**Board of Education**

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

**Administration**

Dr. Cheryl Dubsky	Superintendent
Mr. Robert J. Matson, CPA	Treasurer
Mr. Stephen Barrett	Associate Superintendent
Dr. Douglas A. Sebring	Assistant Superintendent
Mr. Gary Novak	Director of Personnel
Ms. Kimberly Dittmann	Director of Pupil Services
Ms. 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, 2007

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.



President

Executive Director

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**NORTH OLMSTED CITY SCHOOLS**

**For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2007**

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

*Thome E. Brendel*

President

*John D. Mueser*

Executive Director

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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, 2008, 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, 2008, 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 March 13, 2009, 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

March 13, 2009

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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The management discussion and analysis of North Olmsted City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. 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 2008 are as follows:

Net assets increased \$ 2,266,744 from the previous year.

The General Fund maintains a strong unrestricted cash position of \$ 9.8 million at June 30, 2008.

Revenues for governmental activities totaled \$ 55.3 million in fiscal year 2008 as compared to \$ 51.8 million in fiscal year 2007.

In fiscal year 2008, 91.1 percent of total revenue consisted of general revenues while Program revenues accounted for the remaining balance of 8.9 percent.

In fiscal year 2008, total program expenses increased 4.0 percent from the previous year to \$ 53.0 million. Instructional expenses made up 58.4 percent of this total while support services accounted for 35.4 percent. Other expenses rounded out the remaining 6.2 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, 2008*  
*Unaudited*

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## 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 2008 compared to 2007.

**TABLE 1**  
Net Assets  
Governmental Activities

	2008	2007
<b>Assets</b>		
Current and other assets	\$ 53,517,533	\$ 51,782,932
Capital assets, net	13,262,307	13,725,669
Total assets	<u>\$ 66,779,840</u>	<u>\$ 65,508,601</u>
<b>Liabilities</b>		
Current liabilities	\$ 37,028,716	\$ 37,975,019
Long-term liabilities		
Due in one year	898,178	1,062,672
Due in more than one year	3,329,562	3,214,270
Total liabilities	<u>41,256,456</u>	<u>42,251,961</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	12,667,307	13,015,895
Restricted	2,325,296	2,171,192
Unrestricted	10,530,781	8,069,553
Total net assets	<u>\$ 25,523,384</u>	<u>\$ 23,256,640</u>

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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Total assets increased by \$ 1,271,239. The majority of this increase can be attributed to increases of \$ 407,016 in equity in pooled cash, \$ 702,842 in from other governments and \$ 569,010 in taxes receivable. This increase was offset with a decrease of \$ 463,362 in capital assets.

Total liabilities decreased by \$ 995,505. The majority of the decrease can be attributed to the decrease in unearned revenue of \$ 1,076,919.

To determine the overall financial performance of the School District one must consider the relative changes in net assets. By comparing assets and liabilities, one can see that the overall position of the School District has improved as evidenced by the increase in net assets of \$ 2,266,744. A change in net assets indicates how an entity is providing for future generations.

Prudent management of operating expenses by the Administration has allowed the School District to accumulate a General Fund cash balance of \$ 9.8 million at June 30, 2008. 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 \$ 50.4 million or 91.1 percent of the total revenue. The most significant portion of the general revenues is local property tax. Property tax revenue in fiscal year 2008 increased \$ 1.5 million from the previous year. The majority of the increase is due to the initial phase-in of a new 6.5 mill operation levy passed in February 2007. This levy is scheduled to raise an additional \$ 5.8 million in tax revenue annually and will be phased-in over two fiscal years. The District should experience a similar increase in revenues next year.

The remaining amount of revenue received is in the form of program revenues amounting to \$ 4.9 million or only 8.9 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 2008 and 2007.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

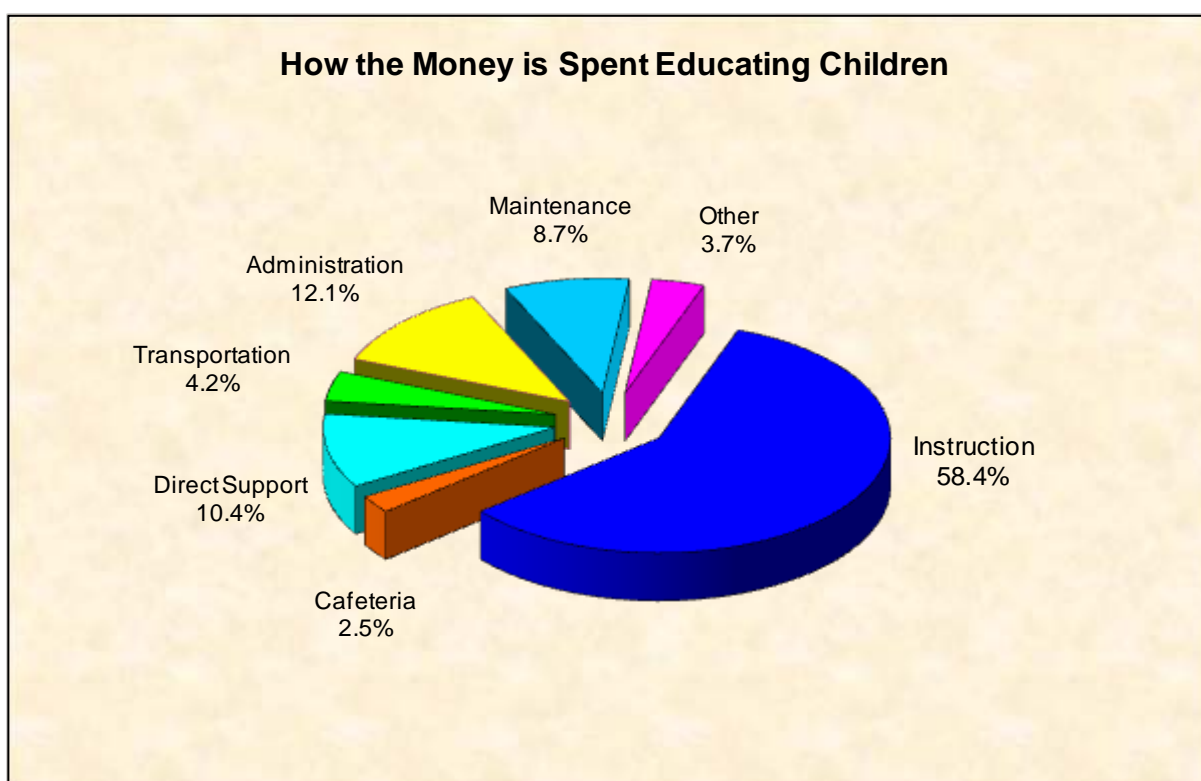
**TABLE 2**  
**Governmental Activities**

	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues		
Charges for services and sales	\$ 2,361,654	\$ 2,515,256
Operating grants, interest and contributions	2,453,717	2,146,233
Capital grants and contributions	83,815	67,713
Total program revenues	<u>4,899,186</u>	<u>4,729,202</u>
General revenue		
Property tax	35,849,728	34,385,594
Grants and entitlements	13,223,960	11,535,169
Investment earnings	733,560	1,043,975
Miscellaneous	560,047	132,201
Total general revenues	<u>50,367,295</u>	<u>47,096,939</u>
Total revenues	<u>55,266,481</u>	<u>51,826,141</u>
Program expenses		
Instruction		
Regular	23,461,756	22,397,614
Special	6,769,100	6,171,430
Vocational	362,396	625,254
Other instruction	335,822	146,458
Supporting services		
Pupil	4,313,535	3,896,669
Instructional staff	1,173,503	1,591,941
Board of education	194,264	181,592
Administration	3,764,269	4,135,156
Fiscal services	1,206,941	1,035,686
Business	107,225	99,760
Operation and maintenance	4,600,580	4,477,751
Pupil transportation	2,243,881	2,130,173
Central services	1,136,870	963,951
Operation of non-instructional		
Food service operation	1,349,775	1,280,058
Community services	423,544	539,954
Extracurricular activities	1,529,681	1,318,465
Interest	26,595	31,685
Total program expenses	<u>52,999,737</u>	<u>51,023,597</u>
Change in net assets	2,266,744	802,544
Net assets, beginning of year	<u>23,256,640</u>	<u>22,454,096</u>
Net assets, end of year	<u>\$ 25,523,384</u>	<u>\$ 23,256,640</u>

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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Approximately 68.8 percent of the School District's budget is used to fund instructional and direct classroom support service expenses while only 12.1 percent of the budget is spent on administrative expenses. The remaining 19.1 percent of the budget is used to maintain the facilities, transport students, providing school lunches, offering sport and extracurricular programs to students. The relationship of these expenses is illustrated in the graph below.



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 "2008 Expenditure Flow Model Report", the North Olmsted City School's cost per pupil expenditure was ranked the 13<sup>th</sup> lowest among the 31 school districts in Cuyahoga County. A comparison of some of the neighboring school districts' cost per pupil expenditures can be found in Table 3.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

**Table 3**  
Cost per Pupil as of June 30, 2008

<u>School District</u>	<u>Cost per Pupil</u>	<u>Ranking in Cuyahoga County</u>
Bay Village	\$ 10,645	7
Beachwood	20,483	31
Berea	11,454	12
Fairview Park	11,082	9
Garfield Heights	9,838	1
Lakewood	12,181	17
North Olmsted	11,531	13
Olmsted Falls	10,180	4
Rocky River	11,196	10
Strongsville	10,569	6
Westlake	11,914	15
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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Governmental Activities</b>				
Instruction	\$ 30,929,074	\$ 29,340,756	\$ (28,788,717)	\$ (27,275,097)
Supporting services	18,741,068	18,512,679	(17,461,435)	(17,365,811)
Operation of non-instructional				
Food service operation	1,349,775	1,280,058	(209,273)	(124,784)
Community services	423,544	539,954	(378,421)	(471,660)
Extracurricular activities	1,529,681	1,318,465	(1,236,110)	(1,025,358)
Debt service - interest	26,595	31,685	(26,595)	(31,685)
<b>Total</b>	<u>\$ 52,999,737</u>	<u>\$ 51,023,597</u>	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>

The School District is heavily reliant upon local tax revenues to fund its operations. In fact, local property tax funded approximately 67.6 percent of the total expenses in 2008, compared to 67.4 percent in 2007. Grants and entitlements not restricted to specific programs fund 25.0 percent of expenses, while program revenues fund only 9.2 percent.



**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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The primary source of general revenue is property taxes levied. In fiscal years 2008 and 2007, property taxes accounted for 71.2 and 73.0 percent, respectively, of general revenue. Clearly, the North Olmsted community is by far the greatest source of financial support for the students of the North Olmsted City Schools.

### **School District Funds**

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

As of June 30, 2008, the School District's governmental funds reported combined ending fund balances of \$ 11,948,850, an increase of \$ 1,797,599 in comparison with the prior year. Of that amount \$ 5,333,773 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remaining \$ 6,615,077 of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period or other restricted purposes.

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 54.4 million and expenditures of \$ 52.5 million. The net change in fund balance for the year was most significant in the General Fund, an increase of \$ 1.7 million as compared to an increase of \$ .7 million in fiscal year 2007.

Total revenues reported in fiscal year 2008 increased \$ 2.1 million or 4.0% from the previous year. The increase is due primarily to additional tax revenue received from the passage of 6.5 mill operating levy in February 2007. This levy will raise an additional \$ 5.8 million in tax revenue annually. Because of the assessment and collection of this additional tax is based on a calendar year, the financial impact of this levy is phased-in over two fiscal years and the District will experience a similar increase next year.

Total expenditures reported in fiscal year 2008 decreased \$ .2 million or .3% from the previous year. The decrease is due primarily to a salary freeze agreed to by the District's employees and savings from retirements during the previous year.

### **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 2008, the School District amended its General Fund Appropriation Budget several times. Because of the nationwide economic recession, property tax collections fell short of initial budgetary estimates by approximately \$ 833,000. Investment earnings of \$ 686,750 were approximately \$ 283,000 less than initial budgetary estimates due to the unanticipated decline in short-term interest rates.

Total expenses for the year were \$ 960,507 under budgetary estimates. The savings can be attributed to lower than anticipated energy costs, a reduction in outside tuition paid toward special education programs and a one year deferral in the purchase of textbooks for the newly adopted mathematics and science curriculums.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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## **Capital Assets and Debt Administration**

### **Capital Assets**

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2008, the School District had \$ 13.3 million invested in land, buildings, equipment and vehicles. Table 5 shows fiscal 2008 values compared to fiscal 2007.

**Table 5**  
Net Capital Assets at June 30

	2008	2007
Land	\$ 1,088,848	\$ 1,088,848
Land improvements	367,032	401,227
Buildings and improvements	8,887,839	9,295,779
Furniture and equipment	1,326,177	1,396,680
Vehicles	1,592,411	1,543,135
	<u>\$ 13,262,307</u>	<u>\$ 13,725,669</u>

During fiscal 2008, the School District purchased \$ 471,485 of capital assets. Approximately 49.0 percent or \$ 230,647 of the purchases was for vehicles. More information on capital assets is presented in Note 7 of the notes to the basic financial statements.

### **Debt Administration**

At June 30, 2008, the School District had outstanding \$ 595,000 bonds payable. Proceeds from the bonds were used for building and facility improvements. The bonds were issued in August 2007 and will mature in varying amounts through December 2014.

The School District's overall legal debt margin was \$ 80,227,361 with an unvoted debt margin of \$ 897,441.

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

### **School District Outlook**

The District's financial condition has been temporarily stabilized with the passage of a 6.5 mill operating levy in February 2007. This levy is scheduled to raise an additional \$ 5.8 million in revenue annually. Unfortunately, faced with uncertainties in the economy, erosion in the tax base, potential cuts in state funding and unstable energy costs the District has become vulnerable to large unpredictable swings in future revenues and expenditures. If these trends continue, the District's financial position will deteriorate quickly. Based upon the District's most recent "Five Year Financial Forecast", the District could exhaust its cash reserves at the end of the 2010-11 fiscal year and could be facing draconian budgetary cuts in staffing and programs.

**North Olmsted City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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To compensate for the potential loss in revenue, the Administration has started to develop a comprehensive cost containment plan to reduce salary, healthcare and energy expenditures. The Administration successfully negotiated a salary freeze for all employees during the 2007-08 fiscal year and is exploring the feasibility of an early retirement incentive program. The Administration also negotiated significant changes to its medical plan which required all employees to pay 10% of the monthly premium costs, enroll their spouses into a coordination benefit program and doubled prescription drug co-pay amounts. The District is exploring the feasibility of constructing a wind turbine to generate electricity. The Administration's cost containment plan will not eliminate the District's financial problems completely, however, it does represent the first step in the continuing effort to contain rising costs. The Administration will be reviewing the District's staffing needs and the potential changes in state funding annually in order to reduce the size and timing of the next operating levy.

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-four consecutive years. The District has also received the Association of School Business Officials (ASBO) Certificate of Achievement for Excellence in Financial Reporting for the past twenty-one years.

#### **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, 2008

	Governmental Activities
Assets	
Equity in pooled cash	\$ 14,400,925
Accounts receivable	64,271
Due from other governments	2,473,141
Inventories and supplies	127,050
Taxes receivable	36,452,146
Capital assets	
Nondepreciable capital assets	1,088,848
Depreciable capital assets	12,173,459
Total assets	<u>66,779,840</u>
Liabilities	
Accounts and contracts payable	188,519
Accrued salaries, wages and benefits	4,875,871
Accrued interest payable	1,800
Claims payable	760,000
Due to other governments	1,451,442
Unearned revenue	29,751,084
Long term liabilities	
Due within one year	898,178
Due in more than one year	3,329,562
Total liabilities	<u>41,256,456</u>
Net assets	
Invested in capital assets, net of related debt	12,667,307
Restricted for:	
Debt service	50,850
Capital projects	1,453,476
Set asides	223,073
Food service	64,912
School supplies	155,552
Extracurricular	94,890
Pupil transportation	126,012
State grants	56,967
Federal grants	961
Donations	98,103
Other purposes	500
Unrestricted	10,530,781
Total net assets	<u>\$ 25,523,384</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

	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	\$ 23,461,756	\$ 696,277	\$ 782,567	\$ 51,213	\$ (21,931,699)
Special	6,769,100	574,295	9,781	-	(6,185,024)
Vocational	362,396	-	26,224	-	(336,172)
Other instruction	335,822	-	-	-	(335,822)
Supporting services					
Pupil	4,313,535	-	945,287	-	(3,368,248)
Instructional staff	1,173,503	-	68,908	2,970	(1,101,625)
Board of education	194,264	-	-	-	(194,264)
Administration	3,764,269	-	1,221	-	(3,763,048)
Fiscal services	1,206,941	57,325	-	-	(1,149,616)
Business	107,225	-	-	-	(107,225)
Operation and maintenance	4,600,580	31,016	-	-	(4,569,564)
Pupil transportation	2,243,881	23,330	76,337	29,632	(2,114,582)
Central services	1,136,870	-	43,607	-	(1,093,263)
Operation of non-instructional					
Food service operation	1,349,775	694,341	446,161	-	(209,273)
Community services	423,544	-	45,123	-	(378,421)
Extracurricular activities	1,529,681	285,070	8,501	-	(1,236,110)
Interest	26,595	-	-	-	(26,595)
Totals	<u>\$ 52,999,737</u>	<u>\$ 2,361,654</u>	<u>\$ 2,453,717</u>	<u>\$ 83,815</u>	<u>(48,100,551)</u>
General revenues					
Property taxes levied for:					
General purpose					34,800,124
Capital improvements					1,049,604
Grants and entitlements not restricted to specific purposes					13,223,960
Investment earnings					733,560
Miscellaneous					560,047
Total general revenues					<u>50,367,295</u>
Change in net assets					2,266,744
Net assets at beginning of year					23,256,640
Net assets at end of year					<u>\$ 25,523,384</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

BALANCE SHEET -  
GOVERNMENTAL FUNDS

JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in pooled cash	\$ 9,767,258	\$ 2,665,887	\$ 12,433,145
Restricted cash	223,073	-	223,073
Receivables, net of allowance			
Taxes, current	34,311,042	986,204	35,297,246
Taxes, delinquent	1,122,500	32,400	1,154,900
Accounts and other	64,271	-	64,271
Due from other governments	2,370,749	102,392	2,473,141
Interfund receivable	617,780	-	617,780
Inventories and supplies	105,639	21,411	127,050
Total assets	<u>\$ 48,582,312</u>	<u>\$ 3,808,294</u>	<u>\$ 52,390,606</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts and contracts payable	\$ 102,216	\$ 86,303	\$ 188,519
Accrued wages and benefits	4,740,772	135,099	4,875,871
Due to other governments	1,302,927	148,515	1,451,442
Interfund payable	-	617,780	617,780
Unearned revenue			
Taxes	30,168,212	866,692	31,034,904
Other	1,435,399	24,663	1,460,062
Compensated absences	811,450	1,728	813,178
Total liabilities	<u>38,560,976</u>	<u>1,880,780</u>	<u>40,441,756</u>
<b>Fund balances</b>			
Reserved for budget stabilization	223,073	-	223,073
Reserved for inventories	105,639	21,411	127,050
Reserved for property taxes	5,265,330	151,912	5,417,242
Reserved for encumbrances	268,685	579,027	847,712
Unreserved:			
Designated for subsequent year's expenditure	216,000	-	216,000
Undesignated, reported in			
General Fund	3,942,609	-	3,942,609
Special Revenue Funds	-	369,786	369,786
Debt Service Fund	-	52,650	52,650
Capital Projects Funds	-	752,728	752,728
Total fund balances	<u>10,021,336</u>	<u>1,927,514</u>	<u>11,948,850</u>
Total liabilities and fund balances	<u>\$ 48,582,312</u>	<u>\$ 3,808,294</u>	<u>\$ 52,390,606</u>

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, 2008

Total governmental fund balances			\$ 11,948,850
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.			13,262,307
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.			
Property taxes	1,283,820		
Other receivables	1,460,062		
			2,743,882
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.			984,707
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Compensated absences	(2,819,562)		
Bonds payable	(595,000)		
Accrued interest payable	(1,800)		
			(3,416,362)
Net assets of governmental activities			<u>\$ 25,523,384</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 34,587,377	\$ 1,044,704	\$ 35,632,081
Tuition and fees	1,138,729	-	1,138,729
Interest	686,750	46,810	733,560
Intergovernmental	12,630,596	2,522,420	15,153,016
Charges for services	-	741,409	741,409
Extracurricular	-	430,416	430,416
Other	248,674	300,890	549,564
Total revenues	<u>49,292,126</u>	<u>5,086,649</u>	<u>54,378,775</u>
Expenditures			
Current			
Instruction			
Regular	22,298,874	1,074,422	23,373,296
Special	6,787,775	9,186	6,796,961
Vocational	343,137	28,745	371,882
Other instruction	335,822	-	335,822
Supporting services			
Pupil	3,405,423	989,006	4,394,429
Instructional staff	1,070,877	72,095	1,142,972
Board of education	194,264	-	194,264
Administration	3,128,584	13,853	3,142,437
Fiscal services	1,170,847	-	1,170,847
Business	90,143	-	90,143
Operation and maintenance	4,051,021	531,439	4,582,460
Pupil transportation	2,003,798	334,848	2,338,646
Central services	1,077,880	45,634	1,123,514
Operation of non-instructional			
Food service operation	47,710	1,265,605	1,313,315
Community services	27,244	395,892	423,136
Extracurricular activities	1,235,266	301,579	1,536,845
Debt service			
Principal	29,774	85,000	114,774
Interest	353	26,542	26,895
Total expenditures	<u>47,298,792</u>	<u>5,173,846</u>	<u>52,472,638</u>
Excess (deficiency) of revenues over expenditures	<u>1,993,334</u>	<u>(87,197)</u>	<u>1,906,137</u>
Other financing sources (uses)			
Transfers-in	-	257,628	257,628
Transfers-out	(249,628)	(108,000)	(357,628)
Total other financing sources (uses)	<u>(249,628)</u>	<u>149,628</u>	<u>(100,000)</u>
Net change in fund balances	1,743,706	62,431	1,806,137
Fund balances, beginning of year	8,275,500	1,875,751	10,151,251
Increase (decrease) in reserve for inventory	2,130	(10,668)	(8,538)
Fund balances, end of year	<u>\$ 10,021,336</u>	<u>\$ 1,927,514</u>	<u>\$ 11,948,850</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, 2008

Net change in fund balances - total governmental funds \$ 1,806,137

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	471,485	
Depreciation expense	(934,847)	
Total		(463,362)

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

Property taxes	239,700	
Other receivables	648,006	
		887,706

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.

114,774

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,  
do not require the use of current financial resources  
and therefore are not reported as expenditures  
in governmental funds.

Compensated absences	(200,292)	
Change in inventory	(8,538)	
		(208,830)

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.

130,019

Change in net assets of governmental activities	\$ 2,266,744	
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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, 2008

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 34,025,000	\$ 32,685,000	\$ 33,191,208	\$ 506,208
Tuition and fees	1,293,000	1,203,000	1,138,729	(64,271)
Interest	970,000	696,000	686,750	(9,250)
Intergovernmental	12,265,000	12,503,000	12,340,668	(162,332)
Other	206,000	178,000	245,986	67,986
Total revenues	<u>48,759,000</u>	<u>47,265,000</u>	<u>47,603,341</u>	<u>338,341</u>
Expenditures				
Current				
Instruction				
Regular	22,592,201	22,812,129	22,485,334	326,795
Special	7,060,771	6,860,671	6,776,031	84,640
Vocational	499,244	419,198	417,917	1,281
Other instruction	242,000	383,400	335,821	47,579
Supporting services				
Pupil	3,396,708	3,437,108	3,394,841	42,267
Instructional staff	1,250,038	1,312,401	1,244,482	67,919
Board of education	255,508	293,808	214,152	79,656
Administration	3,225,095	3,257,328	3,211,201	46,127
Fiscal services	1,084,322	1,142,822	1,121,611	21,211
Business	108,500	104,895	95,312	9,583
Operation and maintenance	4,083,734	4,129,648	4,004,603	125,045
Pupil transportation	2,086,977	2,098,073	2,046,499	51,574
Central services	989,699	1,144,814	1,119,115	25,699
Operation of non-instructional				
Food service operation	47,700	47,700	46,604	1,096
Community services	32,000	32,000	27,244	4,756
Extracurricular activities	1,197,300	1,262,989	1,237,710	25,279
Total expenditures	<u>48,151,797</u>	<u>48,738,984</u>	<u>47,778,477</u>	<u>960,507</u>
Excess (deficiency) of revenues over expenditures	<u>607,203</u>	<u>(1,473,984)</u>	<u>(175,136)</u>	<u>1,298,848</u>
Other financing sources (uses)				
Transfers-in	8,000	-	-	-
Advances-in	550,798	570,798	570,798	-
Refund prior year expenditure	-	-	(2,367)	(2,367)
Advances-out	(570,000)	(660,096)	(637,780)	22,316
Transfers-out	(333,325)	(254,128)	(249,628)	4,500
Total other financing sources (uses)	<u>(344,527)</u>	<u>(343,426)</u>	<u>(318,977)</u>	<u>24,449</u>
Net change in fund balances	262,676	(1,817,410)	(494,113)	1,323,297
Fund balances, beginning of year	9,588,698	9,588,698	9,588,698	-
Prior year encumbrances appropriated	524,845	524,845	524,845	-
Fund balances, end of year	<u>\$ 10,376,219</u>	<u>\$ 8,296,133</u>	<u>\$ 9,619,430</u>	<u>\$ 1,323,297</u>

See accompanying notes to the basic financial statements.

NORTH OLMSTED CITY SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS -  
INTERNAL SERVICE FUND

JUNE 30, 2008

	<u>Self Insurance</u>
Current assets	
Equity in pooled cash	\$ 1,744,707
Current liabilities	
Claims payable	<u>760,000</u>
Total liabilities	<u>760,000</u>
Net assets	
Unrestricted	<u>\$ 984,707</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, 2008

	<u>Self Insurance</u>
Operating revenues	
Charges for services	<u>\$ 5,501,791</u>
Operating expenses	
Purchased services	565,137
Claims	<u>4,906,635</u>
Total operating expenses	<u>5,471,772</u>
Operating income	30,019
Transfers-in	<u>100,000</u>
Change in net assets	130,019
Net assets, beginning of year	<u>854,688</u>
Net assets, end of year	<u><u>\$ 984,707</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, 2008

	<u>Self Insurance</u>
Cash flow s from operating activities	
Cash received from interfund services	\$ 5,501,791
Cash payments for goods and services	(565,137)
Cash payments for claims	<u>(4,852,135)</u>
Net cash provided by operating activities	<u>84,519</u>
 Cash flow s from noncapital financing activities	
Transfer from other funds	<u>100,000</u>
Net cash provided by noncapital financing activities	<u>100,000</u>
 Net increase in cash and cash equivalents	184,519
 Cash and cash equivalents, beginning of year	<u>1,560,188</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,744,707</u></u>
  Reconciliation of operating income to net cash used for operating activities	
 Operating income	<u>\$ 30,019</u>
 Adjustments	
Decrease in claims payable	<u>54,500</u>
	<u>54,500</u>
 Net cash used for operating activities	<u><u>\$ 84,519</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, 2008

	Student Activities
Assets	
Equity in pooled cash	\$ 85,806
Total assets	<u>85,806</u>
Liabilities	
Accounts payable	233
Due to students	85,573
Total liabilities	<u>\$ 85,806</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, 2008

**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, 2007 was 4,332. The District employs 359 certificated and 242 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 14 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, 2008

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. However, internal fund services provided and used are not eliminated in the process of consolidation.

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, 2008

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, 2008

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 funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of 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, 2008

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 5). 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, 2008, but which were levied to finance fiscal year 2009 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, 2008

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. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$ 686,750 which included \$ 183,821 assigned from other District funds.

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

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, 2008.

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, 2008

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:

<u>Asset</u>	<u>Estimated useful life</u>
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, 2008

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. As of June 30, 2008, net assets restricted by enabling legislation were \$ 1,453,476 in the statement of net assets.

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. A fund balance designation has been established for an additional bi-weekly payroll occurring in 2016.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

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 set aside by the District 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, 2008

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	\$ (494,113)
Adjustments, increase (decrease)	
Revenue accruals	1,688,785
Expenditure accruals	479,685
Other sources (uses)	69,349
GAAP basis, as reported	<u>\$ 1,743,706</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, 2008

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, 2008

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 \$ 13,922,113 and the bank balance was \$ 14,577,267. Of the bank balance, \$ 200,000 was covered by federal depository insurance and \$ 14,377,267 was uninsured. Of the remaining balance, \$ 14,377,267 was collateralized with securities held by the pledging institution's trust department not in the District's name.

At fiscal year end, the District had \$ 2,041 in cash on hand which is included on the balance sheet of the District as part of "Equity in pooled cash."

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, 2008, the District had the following investments:

	Weighted Average Maturities Years	Fair Value
Investment in State Treasurer's Investment Pool	n/a	\$ 562,577

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 as discussed in Note 4 - A above. STAR Ohio carries a rating of AAAM by Standard and Poor's and is an authorized investment under the Ohio Revised Code.

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, 2008

**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 2008 represent the collection of calendar year 2007 taxes. Real property taxes for 2008 were levied after April 1, 2007, on the assessed values as of January 1, 2007, 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 2008 represents collections of calendar 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2008 (other than public utility property) represent the collection of calendar year 2008 taxes. Tangible personal property taxes for 2008 were levied after April 1, 2007, on the value as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory is 6.25 percent for 2008. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2008, are available to finance fiscal year 2008/2009 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, 2008 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 2008 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, 2008

NOTE 5 - PROPERTY TAXES (continued)

The amount available as an advance at June 30, 2008, was \$ 5,265,330 in the General Fund and \$ 151,912 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2007, was \$ 3,869,161 in the General Fund and \$ 119,799 in the Permanent Improvements Fund.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 620,194,210	66.92 %	\$ 619,714,970	69.05 %
Other Commercial	252,741,580	27.27	252,738,620	28.16
Public Utility Tangible	14,491,560	1.57	10,087,260	1.13
Tangible Personal Property	39,288,377	4.24	14,900,383	1.66
	<u>\$ 926,715,727</u>	<u>100.00 %</u>	<u>\$ 897,441,233</u>	<u>100.00 %</u>
Tax Rate per \$ 1,000 of Assessed Valuation:	<u>83.5</u>		<u>83.5</u>	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2008, 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	\$ 2,370,749
Title VIB	41,679
Limited English Proficiency	2,222
Title I	18,051
Title V	2,050
Drug Free Schools	114
Title II-A	13,613
Permanent Improvements	24,663
Due from other governments	<u>\$ 2,473,141</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Disposals	Balance June 30, 2008
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 1,088,848	\$ -	\$ -	\$ 1,088,848
Depreciable capital assets				
Land improvements	835,881	-	-	835,881
Buildings and improvements	19,382,511	78,247	-	19,460,758
Furniture and equipment	3,040,568	162,591	-	3,203,159
Vehicles	2,982,463	230,647	256,415	2,956,695
Total capital assets being depreciated	26,241,423	471,485	256,415	26,456,493
Less accumulated depreciation				
Land improvements	434,654	34,195	-	468,849
Buildings and improvements	10,086,732	486,187	-	10,572,919
Furniture and equipment	1,643,888	233,094	-	1,876,982
Vehicles	1,439,328	181,371	256,415	1,364,284
Total accumulated depreciation	13,604,602	934,847	256,415	14,283,034
Depreciable capital assets, net of accumulated depreciation	12,636,821	(463,362)	-	12,173,459
Governmental activities capital assets, net	<u>\$ 13,725,669</u>	<u>\$ (463,362)</u>	<u>\$ -</u>	<u>\$ 13,262,307</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 361,474
Special	53,518
Vocational	21,417
Supporting services	
Pupil	2,264
Instructional staff	46,804
Administration	51,152
Fiscal	4,204
Business	17,082
Operation and maintenance of plant	159,145
Pupil transportation	180,132
Central services	222
Operation of non-instructional services	
Food service	24,647
Extracurricular activities	12,786
Total depreciation expense	<u>\$ 934,847</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**NOTE 8 - INTERFUND ASSETS/LIABILITIES**

On the fund financial statements at June 30, 2008, interfund balances consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 617,870	\$ -
Nonmajor governmental funds	-	617,780
	<u>\$ 617,870</u>	<u>\$ 617,780</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 2008, 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 Minnesota Life Insurance Company.

**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 firm of Sheakley UniService, Inc. provides administrative, cost control and actuarial services to the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 9 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS

The District provides employee medical, surgical, prescription drug and dental benefits through a self-insurance program administered by Medical Mutual of Ohio. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of \$ 100,000.

The claim liability of \$ 760,000 reported at June 30, 2008 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, 2008 and 2007 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.

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Unpaid claims, beginning of year	\$ 705,500	\$ 557,000
Incurred claims	4,906,635	4,689,882
Claims payments	<u>(4,852,135)</u>	<u>(4,541,382)</u>
Unpaid claims, end of year	<u>\$ 760,000</u>	<u>\$ 705,500</u>

NOTE 10 - PENSION PLANS

A. SCHOOL EMPLOYEE RETIREMENT SYSTEM

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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.

Funding Policy - 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 2008, 9.16 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$ 701,045, \$ 808,372 and \$ 779,100 respectively; 46.1 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 10 - PENSION PLANS (continued)

**B. STATE TEACHERS RETIREMENT SYSTEM**

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 a member's lifetime 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2008, 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 2007, 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, 2008, 2007, and 2006 were \$ 3,199,543, \$ 3,151,946, and \$ 3,173,826 respectively; 83.9 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$ 26,235 made by the School District and \$ 52,942 made by the plan members.



NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 10 - PENSION PLANS (continued)

C. SOCIAL SECURITY SYSTEM

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEE RETIREMENT SYSTEM

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$ 111,170.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$ 319,909, \$ 251,292, and \$ 251,838 respectively; 46.1 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$ 50,512, \$ 51,469, and \$ 42,709 respectively; 46.1 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$ 246,119, \$ 242,457, and \$ 244,141 respectively; 83.9 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 12 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2008 were as follows:

	Balance June 30, 2007	Increase	Decrease	Balance June 30, 2008	Amounts Due In One Year
Bonds payable - 2004, 4.15%					
Building improvements	\$ 680,000	\$ -	\$ 85,000	\$ 595,000	\$ 85,000
Capital lease	29,774	-	29,774	-	-
Compensated absences	3,567,168	1,013,470	947,898	3,632,740	813,178
	<u>\$ 4,276,942</u>	<u>\$ 1,013,470</u>	<u>\$ 1,062,672</u>	<u>\$ 4,227,740</u>	<u>\$ 898,178</u>

The School District's overall legal debt margin was \$ 80,227,361 with an unvoted debt margin of \$ 897,441.

Principal and interest requirements to retire the building improvement bonds outstanding at June 30, 2008, are as follows:

Fiscal Year Ending	Principal	Interest	Total
2009	\$ 85,000	\$ 22,929	\$ 107,929
2010	85,000	19,401	104,401
2011	85,000	15,874	100,874
2012	85,000	12,346	97,346
2013	85,000	8,819	93,819
2014 - 2015	170,000	7,055	177,055
Totals	<u>\$ 595,000</u>	<u>\$ 86,424</u>	<u>\$ 681,424</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 12 - LONG-TERM OBLIGATIONS (continued)

Bonds payable were repaid from the Debt Service Fund. The capital lease obligation was repaid from the General Fund. Compensated absences will be repaid from the funds from which employees' salaries are paid, primarily the General Fund.

During 2006, 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, 2008, the District's liability for the retirement incentive plan was \$ 38,700. 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, 2008 consisted of the following:

	Transfer from:		
	General Fund	Nonmajor Governmental Funds	Total Transfers-in
Transfer to:			
Nonmajor			
governmental funds	\$ 149,628	\$ 108,000	\$ 257,628
Internal Service	100,000	-	100,000
Total transfers-out	<u>\$ 249,628</u>	<u>\$ 108,000</u>	<u>\$ 357,628</u>

Transfers from the General Fund were to provide for payment of expenditures. Transfers from nonmajor governmental funds included \$ 108,000 to the Debt Service Fund for payment of principal and interest.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 14 - 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, 2008, the District paid \$ 88,402 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 Carrie Copfer, c/o The North Olmsted Board of Education, 27425 Butternut Ridge Road, North Olmsted, Ohio 44070.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 14 - 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 2008 the District paid \$ 2,140 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 program. Financial information can be obtained by contacting Kelly Rocco, office manager, of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

**NOTE 15 - 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, 2008.

**NOTE 16 - 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 2008.

	Textbook	Capital Maintenance	Budget Stabilization
Set-aside reserve balances as of June 30, 2007	\$ -	\$ -	\$ 223,073
Set-aside balance carried forward	(3,838,727)	-	-
Current year set-aside requirement	696,642	696,642	-
Qualifying offsets and disbursements	(1,178,728)	(1,200,396)	-
Total	<u>\$ (4,320,813)</u>	<u>\$ (503,754)</u>	<u>\$ 223,073</u>
Set-aside balance carried forward to future fiscal years	<u>\$ (4,320,813)</u>	<u>\$ -</u>	<u>\$ -</u>
Set-aside reserve balance as of June 30, 2008	<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.

NORTH OLMSTED CITY SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 17 – COMPLIANCE AND ACCOUNTABILITY

A. DEFICIT FUND BALANCE

At June 30, 2008, the following funds had deficit fund balances.

Special Revenue Funds:		
Limited English Proficiency	\$	586
Title VIB	\$	101,129
Title I	\$	44,548
Title V	\$	6,649
Miscellaneous Federal Grants	\$	1,239

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.

B. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 11) have been modified to conform to the new reporting requirements.

NOTE 18 – SUBSEQUENT EVENTS

In September 2008, the District entered into a lease agreement for office equipment. The lease will be accounted for as an operating lease and will require sixty monthly payments of \$ 5,191 beginning in October 2008.

**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.

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 State monies which support the development of programs for teachers beginning employment with the School District.

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**

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

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 VI-B – 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 FUND**

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

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

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in pooled cash	\$ 1,299,079	\$ 52,650	\$ 1,314,158	\$ 2,665,887
Receivables, net of allowance				
Taxes, current	-	-	986,204	986,204
Taxes, delinquent	-	-	32,400	32,400
Due from other governments	77,729	-	24,663	102,392
Inventories and supplies	21,411	-	-	21,411
<b>Total assets</b>	<b>\$ 1,398,219</b>	<b>\$ 52,650</b>	<b>\$ 2,357,425</b>	<b>\$ 3,808,294</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 31,742	\$ -	\$ 54,561	\$ 86,303
Accrued salaries, wages and benefits	135,099	-	-	135,099
Due to other governments	148,515	-	-	148,515
Interfund payable	602,684	-	15,096	617,780
Unearned revenue				
Taxes	-	-	866,692	866,692
Other	-	-	24,663	24,663
Compensated absences	1,728	-	-	1,728
<b>Total liabilities</b>	<b>919,768</b>	<b>-</b>	<b>961,012</b>	<b>1,880,780</b>
<b>Fund balances</b>				
Reserved for inventories	21,411	-	-	21,411
Reserved for property taxes	-	-	151,912	151,912
Reserved for encumbrances	87,254	-	491,773	579,027
Unreserved	369,786	52,650	752,728	1,175,164
<b>Total fund balances</b>	<b>478,451</b>	<b>52,650</b>	<b>1,396,413</b>	<b>1,927,514</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,398,219</b>	<b>\$ 52,650</b>	<b>\$ 2,357,425</b>	<b>\$ 3,808,294</b>

NORTH OLMSTED CITY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 1,044,704	\$ 1,044,704
Interest	8,688	-	38,122	46,810
Intergovernmental	2,359,010	-	163,410	2,522,420
Charges for services	741,409	-	-	741,409
Extracurricular	430,416	-	-	430,416
Other	300,890	-	-	300,890
Total revenues	<u>3,840,413</u>	<u>-</u>	<u>1,246,236</u>	<u>5,086,649</u>
Expenditures				
Current				
Instruction				
Regular	874,811	-	199,611	1,074,422
Special	9,186	-	-	9,186
Vocational	28,745	-	-	28,745
Supporting services				
Pupil	989,006	-	-	989,006
Instructional staff	72,095	-	-	72,095
Administration	1,248	-	12,605	13,853
Operation and maintenance	-	-	531,439	531,439
Pupil transportation	79,281	-	255,567	334,848
Central services	45,634	-	-	45,634
Operation of non-instructional services				
Food service operations	1,265,605	-	-	1,265,605
Community service	395,892	-	-	395,892
Extracurricular activities	301,579	-	-	301,579
Debt service				
Principal	-	85,000	-	85,000
Interest	-	26,542	-	26,542
Total expenditures	<u>4,063,082</u>	<u>111,542</u>	<u>999,222</u>	<u>5,173,846</u>
Excess revenues over expenditures	<u>(222,669)</u>	<u>(111,542)</u>	<u>247,014</u>	<u>(87,197)</u>
Other financing sources (uses)				
Transfers-in	149,628	108,000	-	257,628
Transfers-out	-	-	(108,000)	(108,000)
Total other financing sources (uses)	<u>149,628</u>	<u>108,000</u>	<u>(108,000)</u>	<u>149,628</u>
Excess (deficiency) of expenditures and other sources	(73,041)	(3,542)	139,014	62,431
Fund balances, beginning of year	562,160	56,192	1,257,399	1,875,751
Increase in reserve for inventory	(10,668)	-	-	(10,668)
Fund balances, end of year	<u>\$ 478,451</u>	<u>\$ 52,650</u>	<u>\$ 1,396,413</u>	<u>\$ 1,927,514</u>

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
Assets					
Equity in pooled cash	\$ 210,437	\$ 500	\$ 129,108	\$ 161,490	\$ 98,103
Due from other governments	-	-	-	-	-
Inventories and supplies	21,411	-	-	-	-
Total assets	<u>\$ 231,848</u>	<u>\$ 500</u>	<u>\$ 129,108</u>	<u>\$ 161,490</u>	<u>\$ 98,103</u>
Liabilities and fund balances					
Liabilities					
Accounts and contracts payable	\$ 9,934	\$ -	\$ 3,096	\$ 5,938	\$ -
Accrued salaries, wages and benefits	55,186	-	-	-	-
Due to other governments	73,591	-	-	-	-
Interfund payable	-	-	-	-	-
Compensated absences	1,728	-	-	-	-
Total liabilities	<u>140,439</u>	<u>-</u>	<u>3,096</u>	<u>5,938</u>	<u>-</u>
Fund balances					
Reserved for inventories	21,411	-	-	-	-
Reserved for encumbrances	7,566	-	-	10,917	25
Unreserved	62,432	500	126,012	144,635	98,078
Total fund balances	<u>91,409</u>	<u>500</u>	<u>126,012</u>	<u>155,552</u>	<u>98,103</u>
Total liabilities and fund balances	<u>\$ 231,848</u>	<u>\$ 500</u>	<u>\$ 129,108</u>	<u>\$ 161,490</u>	<u>\$ 98,103</u>

Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ 103,899	\$ 30,463	\$ -	\$ 5,600	\$ 18,764	\$ 649	\$ 893
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 103,899</u>	<u>\$ 30,463</u>	<u>\$ -</u>	<u>\$ 5,600</u>	<u>\$ 18,764</u>	<u>\$ 649</u>	<u>\$ 893</u>
\$ 4,509	\$ 611	\$ -	\$ -	\$ -	\$ -	\$ -
-	10,053	-	-	-	-	-
-	5,565	-	-	-	-	-
4,500	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,009</u>	<u>16,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
15,495	8,199	-	-	1,476	-	-
<u>79,395</u>	<u>6,035</u>	<u>-</u>	<u>5,600</u>	<u>17,288</u>	<u>649</u>	<u>893</u>
<u>94,890</u>	<u>14,234</u>	<u>-</u>	<u>5,600</u>	<u>18,764</u>	<u>649</u>	<u>893</u>
<u>\$ 103,899</u>	<u>\$ 30,463</u>	<u>\$ -</u>	<u>\$ 5,600</u>	<u>\$ 18,764</u>	<u>\$ 649</u>	<u>\$ 893</u>

(CONTINUED)

NORTH OLMSTED CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

(CONCLUDED)

	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants	Title V/IB
<b>Assets</b>					
Equity in pooled cash	\$ 11,534	\$ 11,249	\$ -	\$ 22,207	\$ 346,031
Due from other governments	2,222	-	-	-	41,679
Inventories and supplies	-	-	-	-	-
<b>Total assets</b>	<u>\$ 13,756</u>	<u>\$ 11,249</u>	<u>\$ -</u>	<u>\$ 22,207</u>	<u>\$ 387,710</u>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,156
Accrued salaries, wages and benefits	-	4,254	-	-	42,791
Due to other governments	12	4,167	-	-	43,541
Interfund payable	14,330	-	-	-	401,351
Compensated absences	-	-	-	-	-
<b>Total liabilities</b>	<u>14,342</u>	<u>8,421</u>	<u>-</u>	<u>-</u>	<u>488,839</u>
<b>Fund balances</b>					
Reserved for inventories	-	-	-	-	-
Reserved for encumbrances	3,505	-	-	8,200	31,042
Unreserved	(4,091)	2,828	-	14,007	(132,171)
<b>Total fund balances</b>	<u>(586)</u>	<u>2,828</u>	<u>-</u>	<u>22,207</u>	<u>(101,129)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 13,756</u>	<u>\$ 11,249</u>	<u>\$ -</u>	<u>\$ 22,207</u>	<u>\$ 387,710</u>



Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 26,586	\$ 6,843	\$ 7,823	\$ 53	\$ 106,847	\$ -	\$ 1,299,079
18,051	2,050	114	-	13,613	-	77,729
-	-	-	-	-	-	21,411
<u>\$ 44,637</u>	<u>\$ 8,893</u>	<u>\$ 7,937</u>	<u>\$ 53</u>	<u>\$ 120,460</u>	<u>\$ -</u>	<u>\$ 1,398,219</u>
\$ 94	\$ 6,404	\$ -	\$ -	\$ -	\$ -	\$ 31,742
22,815	-	-	-	-	-	135,099
21,639	-	-	-	-	-	148,515
44,637	9,138	7,029	-	120,460	1,239	602,684
-	-	-	-	-	-	1,728
<u>89,185</u>	<u>15,542</u>	<u>7,029</u>	<u>-</u>	<u>120,460</u>	<u>1,239</u>	<u>919,768</u>
-	-	-	-	-	-	21,411
-	329	500	-	-	-	87,254
<u>(44,548)</u>	<u>(6,978)</u>	<u>408</u>	<u>53</u>	<u>-</u>	<u>(1,239)</u>	<u>369,786</u>
<u>(44,548)</u>	<u>(6,649)</u>	<u>908</u>	<u>53</u>	<u>-</u>	<u>(1,239)</u>	<u>478,451</u>
<u>\$ 44,637</u>	<u>\$ 8,893</u>	<u>\$ 7,937</u>	<u>\$ 53</u>	<u>\$ 120,460</u>	<u>\$ -</u>	<u>\$ 1,398,219</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, 2008

	Food Service	Miscellaneous Local Projects	Rotary	Public Support Services	Other Grants
Revenues					
Interest	\$ 6,299	\$ -	\$ -	\$ -	\$ -
Intergovernmental	446,161	-	-	-	31,298
Charges for services	689,276	-	52,133	-	-
Extracurricular	-	-	-	148,998	-
Other	5,065	-	27,168	219,049	45,956
Total revenues	<u>1,146,801</u>	<u>-</u>	<u>79,301</u>	<u>368,047</u>	<u>77,254</u>
Expenditures					
Current					
Instruction					
Regular	-	-	-	366,234	52,650
Special	-	-	-	-	324
Vocational	-	-	-	-	28,745
Supporting services					
Pupil	-	-	-	-	1,965
Instructional staff	-	-	-	-	998
Administration	-	-	-	1,248	-
Pupil transportation	-	-	79,263	-	-
Central services	-	-	3,096	-	-
Operation of non-instructional services					
Food service operations	1,265,605	-	-	-	-
Community service	-	1,739	-	-	-
Extracurricular activities	-	-	-	8,689	-
Total expenditures	<u>1,265,605</u>	<u>1,739</u>	<u>82,359</u>	<u>376,171</u>	<u>84,682</u>
Excess revenues over expenditures	<u>(118,804)</u>	<u>(1,739)</u>	<u>(3,058)</u>	<u>(8,124)</u>	<u>(7,428)</u>
Other financing sources (uses)					
Transfers-in	100,000	-	20,000	9,628	20,000
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>20,000</u>	<u>9,628</u>	<u>20,000</u>
Excess (deficiency) of expenditures and other sources	(18,804)	(1,739)	16,942	1,504	12,572
Fund balances, beginning of year	120,881	2,239	109,070	154,048	85,531
Increase in reserve for inventory	(10,668)	-	-	-	-
Fund balances, end of year	<u>\$ 91,409</u>	<u>\$ 500</u>	<u>\$ 126,012</u>	<u>\$ 155,552</u>	<u>\$ 98,103</u>

Athletic	Auxiliary Services	Education M.I.S.	Entry Year Teacher	Data Communication	Schoolnet	Video Distance Learning
\$ -	\$ 2,389	\$ -	\$ -	\$ -	\$ -	\$ -
-	373,578	15,294	5,600	27,000	2,970	-
-	-	-	-	-	-	-
281,418	-	-	-	-	-	-
3,652	-	-	-	-	-	-
<u>285,070</u>	<u>375,967</u>	<u>15,294</u>	<u>5,600</u>	<u>27,000</u>	<u>2,970</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,605	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	17,428	-	25,110	-	-
-	-	-	-	-	-	-
-	343,984	-	-	-	-	-
<u>292,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>292,890</u>	<u>343,984</u>	<u>17,428</u>	<u>-</u>	<u>25,110</u>	<u>2,605</u>	<u>-</u>
(7,820)	31,983	(2,134)	5,600	1,890	365	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(7,820)	31,983	(2,134)	5,600	1,890	365	-
102,710	(17,749)	2,134	-	16,874	284	893
-	-	-	-	-	-	-
<u>\$ 94,890</u>	<u>\$ 14,234</u>	<u>\$ -</u>	<u>\$ 5,600</u>	<u>\$ 18,764</u>	<u>\$ 649</u>	<u>\$ 893</u>

(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, 2008

(CONCLUDED)

	Limited English Proficiency	Parent Mentor Program	Alternative Education	Miscellaneous State Grants	Title V/IB
Revenues					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	97,045	25,000	106,311	18,597	896,905
Charges for services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>97,045</u>	<u>25,000</u>	<u>106,311</u>	<u>18,597</u>	<u>896,905</u>
Expenditures					
Current					
Instruction					
Regular	14,065	-	76,123	8,266	20,607
Special	-	-	-	8,862	-
Vocational	-	-	-	-	-
Supporting services					
Pupil	65,969	-	30,188	250	857,197
Instructional staff	16,761	24,071	-	-	27,372
Administration	-	-	-	-	-
Pupil transportation	-	-	-	-	18
Central services	-	-	-	-	-
Operation of non-instructional services					
Food service operations	-	-	-	-	-
Community service	-	-	-	-	39,994
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>96,795</u>	<u>24,071</u>	<u>106,311</u>	<u>17,378</u>	<u>945,188</u>
Excess revenues over expenditures	<u>250</u>	<u>929</u>	<u>-</u>	<u>1,219</u>	<u>(48,283)</u>
Other financing sources (uses)					
Transfers-in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures and other sources	250	929	-	1,219	(48,283)
Fund balances, beginning of year	(836)	1,899	-	20,988	(52,846)
Increase in reserve for inventory	-	-	-	-	-
Fund balances, end of year	<u>\$ (586)</u>	<u>\$ 2,828</u>	<u>\$ -</u>	<u>\$ 22,207</u>	<u>\$ (101,129)</u>

Title I	Title V	Drug Free Schools	Preschool	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,688
188,804	6,592	7,597	28,857	80,590	811	2,359,010
-	-	-	-	-	-	741,409
-	-	-	-	-	-	430,416
-	-	-	-	-	-	300,890
188,804	6,592	7,597	28,857	80,590	811	3,840,413
236,496	12,070	2,964	-	83,286	2,050	874,811
-	-	-	-	-	-	9,186
-	-	-	-	-	-	28,745
-	-	4,633	28,804	-	-	989,006
288	-	-	-	-	-	72,095
-	-	-	-	-	-	1,248
-	-	-	-	-	-	79,281
-	-	-	-	-	-	45,634
-	-	-	-	-	-	1,265,605
9,004	1,171	-	-	-	-	395,892
-	-	-	-	-	-	301,579
245,788	13,241	7,597	28,804	83,286	2,050	4,063,082
(56,984)	(6,649)	-	53	(2,696)	(1,239)	(222,669)
-	-	-	-	-	-	149,628
-	-	-	-	-	-	149,628
(56,984)	(6,649)	-	53	(2,696)	(1,239)	(73,041)
12,436	-	908	-	2,696	-	562,160
-	-	-	-	-	-	(10,668)
<u>\$ (44,548)</u>	<u>\$ (6,649)</u>	<u>\$ 908</u>	<u>\$ 53</u>	<u>\$ -</u>	<u>\$ (1,239)</u>	<u>\$ 478,451</u>

NORTH OLMSTED CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2008

	Beginning Balance, June 30, 2007	Additions	Deductions	Ending Balance, June 30, 2008
<b>Assets</b>				
Equity in pooled cash	\$ 95,726	\$ 211,998	\$ 221,918	\$ 85,806
Total assets	<u>95,726</u>	<u>211,998</u>	<u>221,918</u>	<u>85,806</u>
<b>Liabilities</b>				
Accounts payable	511	233	511	233
Due to students	95,215	211,765	221,407	85,573
Total liabilities	<u>\$ 95,726</u>	<u>\$ 211,998</u>	<u>\$ 221,918</u>	<u>\$ 85,806</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, 2008

GENERAL FUND				Variance with
	Budget Amounts		Actual	Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 34,025,000	\$ 32,685,000	\$ 33,191,208	\$ 506,208
Tuition and fees	1,293,000	1,203,000	1,138,729	(64,271)
Interest	970,000	696,000	686,750	(9,250)
Intergovernmental	12,265,000	12,503,000	12,340,668	(162,332)
Other	206,000	178,000	245,986	67,986
Total revenues	48,759,000	47,265,000	47,603,341	338,341
Expenditures				
Current				
Instruction				
Regular				
Salaries	15,994,500	15,917,088	15,819,346	97,742
Benefits	5,326,000	5,404,700	5,366,809	37,891
Purchased services	445,872	605,127	570,331	34,796
Materials and supplies	788,270	785,118	630,897	154,221
Capital outlay	5,309	67,846	68,362	(516)
Other	32,250	32,250	29,589	2,661
Total regular	22,592,201	22,812,129	22,485,334	326,795
Special				
Salaries	4,618,200	4,673,100	4,659,701	13,399
Benefits	1,538,000	1,595,000	1,579,890	15,110
Purchased services	762,571	470,571	451,766	18,805
Materials and supplies	136,000	116,000	84,674	31,326
Capital outlay	6,000	6,000	-	6,000
Total special	7,060,771	6,860,671	6,776,031	84,640
Vocational				
Salaries	366,100	306,200	305,721	479
Benefits	122,000	104,400	103,718	682
Purchased services	2,359	202	202	-
Materials and supplies	8,785	8,396	8,276	120
Total vocational	499,244	419,198	417,917	1,281
Other instruction				
Salaries	50,000	50,500	48,793	1,707
Benefits	17,000	16,700	16,553	147
Purchased services	175,000	316,200	270,475	45,725
Total other instruction	242,000	383,400	335,821	47,579
Total instruction	30,394,216	30,475,398	30,015,103	460,295

(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, 2008

GENERAL FUND - (CONTINUED)				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Supporting services				
Pupil				
Salaries	2,316,600	2,333,200	2,322,009	11,191
Benefits	772,000	811,000	802,957	8,043
Purchased services	263,748	263,748	246,669	17,079
Materials and supplies	43,470	28,270	22,316	5,954
Capital outlay	890	890	890	-
Total pupil	3,396,708	3,437,108	3,394,841	42,267
Instructional staff				
Salaries	779,400	825,600	803,469	22,131
Benefits	260,000	277,100	271,747	5,353
Purchased services	115,276	113,738	84,413	29,325
Materials and supplies	83,258	71,091	62,464	8,627
Capital outlay	6,100	19,868	18,830	1,038
Other	6,004	5,004	3,559	1,445
Total instructional staff	1,250,038	1,312,401	1,244,482	67,919
Board of education				
Salaries	22,000	20,000	15,000	5,000
Benefits	7,000	2,300	2,223	77
Purchased services	226,508	271,508	196,929	74,579
Total board of education	255,508	293,808	214,152	79,656
Administration				
Salaries	2,341,700	2,351,700	2,344,290	7,410
Benefits	780,000	809,200	800,366	8,834
Purchased services	58,000	52,970	30,604	22,366
Materials and supplies	24,395	22,458	19,985	2,473
Capital outlay	1,000	1,000	804	196
Other	20,000	20,000	15,152	4,848
Total administration	3,225,095	3,257,328	3,211,201	46,127
Fiscal services				
Salaries	340,400	365,800	364,284	1,516
Benefits	115,557	152,857	146,206	6,651
Purchased services	4,000	5,800	3,571	2,229
Materials and supplies	9,500	9,500	5,594	3,906
Capital outlay	25,065	9,065	7,693	1,372
Other	589,800	599,800	594,263	5,537
Total fiscal services	1,084,322	1,142,822	1,121,611	21,211
Business				
Purchased services	108,500	104,895	95,312	9,583
Total business	108,500	104,895	95,312	9,583

(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, 2008

GENERAL FUND - (CONTINUED)

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation and maintenance				
Salaries	1,973,300	1,995,700	1,974,982	20,718
Benefits	657,000	693,400	678,355	15,045
Purchased services	1,195,200	1,197,595	1,118,292	79,303
Materials and supplies	173,234	174,845	166,956	7,889
Capital outlay	2,000	595	595	-
Other	83,000	67,513	65,423	2,090
Total operation and maintenance	4,083,734	4,129,648	4,004,603	125,045
Pupil transportation				
Salaries	1,097,800	1,099,300	1,091,103	8,197
Benefits	365,000	383,000	375,126	7,874
Purchased services	301,655	297,771	269,572	28,199
Materials and supplies	322,522	318,002	310,698	7,304
Total pupil transportation	2,086,977	2,098,073	2,046,499	51,574
Central services				
Salaries	456,100	502,200	498,268	3,932
Benefits	152,000	199,700	194,712	4,988
Purchased services	250,381	241,552	230,359	11,193
Materials and supplies	116,218	194,262	187,701	6,561
Capital outlay	15,000	7,100	8,075	(975)
Total central services	989,699	1,144,814	1,119,115	25,699
Total supporting services	16,480,581	16,920,897	16,451,816	469,081
Operation of non-instructional				
Food service operation				
Salaries	47,700	47,700	46,604	1,096
Total food service operation	47,700	47,700	46,604	1,096
Community services				
Purchased services	32,000	32,000	27,244	4,756
Total community services	32,000	32,000	27,244	4,756
Total operation of non-instructional	79,700	79,700	73,848	5,852
Extracurricular activities				
Academic and subject oriented				
Salaries	272,000	295,000	279,931	15,069
Benefits	90,000	96,100	94,823	1,277
Total academic and subject oriented	362,000	391,100	374,754	16,346
Sports oriented				
Salaries	607,600	636,100	630,095	6,005
Benefits	203,000	216,100	213,471	2,629
Purchased services	24,700	19,689	19,390	299
Total sports oriented	835,300	871,889	862,956	8,933
Total extracurricular activities	1,197,300	1,262,989	1,237,710	25,279
Total expenditures	48,151,797	48,738,984	47,778,477	960,507

(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, 2008

GENERAL FUND - (CONCLUDED)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over expenditures	607,203	(1,473,984)	(175,136)	1,298,848
Other financing sources (uses)				
Transfers-in	8,000	-	-	-
Advances-in	550,798	570,798	570,798	-
Refund prior year expenditure	-	-	(2,367)	(2,367)
Advances-out	(570,000)	(660,096)	(637,780)	22,316
Transfers-out	(333,325)	(254,128)	(249,628)	4,500
Total other financing sources (uses)	(344,527)	(343,426)	(318,977)	24,449
Net change in fund balance	262,676	(1,817,410)	(494,113)	1,323,297
Fund balance, beginning of year	9,588,698	9,588,698	9,588,698	-
Prior year encumbrances appropriated	524,845	524,845	524,845	-
Fund balance, end of year	<u>\$ 10,376,219</u>	<u>\$ 8,296,133</u>	<u>\$ 9,619,430</u>	<u>\$ 1,323,297</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, 2008

FOOD SERVICE FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 5,000	\$ 5,000	\$ 6,299	\$ 1,299
Charges for services	711,400	681,200	689,276	8,076
Intergovernmental	408,600	437,300	446,654	9,354
Other	4,500	4,500	5,064	564
Total revenues	1,129,500	1,128,000	1,147,293	19,293
Expenditures				
Current				
Operation of non-instructional				
Food service operation				
Salaries	441,600	441,600	380,487	61,113
Benefits	262,300	262,300	218,221	44,079
Purchased services	584,067	584,068	595,748	(11,680)
Materials and supplies	2,000	2,784	-	2,784
Total food service operation	1,289,967	1,290,752	1,194,456	96,296
Total operation of non-instructional	1,289,967	1,290,752	1,194,456	96,296
Capital outlay	-	2,784	2,784	-
Total expenditures	1,289,967	1,293,536	1,197,240	96,296
Excess (deficiency) of revenues over expenditures	(160,467)	(165,536)	(49,947)	115,589
Other financing sources (uses)				
Transfers-in	150,000	100,000	100,000	-
Total other financing sources (uses)	150,000	100,000	100,000	-
Net change in fund balance	(10,467)	(65,536)	50,053	115,589
Fund balance, beginning of year	142,516	142,516	142,516	-
Prior year encumbrances appropriated	368	368	368	-
Fund balance, end of year	\$ 132,417	\$ 77,348	\$ 192,937	\$ 115,589

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, 2008

MISCELLANEOUS LOCAL PROJECTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction				
Regular				
Salaries	\$ 1,000	\$ 1,000	\$ 500	\$ 500
Total regular	1,000	1,000	500	500
Total instruction	1,000	1,000	500	500
Supporting services				
Instructional staff				
Purchased services	1,000	1,000	1,000	-
Materials and supplies	239	239	239	-
Total instructional staff	1,239	1,239	1,239	-
Total supporting services	1,239	1,239	1,239	-
Total expenditures	2,239	2,239	1,739	500
Net change in fund balance	(2,239)	(2,239)	(1,739)	500
Fund balance, beginning of year	2,239	2,239	2,239	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 500	\$ 500

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, 2008

ROTARY FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Charges for services	\$ -	\$ 52,000	\$ 52,133	\$ 133
Other	59,000	22,907	27,168	4,261
Total revenues	59,000	74,907	79,301	4,394
Expenditures				
Current				
Instruction				
Regular				
Purchased services	401	401	401	-
Total regular	401	401	401	-
Total instruction	401	401	401	-
Supporting services				
Pupil transportation				
Purchased services	70,000	70,000	60,500	9,500
Total pupil transportation	70,000	70,000	60,500	9,500
Central services				
Purchased services	-	20,907	20,907	-
Total central services	-	20,907	20,907	-
Total supporting services	70,000	90,907	81,407	9,500
Operation of non-instructional				
Community services				
Other	2,109	2,109	-	2,109
Total community services	2,109	2,109	-	2,109
Total operation of non-instructional	2,109	2,109	-	2,109
Total expenditures	72,510	93,417	81,808	11,609
Excess (deficiency) of revenues over expenditures	(13,510)	(18,510)	(2,507)	16,003
Other financing sources (uses)				
Transfers-in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Net change in fund balance	6,490	1,490	17,493	16,003
Fund balance, beginning of year	109,070	109,070	109,070	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 115,560	\$ 110,560	\$ 126,563	\$ 16,003

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, 2008

PUBLIC SUPPORT SERVICES FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular	\$ 213,760	\$ 147,310	\$ 148,998	\$ 1,688
Intergovernmental	1,971	-	-	-
Other	270,418	217,489	219,049	1,560
Total revenues	486,149	364,799	368,047	3,248
Expenditures				
Current				
Instruction				
Regular				
Purchased services	108,750	60,417	49,860	10,557
Materials and supplies	170,480	143,462	121,642	21,820
Capital outlay	16,630	25,719	23,519	2,200
Other	223,031	195,702	182,131	13,571
Total regular	518,891	425,300	377,152	48,148
Total instruction	518,891	425,300	377,152	48,148
Supporting services				
Instructional staff				
Materials and supplies	1,300	1,000	-	1,000
Total instructional staff	1,300	1,000	-	1,000
Administration				
Materials and supplies	1,000	2,000	1,248	752
Total administration	1,000	2,000	1,248	752
Total supporting services	2,300	3,000	1,248	1,752
Extracurricular activities				
Sports oriented				
Other	13,500	8,688	8,688	-
Total sports oriented	13,500	8,688	8,688	-
Total extracurricular activities	13,500	8,688	8,688	-
Total expenditures	534,691	436,988	387,088	49,900
Excess (deficiency) of revenues over expenditures	(48,542)	(72,189)	(19,041)	53,148
Other financing sources (uses)				
Transfers-in	8,325	9,628	9,628	-
Transfers-out	(8,000)	-	-	-
Total other financing sources (uses)	325	9,628	9,628	-
Net change in fund balance	(48,217)	(62,561)	(9,413)	53,148
Fund balance, beginning of year	154,048	154,048	154,048	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 105,831	\$ 91,487	\$ 144,635	\$ 53,148

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, 2008

OTHER GRANTS FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 13,850	\$ 30,471	\$ 31,298	\$ 827
Other	-	45,956	45,956	-
Total revenues	13,850	76,427	77,254	827
Expenditures				
Current				
Instruction				
Regular				
Salaries	50	50	-	50
Purchased services	3,543	10,014	985	9,029
Materials and supplies	22,425	28,345	20,431	7,914
Other	17,914	38,210	31,260	6,950
Total regular	43,932	76,619	52,676	23,943
Special				
Capital outlay	340	340	323	17
Total special	340	340	323	17
Vocational				
Materials and supplies	3,028	3,028	3,028	-
Capital outlay	-	25,717	25,717	-
Total vocational	3,028	28,745	28,745	-
Total instruction	47,300	105,704	81,744	23,960
Supporting services				
Pupil				
Purchased services	2,440	2,440	-	2,440
Materials and supplies	-	2,000	1,965	35
Total pupil	2,440	4,440	1,965	2,475
Instructional staff				
Materials and supplies	-	1,022	998	24
Total instructional staff	-	1,022	998	24
Total supporting services	2,440	5,462	2,963	2,499
Extracurricular activities				
Academic and subject oriented				
Other	2	2	-	2
Total academic and subject oriented	2	2	-	2
Total extracurricular activities	2	2	-	2
Capital outlay				
Total expenditures	49,742	111,168	84,707	26,461
Excess (deficiency) of revenues over expenditures	(35,892)	(34,741)	(7,453)	27,288
Other financing sources (uses)				
Transfers-in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Net change in fund balance	(15,892)	(14,741)	12,547	27,288
Fund balance, beginning of year	81,884	81,884	81,884	-
Prior year encumbrances appropriated	3,647	3,647	3,647	-
Fund balance, end of year	\$ 69,639	\$ 70,790	\$ 98,078	\$ 27,288

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, 2008

ATHLETIC FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Extracurricular	\$ 308,000	\$ 280,522	\$ 281,418	\$ 896
Other	-	3,258	3,652	394
Total revenues	308,000	283,780	285,070	1,290
Expenditures				
Current				
Extracurricular activities				
Sports oriented				
Purchased services	49,461	38,717	38,717	-
Materials and supplies	8,724	8,149	8,149	-
Other	262,113	270,198	225,567	44,631
Total sports oriented	320,298	317,064	272,433	44,631
Total extracurricular activities	320,298	317,064	272,433	44,631
Capital outlay	56,200	44,392	40,724	3,668
Total expenditures	376,498	361,456	313,157	48,299
Excess (deficiency) of revenues over expenditures	(68,498)	(77,676)	(28,087)	49,589
Other financing sources (uses)				
Advances-in	-	24,500	24,500	-
Advances-out	-	(20,000)	(20,000)	-
Total other financing sources (uses)	-	4,500	4,500	-
Net change in fund balance	(68,498)	(73,176)	(23,587)	49,589
Fund balance, beginning of year	96,184	96,184	96,184	-
Prior year encumbrances appropriated	11,298	11,298	11,298	-
Fund balance, end of year	\$ 38,984	\$ 34,306	\$ 83,895	\$ 49,589



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, 2008

AUXILIARY SERVICES FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Interest	\$ 4,300	\$ 2,200	\$ 2,389	\$ 189
Intergovernmental	367,460	373,577	373,577	-
Total revenues	371,760	375,777	375,966	189
Expenditures				
Current				
Operation of non-instructional				
Community services				
Salaries	32,508	65,649	55,297	10,352
Benefits	16,842	27,724	23,794	3,930
Purchased services	59,229	106,544	105,057	1,487
Materials and supplies	80,501	99,426	93,731	5,695
Other	11,000	15,031	15,031	-
Total community services	200,080	314,374	292,910	21,464
Total operation of non-instructional	200,080	314,374	292,910	21,464
Capital outlay	38,880	61,403	61,403	-
Total expenditures	238,960	375,777	354,313	21,464
Net change in fund balance	132,800	-	21,653	21,653
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 132,800	\$ -	\$ 21,653	\$ 21,653

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, 2008

EDUCATION M.I.S. FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 12,000	\$ 15,294	\$ 15,294	\$ -
Total revenues	12,000	15,294	15,294	-
Expenditures				
Current				
Supporting services				
Central services				
Purchased services	19,668	22,962	22,962	-
Total central services	19,668	22,962	22,962	-
Total supporting services	19,668	22,962	22,962	-
Total expenditures	19,668	22,962	22,962	-
Net change in fund balance	(7,668)	(7,668)	(7,668)	-
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	7,668	7,668	7,668	-
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, 2008

ENTRY YEAR TEACHER FUND				Variance w with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 5,600	\$ 5,600	\$ 5,600	\$ -
Total revenues	5,600	5,600	5,600	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	4,085	4,085	-	4,085
Benefits	804	804	-	804
Purchased services	662	662	-	662
Materials and supplies	49	49	-	49
Total regular	5,600	5,600	-	5,600
Total instruction	5,600	5,600	-	5,600
Total expenditures	5,600	5,600	-	5,600
Net change in fund balance	-	-	5,600	5,600
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 5,600	\$ 5,600

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, 2008

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	16,870	16,870	-	16,870
Total business	16,870	16,870	-	16,870
Central services				
Purchased services	27,004	27,004	26,586	418
Total central services	27,004	27,004	26,586	418
Total supporting services	43,874	43,874	26,586	17,288
Total expenditures	43,874	43,874	26,586	17,288
Net change in fund balance	(16,874)	(16,874)	414	17,288
Fund balance, beginning of year	16,874	16,874	16,874	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 17,288	\$ 17,288

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, 2008

SCHOOLNET FUND				Variance w with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 2,970	\$ 2,970	\$ 2,970	\$ -
Total revenues	2,970	2,970	2,970	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Purchased services	3,254	3,254	2,605	649
Total instructional staff	3,254	3,254	2,605	649
Total supporting services	3,254	3,254	2,605	649
Total expenditures	3,254	3,254	2,605	649
Net change in fund balance	(284)	(284)	365	649
Fund balance, beginning of year	284	284	284	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 649	\$ 649

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, 2008

VIDEO DISTANCE LEARNING FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction				
Regular				
Purchased services	\$ 893	\$ 893	\$ -	\$ 893
Total regular	893	893	-	893
Total instruction	893	893	-	893
Total expenditures	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, 2008

LIMITED ENGLISH PROFICIENCY FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 109,520	\$ 111,522	\$ 97,193	\$ (14,329)
Total revenues	109,520	111,522	97,193	(14,329)
Expenditures				
Current				
Instruction				
Regular				
Salaries	43,082	1,753	1,753	-
Benefits	3,454	385	385	-
Materials and supplies	50	12,000	12,000	-
Capital outlay	10,017	9,073	9,073	-
Total regular	56,603	23,211	23,211	-
Total instruction	56,603	23,211	23,211	-
Supporting services				
Pupil				
Salaries	39,800	40,543	40,543	-
Benefits	6,547	9,682	9,682	-
Purchased services	3,197	16,572	14,276	2,296
Materials and supplies	1,573	2,000	1,959	41
Total pupil	51,117	68,797	66,460	2,337
Instructional staff				
Salaries	1,853	14,821	11,822	2,999
Benefits	343	3,201	2,009	1,192
Purchased services	1,062	2,931	2,931	-
Total instructional staff	3,258	20,953	16,762	4,191
Pupil transportation				
Purchased services	1,550	1,500	-	1,500
Total instructional staff	1,550	1,500	-	1,500
Total supporting services	55,925	91,250	83,222	8,028
Total expenditures	112,528	114,461	106,433	8,028
Excess (deficiency) of revenues over expenditures	(3,008)	(2,939)	(9,240)	(6,301)
Other financing sources (uses)				
Advances-in	-	-	14,330	14,330
Refund of prior year receipts	-	(69)	(69)	-
Advances-out	(34,948)	(34,948)	(34,948)	-
Total other financing sources (uses)	(34,948)	(35,017)	(20,687)	14,330
Net change in fund balance	(37,956)	(37,956)	(29,927)	8,029
Fund balance, beginning of year	31,796	31,796	31,796	-
Prior year encumbrances appropriated	6,160	6,160	6,160	-
Fund balance, end of year	\$ -	\$ -	\$ 8,029	\$ 8,029

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, 2008

PARENT MENTOR PROGRAM FUND

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 24,375	\$ 25,000	\$ 25,000	\$ -
Total revenues	24,375	25,000	25,000	-
Expenditures				
Current				
Supporting services				
Instructional staff				
Salaries	19,705	20,242	16,366	3,876
Benefits	7,708	7,796	4,191	3,605
Purchased services	112	112	-	112
Total instructional staff	27,525	28,150	20,557	7,593
Total supporting services	27,525	28,150	20,557	7,593
Total expenditures	27,525	28,150	20,557	7,593
Excess (deficiency) of revenues over expenditures	(3,150)	(3,150)	4,443	7,593
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	(6,806)	(6,806)	4,443	11,249
Fund balance, beginning of year	6,806	6,806	6,806	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 11,249	\$ 11,249



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, 2008

ALTERNATIVE EDUCATION FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 112,293	\$ 110,299	\$ 110,299	\$ -
Total revenues	112,293	110,299	110,299	-
Expenditures				
Current				
Instruction				
Regular				
Purchased services	76,123	76,123	76,123	-
Total regular	76,123	76,123	76,123	-
Total instruction	76,123	76,123	76,123	-
Supporting services				
Pupil				
Purchased services	32,182	30,188	30,188	-
Total pupil	32,182	30,188	30,188	-
Total supporting services	32,182	30,188	30,188	-
Total expenditures	108,305	106,311	106,311	-
Excess (deficiency) of revenues over expenditures	3,988	3,988	3,988	-
Other financing sources (uses)				
Advances-out	(4,010)	(4,010)	(4,010)	-
Total other financing sources (uses)	(4,010)	(4,010)	(4,010)	-
Net change in fund balance	(22)	(22)	(22)	-
Fund balance, beginning of year	22	22	22	-
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, 2008

MISCELLANEOUS STATE GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 18,597	\$ 18,597	\$ 18,597	\$ -
Total revenues	18,597	18,597	18,597	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	7,274	7,274	7,044	230
Benefits	1,490	1,490	1,159	331
Purchased services	9,500	6,500	-	6,500
Materials and supplies	300	300	63	237
Capital outlay	326	3,326	3,000	326
Total regular	18,890	18,890	11,266	7,624
Special				
Salaries	1,873	1,873	1,873	-
Benefits	514	514	514	-
Materials and supplies	7,701	7,719	7,719	-
Capital outlay	3,609	3,591	3,591	-
Total special	13,697	13,697	13,697	-
Total instruction	32,587	32,587	24,963	7,624
Supporting services				
Pupil				
Purchased services	5,511	5,511	5,450	61
Materials and supplies	4,022	4,022	-	4,022
Capital outlay	2,300	2,300	-	2,300
Total pupil	11,833	11,833	5,450	6,383
Total supporting services	11,833	11,833	5,450	6,383
Total expenditures	44,420	44,420	30,413	14,007
Excess (deficiency) of revenues over expenditures	(25,823)	(25,823)	(11,816)	14,007
Other financing sources (uses)				
Advances-out	(6,764)	(6,764)	(6,764)	-
Total other financing sources (uses)	(6,764)	(6,764)	(6,764)	-
Net change in fund balance	(32,587)	(32,587)	(18,580)	14,007
Fund balance, beginning of year	18,907	18,907	18,907	-
Prior year encumbrances appropriated	13,680	13,680	13,680	-
Fund balance, end of year	\$ -	\$ -	\$ 14,007	\$ 14,007

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, 2008

	TITLE VIB FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 1,418,891	\$ 1,419,302	\$ 1,017,951	\$ (401,351)
Total revenues	1,418,891	1,419,302	1,017,951	(401,351)
Expenditures				
Current				
Instruction				
Regular				
Salaries	139,455	15,462	15,432	30
Benefits	23,155	3,514	3,514	-
Purchased services	2,849	-	-	-
Materials and supplies	56,037	16,820	15,553	1,267
Capital outlay	44,898	42,131	31,375	10,756
Total regular	266,394	77,927	65,874	12,053
Total instruction	266,394	77,927	65,874	12,053
Supporting services				
Pupil				
Salaries	477,947	339,861	307,151	32,710
Benefits	234,591	176,482	157,611	18,871
Purchased services	232,273	499,576	318,584	180,992
Materials and supplies	-	99,629	44,742	54,887
Total pupil	944,811	1,115,548	828,088	287,460
Instructional staff				
Salaries	15,000	25,000	13,603	11,397
Benefits	2,467	3,000	2,168	832
Purchased services	17,920	11,200	10,944	256
Materials and supplies	1,807	1,500	958	542
Total instructional staff	37,194	40,700	27,673	13,027
Pupil transportation				
Purchased services	7,000	20,000	19,950	50
Total pupil transportation	7,000	20,000	19,950	50
Total supporting services	989,005	1,176,248	875,711	300,537
Operation of non-instructional				
Community services				
Salaries	18,986	17,807	16,564	1,243
Benefits	4,167	783	783	-
Purchased services	21,577	27,365	27,365	-
Total community services	44,730	45,955	44,712	1,243
Total operation of non-instructional	44,730	45,955	44,712	1,243
Total expenditures	1,300,129	1,300,130	986,297	313,833
Excess (deficiency) of revenues over expenditures	118,762	119,172	31,654	(87,518)
Other financing sources (uses)				
Advances-in	-	-	401,351	401,351
Refund of prior year receipts	-	(410)	(410)	-
Advances-out	(417,029)	(417,029)	(417,029)	-
Total other financing sources (uses)	(417,029)	(417,439)	(16,088)	401,351
Net change in fund balance	(298,267)	(298,267)	15,566	313,833
Fund balance, beginning of year	286,719	286,719	286,719	-
Prior year encumbrances appropriated	11,548	11,548	11,548	-
Fund balance, end of year	\$ -	\$ -	\$ 313,833	\$ 313,833

NORTH OLMSTED CITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008

	TITLE   FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 199,114	\$ 170,753	\$ 170,753	\$ -
Total revenues	199,114	170,753	170,753	-
Expenditures				
Current				
Instruction				
Regular				
Salaries	149,757	142,772	126,204	16,568
Benefits	26,013	37,869	37,869	-
Purchased services	20,523	21,124	14,557	6,567
Materials and supplies	3,175	3,000	2,777	223
Total regular	199,468	204,765	181,407	23,358
Total instruction	199,468	204,765	181,407	23,358
Supporting services				
Instructional staff				
Purchased services	1,000	760	288	472
Materials and supplies	38	-	-	-
Total instructional staff	1,038	760	288	472
Total supporting services	1,038	760	288	472
Operation of non-instructional				
Community services				
Salaries	7,393	7,299	5,772	1,527
Benefits	1,254	1,196	1,033	163
Purchased services	1,853	2,041	1,077	964
Materials and supplies	544	406	399	7
Total community services	11,044	10,942	8,281	2,661
Total operation of non-instructional	11,044	10,942	8,281	2,661
Total expenditures	211,550	216,467	189,976	26,491
Excess (deficiency) of revenues over expenditures	(12,436)	(45,714)	(19,223)	26,491
Other financing sources (uses)				
Advances-in	-	44,637	44,637	-
Refund of prior year receipts	-	(11,359)	(11,359)	-
Total other financing sources (uses)	-	33,278	33,278	-
Net change in fund balance	(12,436)	(12,436)	14,055	26,491
Fund balance, beginning of year	12,436	12,436	12,436	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 26,491	\$ 26,491

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, 2008

	TITLE V FUND			Variance w with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 12,774	\$ 17,079	\$ 7,941	\$ (9,138)
Total revenues	12,774	17,079	7,941	(9,138)
Expenditures				
Current				
Operation of non-instructional				
Community services				
Materials and supplies	850	-	-	-
Total community services	850	-	-	-
Total operation of non-instructional	850	-	-	-
Capital outlay	8,525	13,680	13,570	110
Total expenditures	9,375	13,680	13,570	110
Excess (deficiency) of revenues over expenditures	3,399	3,399	(5,629)	(9,028)
Other financing sources (uses)				
Advances-in	-	-	9,138	9,138
Advances-out	(5,731)	(5,731)	(5,731)	-
Total other financing sources (uses)	(5,731)	(5,731)	3,407	9,138
Net change in fund balance	(2,332)	(2,332)	(2,222)	110
Fund balance, beginning of year	2,332	2,332	2,332	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 110	\$ 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, 2008

DRUG FREE SCHOOLS FUND

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 14,798	\$ 14,798	\$ 7,769	\$ (7,029)
Total revenues	14,798	14,798	7,769	(7,029)
Expenditures				
Current				
Instruction				
Regular				
Salaries	2,143	-	-	-
Benefits	721	-	-	-
Purchased services	3,429	264	264	-
Materials and supplies	1,100	-	-	-
Total regular	7,393	264	264	-
Total instruction	7,393	264	264	-
Supporting services				
Pupil				
Salaries	2,500	3,888	1,792	2,096
Benefits	411	499	295	204
Purchased services	3,112	6,065	2,900	3,165
Materials and supplies	1,096	1,096	146	950
Total pupil	7,119	11,548	5,133	6,415
Total supporting services	7,119	11,548	5,133	6,415
Capital outlay	-	2,700	2,700	
Total expenditures	14,512	14,512	8,097	6,415
Excess (deficiency) of revenues over expenditures	286	286	(328)	(614)
Other financing sources (uses)				
Advances-in	-	-	7,029	7,029
Advances-out	(4,461)	(4,461)	(4,461)	-
Refund of prior year receipts	(908)	(908)	-	908
Total other financing sources (uses)	(5,369)	(5,369)	2,568	7,937
Net change in fund balance	(5,083)	(5,083)	2,240	7,323
Fund balance, beginning of year	5,083	5,083	5,083	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 7,323	\$ 7,323

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, 2008

PRESCHOOL FUND				Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 28,757	\$ 29,357	\$ 29,357	\$ -
Total revenues	28,757	29,357	29,357	-
Expenditures				
Current				
Supporting services				
Pupil				
Salaries	24,244	24,244	24,244	-
Benefits	4,013	4,013	4,013	-
Purchased services	-	600	547	53
Total pupil	28,257	28,857	28,804	53
Total supporting services	28,257	28,857	28,804	53
Total expenditures	28,257	28,857	28,804	53
Excess (deficiency) of revenues over expenditures	500	500	553	53
Other financing sources (uses)				
Advances-out	(500)	(500)	(500)	-
Total other financing sources (uses)	(500)	(500)	(500)	-
Net change in fund balance	-	-	53	53
Fund balance, beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 53	\$ 53

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, 2008

	TITLE II-A FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 183,925	\$ 187,437	\$ 66,977	\$ (120,460)
Total revenues	183,925	187,437	66,977	(120,460)
Expenditures				
Current				
Instruction				
Regular				
Salaries	79,529	88,084	35,660	52,424
Benefits	16,518	20,990	5,720	15,270
Purchased services	78,887	66,593	33,252	33,341
Materials and supplies	11,687	11,770	5,958	5,812
Total regular	186,621	187,437	80,590	106,847
Total instruction	186,621	187,437	80,590	106,847
Total expenditures	186,621	187,437	80,590	106,847
Excess (deficiency) of revenues over expenditures	(2,696)	-	(13,613)	(13,613)
Other financing sources (uses)				
Advances-in	-	-	120,460	120,460
Advances-out	(66,178)	(66,178)	(66,178)	-
Refund of prior year receipts	-	(2,696)	(2,696)	-
Total other financing sources (uses)	(66,178)	(68,874)	51,586	120,460
Net change in fund balance	(68,874)	(68,874)	37,973	106,847
Fund balance, beginning of year	68,874	68,874	68,874	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 106,847	\$ 106,847



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, 2008

MISCELLANEOUS FEDERAL GRANTS FUND

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 13,232	\$ 13,227	\$ 11,988	\$ (1,239)
Total revenues	13,232	13,227	11,988	(1,239)
Expenditures				
Current				
Instruction				
Regular				
Purchased services	2,055	2,050	2,050	-
Total regular	2,055	2,050	2,050	-
Total instruction	2,055	2,050	2,050	-
Total expenditures	2,055	2,050	2,050	-
Excess (deficiency) of revenues over expenditures	11,177	11,177	9,938	(1,239)
Other financing sources (uses)				
Advances-in	-	-	1,239	1,239
Advances-out	(11,177)	(11,177)	(11,177)	-
Total other financing sources (uses)	(11,177)	(11,177)	(9,938)	1,239
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, 2008

	DEBT SERVICE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Expenditures				
Debt service				
Principal	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
Interest and fiscal charges	26,500	26,542	26,542	-
Total debt service	111,500	111,542	111,542	-
Total expenditures	111,500	111,542	111,542	-
Excess (deficiency) of revenues over expenditures	(111,500)	(111,542)	(111,542)	-
Other financing sources (uses)				
Transfers-in	108,000	108,000	108,000	-
Total other financing sources (uses)	108,000	108,000	108,000	-
Net change in fund balance	(3,500)	(3,542)	(3,542)	-
Fund balance, beginning of year	56,192	56,192	56,192	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 52,692	\$ 52,650	\$ 52,650	\$ -

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, 2008

PERMANENT IMPROVEMENTS FUND

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,043,570	\$ 991,570	\$ 1,012,591	\$ 21,021
Interest	15,000	36,000	38,122	2,122
Intergovernmental	93,000	142,000	149,682	7,682
Total revenues	<u>1,151,570</u>	<u>1,169,570</u>	<u>1,200,395</u>	<u>30,825</u>
Expenditures				
Capital outlay	<u>1,610,678</u>	<u>1,610,678</u>	<u>1,512,317</u>	<u>98,361</u>
Total expenditures	<u>1,610,678</u>	<u>1,610,678</u>	<u>1,512,317</u>	<u>98,361</u>
Excess (deficiency) of revenues over expenditures	<u>(459,108)</u>	<u>(441,108)</u>	<u>(311,922)</u>	<u>129,186</u>
Other financing sources (uses)				
Advances-in	-	-	15,096	15,096
Transfers-out	-	(108,000)	(108,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(108,000)</u>	<u>(92,904)</u>	<u>15,096</u>
Net change in fund balance	(459,108)	(549,108)	(404,826)	144,282
Fund balance, beginning of year	765,973	765,973	765,973	-
Prior year encumbrances appropriated	<u>406,677</u>	<u>406,677</u>	<u>406,677</u>	<u>-</u>
Fund balance, end of year	<u>\$ 713,542</u>	<u>\$ 623,542</u>	<u>\$ 767,824</u>	<u>\$ 144,282</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, 2008

	SELF INSURANCE FUND			Variance with Final Budget Positive (Negative)
	Budget Amounts			
	Original	Final	Actual	
Revenues				
Other	\$ 5,235,000	\$ 5,235,000	\$ 5,501,791	\$ 266,791
Total revenues	5,235,000	5,235,000	5,501,791	266,791
Operating expenses				
Claims	5,470,188	5,685,188	5,417,272	267,916
Total expenditures	5,470,188	5,685,188	5,417,272	267,916
Excess (deficiency) of revenues over expenditures	(235,188)	(450,188)	84,519	534,707
Other financing sources (uses)				
Transfers-in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Net change in fund balance	(135,188)	(350,188)	184,519	534,707
Fund balance, beginning of year	1,560,188	1,560,188	1,560,188	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, end of year	\$ 1,425,000	\$ 1,210,000	\$ 1,744,707	\$ 534,707

## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S 1</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	<b>S 5</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S 14</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>S 17</b>
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>S 19</b>

**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 SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 12,667,307	\$ 13,015,895	\$ 11,614,498	\$ 11,759,329	\$ 12,761,807	\$ 12,218,897	\$ 12,533,580
Restricted	2,325,296	2,171,192	2,027,283	1,886,981	1,027,008	899,960	1,567,229
Unrestricted	<u>10,530,781</u>	<u>8,069,553</u>	<u>8,812,315</u>	<u>11,465,127</u>	<u>11,644,330</u>	<u>7,047,914</u>	<u>8,198,653</u>
Total primary government net assets	<u>\$ 25,523,384</u>	<u>\$ 23,256,640</u>	<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>

Source: School District financial records.

**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 SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2008	2007	2006	2005	2004	2003	2002
Expenses							
Governmental activities:							
Instruction							
Regular	\$ 23,461,756	\$ 22,397,614	\$ 22,750,693	\$ 22,178,609	\$ 20,649,582	\$ 20,216,074	\$ 19,996,444
Special	6,769,100	6,171,430	5,977,408	5,526,298	4,639,555	5,011,288	4,279,749
Vocational	362,396	625,254	697,855	488,448	756,455	726,168	682,107
Adult/continuing	-	-	-	-	72,566	120,007	148,210
Other instruction	335,822	146,458	114,260	122,900	296,051	100,779	537,666
Supporting services							
Pupil	4,313,535	3,896,669	3,621,533	3,475,042	3,445,989	3,061,499	3,012,740
Instructional staff	1,173,503	1,591,941	1,545,736	1,604,238	1,200,750	1,326,206	1,539,103
Board of education	194,264	181,592	200,594	242,616	204,220	224,903	121,763
Administration	3,764,269	4,135,156	3,667,390	3,102,516	3,176,333	3,275,887	3,089,415
Fiscal services	1,206,941	1,035,686	1,026,671	1,011,324	955,088	861,122	855,813
Business	107,225	99,760	101,859	108,317	150,934	138,036	306,056
Operation and maintenance	4,600,580	4,477,751	4,341,689	4,335,829	4,057,511	3,950,519	3,878,826
Pupil transportation	2,243,881	2,130,173	2,242,536	1,997,265	1,840,301	1,892,034	1,696,739
Central services	1,136,870	963,951	972,098	833,133	786,758	917,579	683,277
Operation of non-instructional							
Food service operation	1,349,775	1,280,058	1,379,737	1,502,864	1,355,537	1,346,509	1,446,434
Community services	423,544	539,954	428,796	435,305	477,934	514,523	508,363
Extracurricular activities	1,529,681	1,318,465	1,407,527	1,305,977	1,198,455	1,087,237	956,213
Interest	26,595	31,685	38,659	40,903	11,474	65,557	99,571
Total primary government expenses	<u>52,999,737</u>	<u>51,023,597</u>	<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	1,270,572	1,343,392	1,046,970	771,779	1,029,675	725,191	356,338
Supporting services	111,671	158,984	111,450	87,414	98,843	76,670	52,881
Food service	694,341	719,773	853,104	901,660	863,642	887,630	1,304,817
Extracurricular activities	285,070	293,107	226,217	254,780	167,712	153,540	96,146
Operating grants, interest							
and contributions	2,453,717	2,146,233	2,136,649	2,064,576	2,093,133	2,220,495	1,725,183
Capital grants and contributions	83,815	67,713	56,601	45,593	46,092	36,718	41,767
Total primary government program revenues	<u>4,899,186</u>	<u>4,729,202</u>	<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>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>	<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>

Source: School District financial records.

**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 SEVEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2008	2007	2006	2005	2004	2003	2002
Net (expense) revenue							
Total primary government net expense	<u>\$ (48,100,551)</u>	<u>\$ (46,294,395)</u>	<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>
General revenues and other							
changes in net assets							
Governmental activities:							
Property taxes levied for:							
General purposes	34,800,124	33,293,525	30,330,456	30,740,398	33,372,329	25,577,053	29,109,564
Capital improvements	1,049,604	1,092,069	992,785	1,026,923	1,102,567	930,097	1,148,089
Grants and entitlements not							
restricted to specific purposes	13,223,960	11,535,169	11,137,742	11,824,292	11,446,852	11,377,257	10,659,176
Investment earnings	733,560	1,043,975	885,550	318,626	238,534	439,975	660,300
Miscellaneous	<u>560,047</u>	<u>132,201</u>	<u>80,176</u>	<u>(46,165)</u>	<u>82,488</u>	<u>278,610</u>	<u>334,286</u>
Total primary government	<u>50,367,295</u>	<u>47,096,939</u>	<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>\$ 2,266,744</u>	<u>\$ 802,544</u>	<u>\$ (2,657,341)</u>	<u>\$ (321,708)</u>	<u>\$ 5,266,374</u>	<u>\$ (2,132,691)</u>	<u>\$ 1,650,058</u>

Source: School District financial records.

**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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	\$ 5,862,727	\$ 4,582,867	\$ 4,970,651	\$ 5,324,359	\$ 5,477,365	\$ 3,206,316	\$ 5,628,608	\$ 3,228,705	\$ 2,409,342	\$ 3,985,790
Unreserved	4,158,609	3,692,633	4,039,705	7,512,245	6,483,748	6,018,398	5,968,481	5,694,060	7,340,244	5,764,059
Total General Fund	<u>\$ 10,021,336</u>	<u>\$ 8,275,500</u>	<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>
Other governmental funds										
Reserved	\$ 752,350	\$ 539,278	\$ 681,197	\$ 588,667	\$ 534,834	\$ 344,043	\$ 614,487	\$ 201,799	\$ 327,072	\$ 637,538
Unreserved, reported in										
Special Revenue Funds (1)	369,786	497,204	346,894	375,087	486,108	424,116	518,866	354,741	588,722	393,404
Debt Service Funds	52,650	56,192	63,060	78,560	-	-	-	-	-	-
Capital Projects Funds	752,728	783,077	610,870	563,321	434,878	574,849	516,217	360,830	106,676	(146,913)
Total other governmental funds	<u>\$ 1,927,514</u>	<u>\$ 1,875,751</u>	<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>

Source: School District financial records.

(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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Taxes	\$ 35,632,081	\$ 34,554,578	\$ 31,386,584	\$ 31,798,589	\$ 34,028,601	\$ 26,552,981	\$ 30,437,168	\$ 26,413,276	\$ 24,798,980	\$ 26,296,670
Tuition and fees	1,138,729	341,666	522,049	150,672	426,529	177,297	415,270	197,485	199,896	496,914
Interest	733,560	1,043,975	885,550	318,626	238,534	439,975	660,917	1,194,485	959,022	818,268
Intergovernmental	15,153,016	14,611,361	13,015,509	13,951,604	13,518,265	13,581,051	12,756,105	11,964,058	11,205,505	10,930,642
Charges for services	741,409	769,876	895,697	960,088	909,899	934,116	1,005,577	-	-	-
Extracurricular	430,416	458,162	382,788	347,623	528,690	504,133	147,471	511,643	509,781	488,527
Other	549,564	498,573	517,383	511,083	387,554	517,248	368,299	358,205	272,572	142,306
Total	<u>\$ 54,378,775</u>	<u>\$ 52,278,191</u>	<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>

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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Expenditures										
Instruction	\$ 30,877,961	\$ 30,979,631	\$ 30,018,287	\$ 27,614,812	\$ 26,697,402	\$ 26,297,334	\$ 25,135,002	\$ 24,533,252	\$ 22,851,368	\$ 21,974,455
Pupil supporting services	4,394,429	4,045,439	3,683,346	3,506,155	3,451,757	2,984,687	2,902,456	2,699,844	1,949,556	1,909,027
Instructional support	1,142,972	1,614,974	1,544,594	1,498,106	1,199,000	1,267,770	1,483,948	1,378,700	1,308,495	1,178,549
Board of education and administration	3,336,701	3,732,367	3,406,801	3,305,319	3,883,907	3,060,685	2,934,415	2,981,168	2,582,587	2,332,162
Fiscal and business services	1,260,990	1,129,260	1,124,693	1,108,844	1,116,134	1,036,062	1,094,055	958,847	994,849	983,607
Operation and maintenance	4,582,460	4,614,421	4,454,507	4,649,755	4,351,709	4,199,068	3,367,661	3,315,479	3,008,439	2,892,338
Pupil transportation	2,338,646	2,245,072	2,430,591	1,827,419	1,877,274	1,872,299	1,571,695	1,380,383	1,328,688	1,211,191
Central and community services	1,546,650	1,499,545	1,420,598	1,382,052	1,238,629	1,642,701	1,255,767	1,300,090	1,247,037	1,025,583
Food service operation	1,313,315	1,299,575	1,400,894	1,466,486	1,384,730	1,372,001	1,424,210	18,867	-	-
Extracurricular activities	1,536,845	1,319,452	1,420,605	1,297,225	1,198,900	1,074,833	912,161	1,020,518	873,503	797,292
Capital outlay	-	-	-	-	-	-	906,601	1,448,834	1,305,574	1,412,553
Debt service										
Principal	114,774	134,632	169,904	75,234	72,625	45,831	199,570	236,358	225,178	240,865
Interest	26,895	32,085	38,959	38,103	11,474	65,557	100,274	160,564	102,303	121,931
Total expenditures	<u>\$ 52,472,638</u>	<u>\$ 52,646,453</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>0.27%</u>	<u>0.32%</u>	<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>

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

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)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Excess of revenues over (under) expenditures	\$ 1,906,137	\$ (368,262)	\$ (3,508,219)	\$ 268,775	\$ 3,554,531	\$ (2,212,027)	\$ 2,502,992	\$ (793,752)	\$ 168,179	\$ 3,093,774
Other financing sources (uses)										
Proceeds from bond issue	-	-	-	855,000	-	-	-	-	-	-
Proceeds from note issue	-	-	-	-	-	-	-	-	-	-
Transfers-in	257,628	289,047	372,484	793,471	144,450	153,060	255,226	161,011	161,417	194,830
Capital lease proceeds	-	-	-	-	-	237,000	-	-	-	-
Transfers-out	(357,628)	(489,047)	(572,484)	(893,471)	(844,450)	(253,060)	(255,226)	(314,865)	(219,617)	(269,830)
Total other financing sources (uses)	(100,000)	(200,000)	(200,000)	755,000	(700,000)	137,000	-	(153,854)	(58,200)	(75,000)
Net change in fund balances	<u>\$ 1,806,137</u>	<u>\$ (568,262)</u>	<u>\$ (3,708,219)</u>	<u>\$ 1,023,775</u>	<u>\$ 2,854,531</u>	<u>\$ (2,075,027)</u>	<u>\$ 2,502,992</u>	<u>\$ (947,606)</u>	<u>\$ 109,979</u>	<u>\$ 3,018,774</u>

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

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	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)	Assessed Value	Estimated Actual Value		
2008	\$ 872,453,590	\$ 2,492,724,543	\$ 10,087,260	\$ 11,462,795	\$ 14,900,383	\$ 119,203,064	\$ 897,441,233	\$ 2,623,390,402	34.2%	83.5
2007	872,935,790	2,494,102,257	14,491,560	16,467,682	39,288,377	209,538,011	926,715,727	2,720,107,950	34.1%	77.0
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%	77.0
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%	77.0
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%	77.0
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%	69.1
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%	69.1
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%	69.1
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%	69.1
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%	69.1

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) General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories.

General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

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

Year	School District			County	Vocational School	City	Total Direct and Overlapping Governments
	General	Improvements	Total Direct Tax Rate				
2007	81.60	1.90	83.50	20.20	2.40	13.20	119.30
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

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 DECEMBER 31, 2007 AND DECEMBER 31, 1998 (1)

December 31, 2007			December 31, 1998		
Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value
Ohio Bell Telephone Company	\$ 1,364,790	0.15%	Kaufmann's Department Stores	\$ 2,687,930	0.37%
Higbee Company	802,960	0.09%	Sears Roebuck & Company	1,811,910	0.25%
M-1 Motors, Inc.	746,320	0.08%	GSS, Inc.	1,713,130	0.23%
Moen, Inc.	599,240	0.07%	J C Penney Company	1,626,080	0.22%
Chrysler Jeep of North Olmsted	557,130	0.06%	Wal Mart Stores, Inc.	1,514,990	0.21%
Wal Mart Stores, Inc.	416,550	0.05%	Money Access Service Corporation	1,473,960	0.20%
Macys Retail Holdings, Inc.	363,570	0.04%	Riser Foods Company	1,269,910	0.17%
Home Depot USA, Inc.	349,840	0.04%	Sunnyside Cars, Inc.	1,263,110	0.17%
Great Northern Dodge, Inc.	342,850	0.04%	Ameritech New s Media, Inc.	1,237,400	0.17%
J C Penney Corporation, Inc.	313,230	0.03%	Great Northern Dodge, Inc.	1,137,432	0.16%
	<u>\$ 5,856,480</u>	<u>0.65%</u>		<u>\$ 15,735,852</u>	<u>2.15%</u>
Total Value in the District	<u>\$ 897,441,233</u>		Total Value in the District	<u>\$ 730,705,574</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 2007 and 1998 collection year, respectively.

NORTH OLMSTED CITY SCHOOL DISTRICT  
PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
AS OF DECEMBER 31, 2007 AND DECEMBER 31, 1998 (1)

December 31, 2007			December 31, 1998		
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	\$ 26,344,050	2.94%	Great Northern Partnership	\$ 16,641,700	2.28%
DDRC Great Northern, LTD	22,838,790	2.54%	DDRC Great Northern, LTD	12,770,840	1.75%
Cleveland Electric Illuminating Co.	8,422,120	0.94%	Great Northern Property Company	5,833,210	0.80%
Duke Realty of Ohio	7,445,620	0.83%	Great Northern Limited Partnership	5,336,000	0.73%
B&G Properties, LTD	5,855,170	0.65%	Water Towers Apartments, LTD	4,431,670	0.61%
Butternut Ridge Apartments, LLC	5,751,200	0.64%	Tech Park Associates, LTD	4,259,360	0.58%
WEA Great Northern Mall	5,147,670	0.57%	Mays Department Stores	4,241,200	0.58%
Water Tower Square, LTD	4,638,730	0.52%	Sears Roebuck & Company	3,898,370	0.53%
Wal Mart Stores, Inc.	4,607,790	0.51%	Wal Mart Stores, Inc.	3,850,000	0.53%
Higbee Company	4,550,010	0.51%	B&G Properties, LTD	3,747,980	0.51%
	<u>\$ 95,601,150</u>	<u>10.65%</u>		<u>\$ 65,010,330</u>	<u>8.90%</u>
Total Value in the District	<u>\$ 897,441,233</u>		Total Value in the District	<u>\$ 730,705,574</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 2007 and 1998 collection year, respectively.



NORTH OLMSTED CITY SCHOOL DISTRICT  
PRINCIPAL TAXPAYERS  
PUBLIC UTILITY TAX  
AS OF DECEMBER 31, 2007 AND DECEMBER 31, 1998 (1)

December 31, 2007			December 31, 1998		
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	\$ 8,422,120	0.94%	Cleveland Illuminating Company	\$ 12,550,440	1.72%
East Ohio Gas Company	870,760	0.10%	Ohio Bell Telephone Company (2)	7,661,560	1.05%
American Transmission Systems	746,600	0.08%	East Ohio Gas Company	2,565,820	0.35%
Columbia Gas Transmission	47,370	0.01%	AT&T Wireless PCS	924,020	0.13%
Columbia Gas of Ohio, Inc.	410	0.00%	New Par	477,230	0.07%
	<u>\$ 10,087,260</u>	<u>1.13%</u>		<u>\$ 24,179,070</u>	<u>3.32%</u>
Total Value in the District			Total Value in the District		
	<u>\$ 897,441,233</u>			<u>\$ 730,705,574</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 2007 and 1998 collection year, respectively.

(2) Due to legislative action, telecommunication property has been reclassified as tangible personal property for taxing purposes.

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

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collection As a Percent of Current Levy
2007	\$38,634,577	\$1,340,775	\$39,975,352	\$37,261,663	96.4%	\$ 971,078	\$38,232,741	99.0%
2006	\$33,007,248	\$1,367,042	\$34,374,290	\$31,837,070	96.5%	\$ 698,174	\$32,535,244	98.6%
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%

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, 2008 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 Estimated Actual Value (2)	Percentage of Personal Income (3)	Per Capita (3)	Per ADM (3)
2008	\$ 595,000	\$ -	\$ -	\$ 595,000	0.02%	0.07%	\$ 19	\$ 133
2007	680,000	29,774	-	709,774	0.03%	0.09%	22	155
2006	765,000	79,406	-	844,406	0.03%	0.10%	26	183
2005	855,000	127,310	32,000	1,014,310	0.04%	0.12%	31	221
2004	-	173,544	61,000	234,544	0.01%	0.03%	7	51
2003	-	218,169	89,000	307,169	0.01%	0.04%	9	66
2002	-	-	116,000	116,000	0.00%	0.01%	3	24
2001	-	48,269	267,301	315,570	0.01%	0.04%	9	66
2000	-	141,281	410,647	551,928	0.03%	0.10%	16	113
1999	-	229,784	547,322	777,106	0.04%	0.14%	23	155

Source: (1) School District Financial Records

(2) See Schedule S-8 for estimated actual value of taxable property.

(3) 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, 2007

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District</u>	<u>Amount (1) Applicable to School District</u>
<b><i>Direct Debt:</i></b>			
North Olmsted City School District	<u>\$ 595,000</u>	100.00%	<u>\$ 595,000</u>
<b><i>Underlying Debt:</i></b>			
Cuyahoga County	194,593,691	2.79%	5,429,164
Regional Transit Authority	147,385,000	2.79%	4,112,042
Polaris Joint Vocational School	-	100.00%	-
North Olmsted City	<u>57,054,500</u>	100.00%	<u>57,054,500</u>
Subtotal	<u>399,033,191</u>		<u>66,595,706</u>
Total	<u><u>\$ 399,628,191</u></u>		<u><u>\$ 67,190,706</u></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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Assessed Valuation	<u>\$ 897,441,233</u>	<u>\$ 926,715,727</u>	<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>
Debt Limit -										
9% of Assessed Value (1)	<u>80,769,711</u>	<u>83,404,415</u>	<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>
Debt Applicable to Debt Limit:										
General Obligation Notes	595,000	680,000	765,000	887,000	61,000	89,000	116,000	267,301	410,647	547,322
Amount Available in Debt										
Service Fund	<u>(52,650)</u>	<u>(56,192)</u>	<u>(63,060)</u>	<u>(78,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>542,350</u>	<u>623,808</u>	<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>
Overall Debt Margin	<u>\$ 80,227,361</u>	<u>\$ 82,780,607</u>	<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>
Total debt applicable to										
debt limit as a percentage										
of debt limit	<u>0.74%</u>	<u>0.82%</u>	<u>0.98%</u>	<u>1.15%</u>	<u>0.08%</u>	<u>0.12%</u>	<u>0.16%</u>	<u>0.37%</u>	<u>0.62%</u>	<u>0.83%</u>
Overall Limit -										
.10% of Assessed Value (1)	<u>\$ 897,441</u>	<u>\$ 926,716</u>	<u>\$ 863,598</u>	<u>\$ 858,989</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>
Amount of Debt Applicable	<u>595,000</u>	<u>680,000</u>	<u>765,000</u>	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Debt Margin	<u>\$ 302,441</u>	<u>\$ 246,716</u>	<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>
Unvoted debt applicable to										
debt limit as a percentage										
of unvoted debt limit	<u>66.300%</u>	<u>73.377%</u>	<u>88.583%</u>	<u>98.95%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</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)
2008	31,641	\$ 26,686	\$ 805,411,545	4,484	8.1%
2007	32,126	25,070	805,398,820	4,587	6.1%
2006	32,653	25,173	821,973,969	4,613	5.9%
2005	33,105	24,829	821,964,045	4,587	6.2%
2004	33,786	24,329	821,979,594	4,573	6.8%
2003	33,786	24,564	829,919,304	4,665	6.7%
2002	34,113	24,329	829,935,177	4,794	4.6%
2001	34,113	24,394	832,152,522	4,764	4.6%
2000	34,204	16,567	566,657,668	4,895	4.5%
1999	34,204	16,704	571,343,616	5,008	4.5%

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, 2007 AND DECEMBER 31, 1998

December 31, 2007		December 31, 1998 (1)	
Name of Employer	Percent of Total City Income Taxes Paid	Name of Employer	Percent of Total City Income Taxes Paid
Moen Incorporated	7.92%	North Olmsted City Schools	N/A
North Olmsted City Schools	4.99%	Moen Incorporated	N/A
City of North Olmsted	2.44%	City of North Olmsted	N/A
Factory Mutual Insurance Company	1.15%	riser foods Company	N/A
Wal Mart Associates, Inc.	0.94%	Kaufmann's Department Stores	N/A
Sunnyside Automotive, Inc.	0.93%	Wal Mart Associates, Inc.	N/A
Heartland Employment Services, Inc.	0.92%	Dillard Department Stores	N/A
Cingular wireless Employee Services	0.87%	Sears, Roebuck & Company	N/A
Merrill Lynch Pierce Kenner & P. Craig	0.85%	Olmsted Manor	N/A
GMAC-GM Payroll Services	0.83%	Sunnyside Automotive, Inc.	N/A
Total	<u>21.84%</u>		

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

(1) Information is not available for prior years.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<b>Administration</b>	25	26	26	26	26	26	28	30	29	28
<b>Instructional:</b>										
Regular Teaching	223	231	230	226	236	236	243	243	239	238
Special Education	43	43	42	42	45	52	47	46	44	41
Vocational Education	6	8	8	8	9	9	10	9	11	11
Remedial Specialist	27	25	19	19	12	3	2	5	5	4
Tutors	5	5	6	15	16	16	13	14	14	15
Others	2	1	5	5	4	2	3	3	3	3
<b>Other Professional:</b>										
Counseling	13	13	12	12	12	12	13	13	12	12
Psychologist	5	5	5	4	6	7	5	4	3	3
Speech therapist	6	5	6	5	6	6	5	5	3	3
Others	1	2	2	2	2	2	2	3	1	1
<b>Support Staff:</b>										
Secretarial	44	42	42	42	42	44	43	44	44	41
Teacher Aides	54	52	51	51	41	42	41	39	29	21
Maintenance	8	8	8	8	8	10	10	10	10	10
Custodial	40	39	39	36	37	38	39	38	36	36
Transportation	32	32	31	33	34	34	30	30	29	31
Food Service	24	24	26	28	28	31	29	28	25	25
Monitors	17	16	15	14	14	14	21	17	16	16
Library Services	12	14	14	15	15	16	16	15	15	15
Computer Technicians	4	4	4	3	3	3	3	3	2	2
Other	4	4	3	1	2	2	5	4	1	3
<b>Total</b>	<u>595</u>	<u>599</u>	<u>594</u>	<u>595</u>	<u>598</u>	<u>605</u>	<u>608</u>	<u>603</u>	<u>571</u>	<u>559</u>

Source: School District financial records.



NORTH OLMSTED CITY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Source of Revenue - North Olmsted:										
Local	71.4%	72.6%	72.9%	71.0%	71.6%	70.1%	69.8%	70.0%	70.8%	71.6%
State	24.9%	23.9%	23.1%	25.3%	25.8%	26.9%	27.5%	27.4%	26.7%	26.3%
Federal	3.7%	3.5%	4.0%	3.8%	2.6%	2.9%	2.7%	2.6%	2.5%	2.1%
Source of Revenue - Statewide:										
Local	48.2%	49.1%	48.8%	47.4%	46.9%	47.6%	48.1%	50.0%	50.5%	51.0%
State	43.6%	42.9%	42.7%	44.2%	45.4%	45.7%	45.8%	43.8%	43.8%	43.4%
Federal	8.2%	8.0%	8.5%	8.4%	7.8%	6.7%	6.1%	6.2%	5.8%	5.6%
Cost per Pupil:										
North Olmsted	\$11,531	\$10,908	\$10,919	\$10,220	\$9,793	\$9,365	\$9,076	\$8,668	\$7,942	\$7,144
Statewide	\$9,939	\$9,586	\$9,359	\$9,051	\$8,761	\$8,439	\$8,079	\$7,589	\$7,054	\$6,640
Student to teacher ratio:										
North Olmsted	18.7	19.0	18.3	18.3	19.3	16.3	17.6	17.9	18.0	19.5
Statewide	18.6	19.6	18.6	18.5	18.5	16.5	16.9	18.0	18.1	18.6
Transportation:										
Percent of students transported	50.0%	58.0%	53.5%	54.9%	53.5%	48.6%	48.3%	49.3%	49.5%	53.9%
Number of miles traveled	375,348	413,976	410,403	432,796	366,766	382,610	403,987	368,975	374,700	402,240
Food Service:										
Annual operating deficit	(\$118,804)	(\$90,392)	(\$206,071)	(\$60,714)	(\$64,697)	(\$68,988)	(\$91,893)	(\$35,239)	(\$33,481)	(\$40,430)
Number of meals served	274,979	281,141	295,060 (a)	365,582	347,725	368,979	411,087	410,075	N/A	N/A
Number of federally subsidized meals served	159,501	148,514	128,103	122,507	126,749	120,958	118,275	N/A	N/A	N/A
Number of students receiving federally subsidized meals	1,333	1,072	1,025	860	766	756	691	562	561	560
Median Income:										
North Olmsted	\$34,740	\$34,391	\$34,604	\$34,456	\$34,162	\$34,358	\$36,890	\$34,493	\$38,054	\$32,658
Statewide	\$31,321	\$30,362	\$30,505	\$29,677	\$29,464	\$29,187	\$30,090	\$29,069	\$29,411	\$27,232
New Construction Within the District:										
Residential	\$7,474,587	\$9,094,649	\$8,804,637	\$6,712,977	\$7,180,459	\$10,178,440	\$5,783,836	\$10,092,256	\$12,913,535	\$13,436,512
Commercial	\$9,789,366	\$13,301,899	\$14,709,091	\$19,197,115	\$20,052,718	\$27,061,724	\$9,675,166	\$10,280,276	\$17,170,778	\$31,876,717

Source: School District financial records.

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

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

School Building	2008	2007	2006	2005	2004	2003	2002(a)	2001	2000	1999
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	464	464	284	284	284	284	284	284
Enrollment	409	403	405	323	319	301	336	320	268	311
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	274	264	264	346	335	318	309	311	325	341
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	300	310	278	264	259	272	245	263	291	302
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	217	221	221	218	200	198	252	257	271	285
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 (b)	312	304	304	315	336	356	412 (b)	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	283	306	307	286	312	367	458	431	473	492
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	400	403	410	456	424	435	384	398	409	388
Middle School (1930)										
Square Feet	114,987	114,987	114,987	114,987	114,987	114,987	137,853	137,853	137,853	137,853
Capacity	949	949	949	949	949	949	949	949	949	949
Enrollment	669	712	772	765	774	779	781	1,098	1,166	1,186
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	1,618	1,664	1,652	1,610	1,611	1,634	1,613	1,682	1,662	1,674

Source of information - School District financial records.

(a) In 2002, the School District reconfigured its elementary and middle school buildings into a primary and intermediate grade alignment.

(b) In 2002, the District reactivated the Chestnut Intermediate school building that had been leased to a day care center.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Land	\$1,088,848	\$1,088,848	\$1,088,848	\$1,088,848	\$1,088,848	\$955,597	\$955,597
Land improvements	835,881	835,881	835,881	835,881	835,157	822,855	822,855
Buildings and improvements	19,460,758	19,382,511	17,668,955	17,645,361	17,321,999	16,675,889	16,390,074
Furniture, fixtures and equipment	3,203,159	3,040,568	3,047,349	2,876,362	2,645,782	2,499,820	2,788,059
Vehicles	2,956,695	2,982,463	2,932,969	2,796,398	2,794,973	2,633,549	2,472,240
Total	<u>27,545,341</u>	<u>27,330,271</u>	<u>25,574,002</u>	<u>25,242,850</u>	<u>24,686,759</u>	<u>23,587,710</u>	<u>23,428,825</u>
Less accumulated depreciation	<u>(14,283,034)</u>	<u>(13,604,602)</u>	<u>(13,115,098)</u>	<u>(12,469,211)</u>	<u>(11,690,408)</u>	<u>(11,061,644)</u>	<u>(10,895,245)</u>
Total Governmental Activities							
Capital Assets, Net	<u>\$13,262,307</u>	<u>\$13,725,669</u>	<u>\$12,458,904</u>	<u>\$12,773,639</u>	<u>\$12,996,351</u>	<u>\$12,526,066</u>	<u>\$12,533,580</u>

Source: School District financial records.

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

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