

**Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2000**



**HEATH CITY SCHOOL DISTRICT**

**Board of Education  
Heath City School District  
Heath, Ohio**



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Heath City School District  
107 Lancaster Drive  
Heath, Ohio 43056

We have reviewed the Independent Auditor's Report of the Heath City School District, Licking County, prepared by Jones Cochenour & Co., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Heath City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

January 6, 2001

***HEATH CITY  
SCHOOL DISTRICT***

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LICKING COUNTY, OHIO

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2000

*Prepared by:*  
Mr. Bradley T. Hall  
Treasurer

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## *INTRODUCTORY SECTION*

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# Board of Education

Heath City Schools

OFFICE OF THE TREASURER

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107 LANCASTER DRIVE  
HEATH, OHIO 43056  
PHONE: 740-522-1300  
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December 1, 2000

Board of Education Members and Citizens of the Heath City School District:

As the Superintendent and Treasurer of the Heath City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2000 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, an organization chart of the District, and a list principal officials. The financial section includes the general purpose financial statements as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The District provides a full range of education programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

## **ECONOMIC CONDITIONS AND OUTLOOK**

The District is located within the City of Heath in Licking County, which is situated in the east-central part of the state. Heath is a community of 8,100 people. It is located approximately 6 miles north of Interstate 70, 45 miles east of Columbus and is bounded on the north by Newark, the county seat of Licking County. State Routes 79 and 13 serve as the major transportation arteries.

Heath has a diversified commercial and industrial base and has become the center of commercial growth in Licking County. The last fifteen years have seen the construction of the Cross Creek Shopping Center, the Indian Mound Mall (a regional shopping mall drawing shoppers from a fifty-mile radius), and the complete renovation of the Southgate Shopping Center. Industrial employment is expected to remain relatively constant. New businesses in 1999 (the latest information available) include Dairy Queen, Quickway Carriers and Country Inn and Suites. Construction began on Best Buy, a new dealership location for John Hinderer Honda, Fiberglas Federal Credit Union and a new building for the offices of Dunkin's Diamonds and Gold. Construction plans are also in the works for a Lowe's Superstore, a Hampton Inn, Tuffy Muffler and the new Park Lanes Bowling Alley.

The District continues to experience a similar growth in the number of housing units. Approximately eighty new single-family residential lots were created with the construction of Fox Run Phase 2 and Northbrook Estates. Residential single-family new home construction starts numbered fifty in 1999 (the latest information available). New homes ranged in price from \$130,000 to \$280,000. The average new single-family home price, including lot, was \$165,000. Condominium construction continued and at least fifty manufactured home units were added to Ramp Creek Mobile Home Park. Overall, it is expected that continued growth in both the commercial and residential sectors will provide the community with a solid economic base.

The District's tax base has shown growth in real estate values every year for the last 10 years. Overall, it is expected that continued growth in both the commercial and residential sectors will provide the community with a solid economic base.

## **MAJOR INITIATIVES**

### Current:

Each year, the District updates a five year continuous improvement plan developed by an administrative team consisting of the Superintendent, administrators, staff members, business members and the community. The team identifies and develops beliefs, a mission statement, objectives and strategies and then submits it to the Board for final approval before implementation.

During fiscal year 2000, the District focused on the continuing growth in student enrollment. To address the need for additional classrooms, as well as the social and academic needs of the students, the District was realigned as follows; Garfield, Grades K-2; Stevenson, Grades 3-5; Fulton, Grades 6-8 and Heath High School, Grades 9-12. The District continues to evaluate bus routes for efficiency and service. The Board of Education created the Beyond 2000 Task Force in 1998 for the purpose of studying the existing District facilities and making recommendations to the Board regarding additions and upgrades. The Task Force consisted entirely of Heath residents, nominated by the Administration and Board members. The Task Force presented to the Board of Education their recommendation to upgrade the entire District facilities. This recommendation would require the District voters to pass a bond issue. The upgrades would include expansions and renovations to both elementary schools, converting the existing high school into a middle school, closing the current middle school and building a new high school at the same site as the current high school.

On March 7, 2000 voters of the Heath City School District passed a 3-mill replacement levy which will be used to maintain current levels of operation and a 5.35-mill bond issue to upgrade all district facilities. This bond

issue will generate \$17.243 million for the District facelift during the current and subsequent fiscal years.

In 1995, voters passed a 1.2 mill permanent levy to provide funds for incorporating technology into the curriculum. In fiscal year 2000, the District continued with the implementation of the Technology Plan by purchasing an electronic finger printing system, an electronic reading assessment tool for grades 3 through 8, and computer software for the high school science program. In addition the District replaced library hardware in grades 6 through 12 and classroom workstations no longer under warranty and upgraded the network backbone from a shared environment to a switched network.

The District continues to utilize the State Model Curriculum. To keep current with the State Model, the District has implemented a five year cycle for reviewing and updating courses and purchasing new textbooks. During the 2000 school year, the courses reviewed were Social Studies, Art, and Computer Education, and the new textbooks purchased were for Language Arts, Music and Special Education (ASDO).

#### Future:

During the 2000-2001 school year, the primary concentration of construction will be focused on Garfield and Stevenson elementary schools where classrooms will be added and the roofs and windows will be replaced. In addition, the final design and bidding process will commence in the spring of 2001 on the new high school facility.

In addition to all the construction taking place within the District, the District will continue to evaluate all curriculum opportunities and build on raising the success rates of every student. With this will come an increase of the District's report card, which currently has a score of 20 out of a possible 27. Curriculum plans for the future include:

- Continue implementation of Technology Plan and State Model Curriculum.
- Expand to 6 sections of Kindergarten and investigate the option of all day Kindergarten.
- Offer various classes of summer remediation at no cost to students.
- Strive to reach the goal of 80% on proficiency tests.
- Review all curriculums and upgrade textbooks and materials.
- Continue on Textbook Selection and Course of Study Review Cycle.
- Increase opportunities of Post-secondary options.
- Implement district wide mapping of Proficiency outcomes.
- Implement Accelerated Reader Program in Grades K-8.
- Implement Accelerated Math Program in Grades K-5.
- Implement school to work program at the High School.
- Continue to expand technical preparatory opportunities.

## **FINANCIAL INFORMATION**

**ACCOUNTING SYSTEM** -- The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. All District funds, except proprietary funds, are accounted for using the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary Funds are accounted for on the full accrual basis of accounting. Both bases of accounting are in accordance with generally accepted accounting principles (GAAP) as applied to governmental units and consistent with GASB Cod. Sec. 1600; "Basis of Accounting."

**INTERNAL CONTROLS** -- The Treasurer of the District is responsible for establishing an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Management Team is responsible for assisting with implementation of the established internal controls. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management.

**BUDGETARY CONTROLS** -- All governmental fund types are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

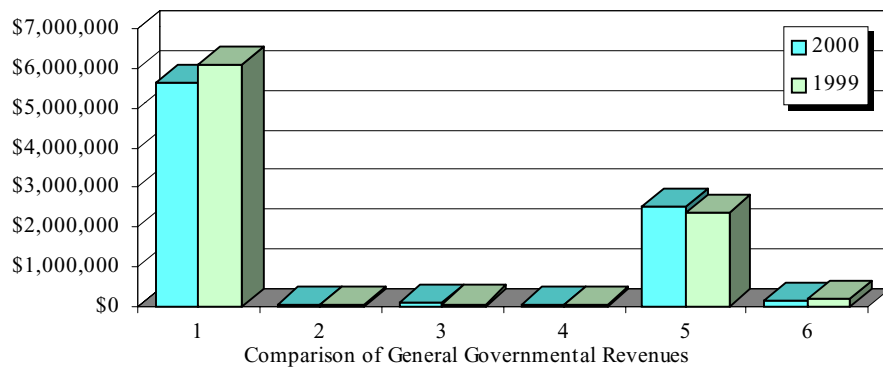
1. A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January Organizational Meeting.
2. The county budget commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
3. An annual appropriations measure is passed upon receipt of the County Auditor's final tax revenue estimates, October or November of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopts temporary appropriations at its June Board meeting to cover expenditures until the adoption of the permanent appropriations. The appropriations measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments are given building budgeting funds for instructional supplies, custodial supplies, meeting & mileage expenses and equipment. Buildings and/or departments may move funds within their budgets with approval of the Superintendent and Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

**FINANCIAL HIGHLIGHTS** -- As illustrated by the statements and schedules included in the financial section of this report, the District meets its responsibility for sound financial management.

General Governmental -- The following schedule is a summary of general governmental revenues (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2000 and the percentage increase/(decrease) over revenues for fiscal year 1999:

Revenues	2000 Amount	Percent of Total	1999 Amount	Percentage Increase (Decrease)
1 Taxes	\$5,654,331	66.46%	\$6,099,304	(7.30%)
2 Tuition and Fees	61,129	0.72%	42,592	43.52%
3 Investment Earnings	76,691	0.90%	73,446	4.42%
4 Extracurricular Activities	54,117	0.64%	58,642	(7.72%)
5 Intergovernmental Revenues	2,511,861	29.53%	2,349,206	6.92%
6 All Other	149,965	1.76%	200,216	(25.10%)
<b>Total</b>	<b>\$8,508,094</b>	<b>100.00%</b>	<b>\$8,823,406</b>	



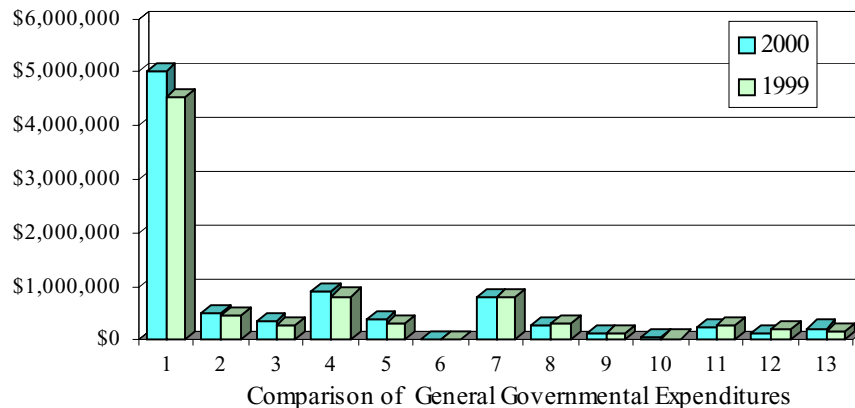
Tax revenues, the District's major source of revenue, account for approximately 66.46% of total general governmental revenues. The decrease in taxes from fiscal year 1999 is a result of less of an advance available at the end of fiscal year 2000 than was available at the end of fiscal year 1999. Advances are recognized as revenue if they are measurable and available within 60 days of fiscal year end.

Investment earnings increased because more District funds were available for investment.

The major source of intergovernmental revenues is the State's "Foundation Program". This program allocates state dollars to the Ohio districts based upon a basic aid formula which takes into account factors such as: (1) local ability to pay for education (tax base); (2) enrollment; (3) a per pupil allocation; and (4) allocations for various categorical programs such as special education, transportation, etc. The Supreme Court has ruled that the way the State currently funds schools in Ohio is unconstitutional. Footnote 20 provides a more comprehensive discussion of the school funding issue. The Foundation revenue increased by over \$200,000 in 2000. This increase in intergovernmental revenues was slightly offset by decreases of certain federal and state grant programs.

The following schedule is a summary of general governmental expenditures (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2000 and the percentage increase/(decrease) over expenditures for fiscal year 1999:

Expenditures	2000 Amount	Percent of Total	1999 Amount	Percentage Increase (Decrease)
1 Instructional Services	\$5,007,976	55.30%	\$4,543,627	10.22%
2 Pupils	503,357	5.56%	478,355	5.23%
3 Instructional Staff	356,954	3.94%	286,163	24.74%
4 Board of Education / Administration	915,944	10.11%	817,381	12.06%
5 Fiscal Services	382,453	4.22%	312,569	22.36%
6 Business	32,435	0.36%	16,003	102.68%
7 Operation and Maintenance of Plant	810,501	8.96%	801,530	1.12%
8 Pupil Transportation Services	276,831	3.06%	314,317	(11.93%)
9 Central	112,203	1.24%	137,245	(18.25%)
10 Community Services	50,762	0.56%	36,787	37.99%
11 Extracurricular Activities	242,938	2.68%	272,077	(10.71%)
12 Other Expenditures	143,408	1.58%	197,670	(27.45%)
13 Debt Services	220,218	2.43%	178,118	23.64%
Total	<u>\$9,055,980</u>	<u>100.00%</u>	<u>\$8,391,842</u>	



The largest expenditures in the general governmental function are in the instruction/support services areas, which deal directly with teaching pupils and supporting services that supplement the teaching process. Salaries of teachers, counselors, and classroom aides, as well as the cost of textbooks and instructional materials are examples of expenditures in these functional areas.

The increase of 10% in the instructional services expenditures is attributable to a 4% increase in salaries and wages and increases in personnel staffing levels.

Instructional staff expenditures increased due to reclassifications of expenditures from pupils services.

Retirement “pickup” for administration personnel and attorney fees for two arbitrations in 2000 were factors that lead to the increase in administration expenditures.

Business expenditures were higher in 2000 because the District contracted for the reviews of board policies and safety issues.

Pupil transportation services decreased because a new school bus was purchased in 1999, which was not repeated in 2000.

The technical coordinator position which was established as part of the Central Support Services function in 1999 eliminated the need to contract such services with third parties thus resulting in a decrease in expenditures in 2000.

Extracurricular Activities expenditures decreased in 2000 because significant expenditures were made in 1999 for the purchase of uniforms which were not needed in 2000. This decrease was partially offset by the purchase of new instruments for the music program.

Other expenditures in 1999 include site improvements expended from the General Fund which were not expended in 2000.

Enterprise Operations: -- The District's enterprise operations are comprised of Food Service and Uniform School Supply. On a combined basis for fiscal year 2000, the Enterprise Funds generated revenues of \$319,110 and expenses of \$403,016.

Internal Service Funds: -- The Internal Service Funds account for the financing of goods or services provided by one department of the District to other departments. The Internal Service funds operated by the District were the Rotary Fund and the Employee Benefits Self-Insurance Fund.

Fiduciary Funds: -- Fiduciary funds account for assets held by the District in a trustee capacity, or an agent for individuals, other District organizations, or other funds. The District maintains one expendable trust fund and one agency fund.

**DEBT ADMINISTRATION** -- The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the District's general long-term debt. Resources are derived from property taxes (real and personal).

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the District's debt position.

The District's debt position as of June 30, 2000 was as follows:

Overall Legal Debt Margin	\$1,874,050
Unvoted Legal Debt Margin	221,118
Net General Obligation Bonded Debt Payable from Property Taxes	1,076,526
Percentage of Assessed Value	.49%
General Bonded Debt per Capita	\$132.90

A more thorough presentation of the calculation of these figures is located in the statistical section of the enclosed report.

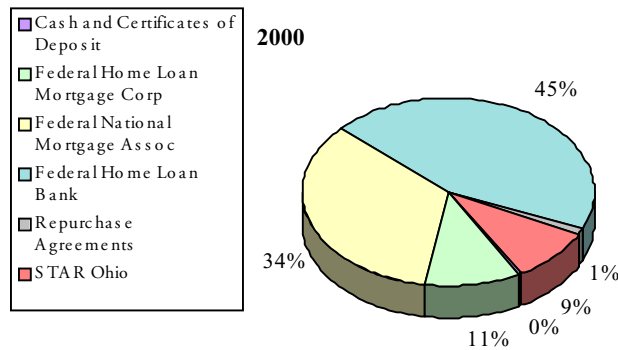
**CASH MANAGEMENT** -- It is the policy of the Heath City School District, that with due regard to the safety and risk of investments, all available funds shall be invested in conformance with existing legal requirements and Board-adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. Effective cash management is recognized as essential to good fiscal management. An investment policy has been formulated to take advantage of investment interest as a viable and material source of revenue to all funds involved. The District's investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

Investments are made with the primary objectives of:

- Preservation of capital and protection of principal.
- Maintenance of liquidity to meet cash flow requirements.
- Diversification of assets to avoid undue credit and liquidity risks.
- Optimization of portfolio returns within objectives outlined above.
- Use of good judgment and care to provide safety to the District's assets.

Administrative guidelines and investment policies apply to all financial assets of the District contained in the Comprehensive Annual Financial Report (CAFR). The investment portfolio shall consist of investment securities, permissible by law, recognizing that all participants involved in the process shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

Cash Resources	June 30, 2000
Cash and Certificates of Deposit	\$49,284
Federal Home Loan Mortgage Corp	1,996,020
Federal National Mortgage Assoc	6,447,015
Federal Home Loan Bank	8,381,066
Repurchase Agreements	194,868
STAR Ohio	1,727,503
Total Resources	<u>\$18,795,756</u>



**RISK MANAGEMENT** -- The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in footnote 15 of the general purpose financial statements included within the financial section of this report.



## OTHER INFORMATION

**INDEPENDENT AUDIT** -- This report includes an unqualified audit report regarding the District's financial statements. The audit was conducted by Jones, Cochenour & Company. The Independent Auditor's Report on the general purpose financial statements is included in the financial section of this report.

**AWARDS** -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District received a Certificate of Achievement for the year ended June 30, 1999. We believe this, our second Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

**ACKNOWLEDGMENTS** -- The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. and to the staff of Jones, Cochenour & Company for their assistance in preparing this report. We truly appreciate the contribution made by each staff member in the preparation of this report.

In closing, without the patience and support of the Treasurer's Office Staff and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,

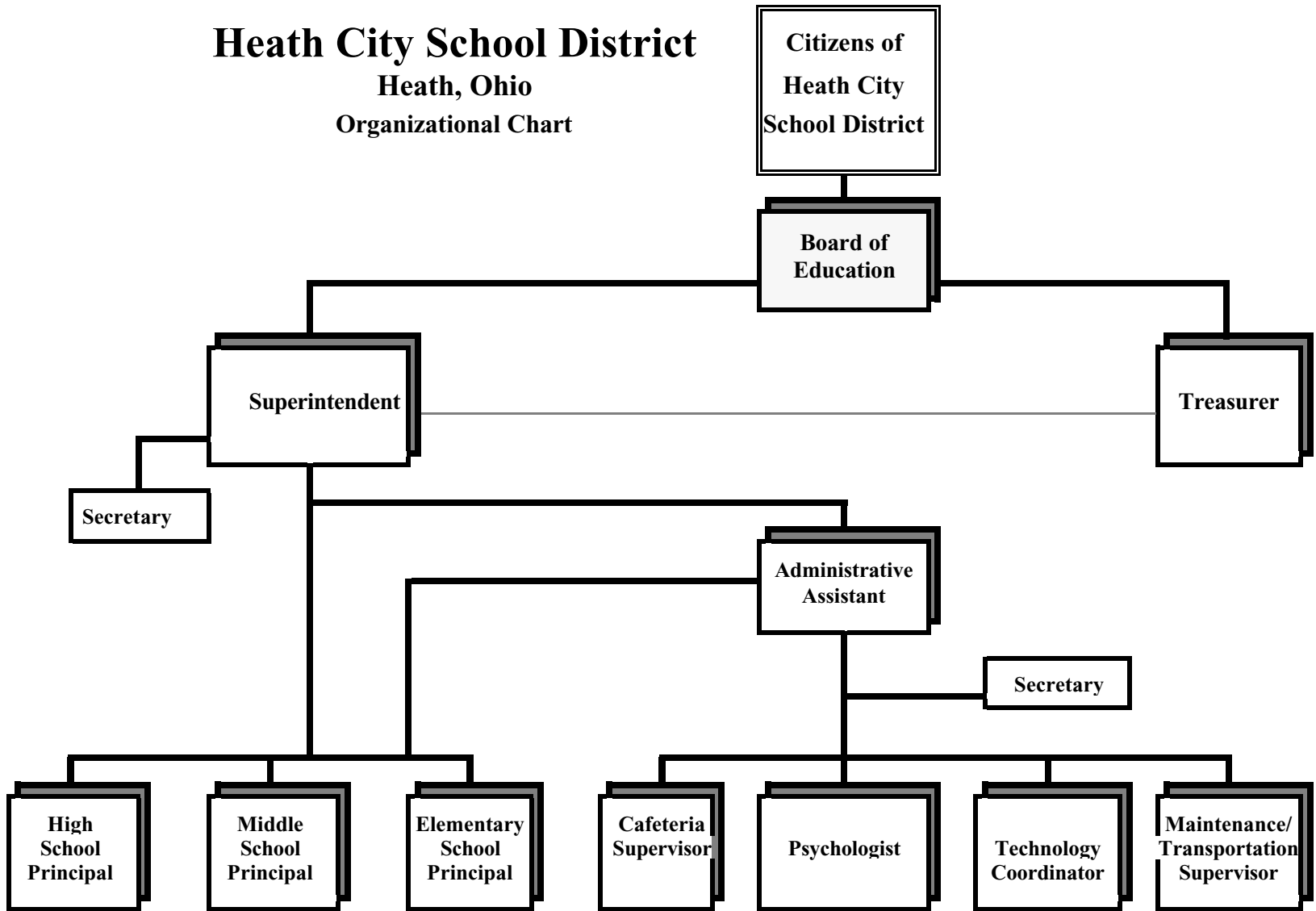
Jay Gault  
Superintendent

Bradley T. Hall  
Treasurer

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**SHOWING YEARS OF SERVICE**  
**JUNE 30, 2000**

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>	
		<u>Position</u>	<u>Total</u>
<b><u>Board of Education</u></b>			
Mr. James Roberts	President	3	
Mr. James Bowers	Vice President	3	
Dr. Michael Gentry	Member	3	
Mr. Steven Carson	Member	1	
Ms. Melissa Whistine	Member	1	
<b><u>Administration</u></b>			
Mr. Jay M. Gault	Superintendent	1	16
Mr. Bradley T. Hall	Treasurer	5.5	20
Mr. Thomas Forman	Administrative Assistant	1	23

**Heath City School District**  
Heath, Ohio  
Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Heath City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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.



*Anne Spray Kinsey*  
President

*Jeffrey L. Essler*  
Executive Director

## *FINANCIAL SECTION*

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Heath City School District  
Heath, Ohio

We have audited the accompanying general purpose financial statements of the Heath City School District, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the school district, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 22, 2000 on our consideration of the school district's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the school district, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

Jones, Cochenour & Co.  
October 22, 2000



**Heath City School District**

## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AT JUNE 30, 2000, THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.*



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$712,366	\$125,573	\$91,824	\$2,541,532
Investments	0	0	0	14,828,081
Receivables (net of allowance for doubtful accounts):				
Taxes	5,767,347	0	243,630	215,748
Interest	0	0	0	81,581
Interfund Loan Receivable	3,640	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	3,291	0	0	0
Restricted Cash and Cash Equivalents	331,845	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$6,818,489</b>	<b>\$125,573</b>	<b>\$335,454</b>	<b>\$17,666,942</b>
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$22,507	\$928	\$0	\$84,808
Accrued Wages and Benefits	579,549	11,442	0	0
Interfund Loan Payable	0	3,360	0	0
Due to Other Funds	5,300	0	0	0
Intergovernmental Payable	162,696	55	0	0
Due to Students	0	0	0	0
Accrued Interest Payable	0	0	0	128,851
Deferred Revenue - Taxes	5,429,247	0	243,630	213,848
Deferred Revenue	0	0	0	31,680
General Obligation Notes Payable	0	0	0	16,250,000
General Obligation Bonds Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Compensated Absences Payable	43,682	0	0	0
Early Retirement Incentive Payable	25,615	0	0	0
Long-Term Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>6,268,596</b>	<b>15,785</b>	<b>243,630</b>	<b>16,709,187</b>
<u>Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings - Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	131,138	38,554	0	21,809
Reserved for Property Taxes	179,000	0	0	1,000
Statutory Reserves	331,845	0	0	0
Reserved for Prepaid Items	3,291	0	0	0
Reserved for Debt Service	0	0	91,824	0
Unreserved:				
Undesignated	(95,381)	71,234	0	934,946
<b>Total Equity and Other Credits</b>	<b>549,893</b>	<b>109,788</b>	<b>91,824</b>	<b>957,755</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$6,818,489</b>	<b>\$125,573</b>	<b>\$335,454</b>	<b>\$17,666,942</b>

The notes to the general purpose financial statements are an integral part of this statement.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**

<i>Proprietary</i>		<i>Fiduciary</i>	<i>Account</i>		Totals (Memorandum Only)
<i>Fund Types</i>		<i>Fund Types</i>	<i>Groups</i>		
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$108,297	\$7,712	\$45,226	\$0	\$0	\$3,632,530
0	0	3,300	0	0	14,831,381
0	0	0	0	0	6,226,725
0	0	0	0	0	81,581
0	0	0	0	0	3,640
5,300	0	0	0	0	5,300
9,540	0	0	0	0	9,540
0	0	0	0	0	3,291
0	0	0	0	0	331,845
79,969	0	0	6,790,111	0	6,870,080
0	0	0	0	91,824	91,824
0	0	0	0	3,145,231	3,145,231
<u>\$203,106</u>	<u>\$7,712</u>	<u>\$48,526</u>	<u>\$6,790,111</u>	<u>\$3,237,055</u>	<u>\$35,232,968</u>
\$1,164	\$0	\$0	\$0	\$0	\$109,407
12,739	0	0	0	0	603,730
280	0	0	0	0	3,640
0	0	0	0	0	5,300
20,381	0	0	0	59,114	242,246
0	0	42,500	0	0	42,500
0	0	0	0	0	128,851
0	0	0	0	0	5,886,725
4,638	0	0	0	0	36,318
0	0	0	0	0	16,250,000
0	0	0	0	1,168,350	1,168,350
0	0	0	0	48,993	48,993
2,552	0	0	0	786,215	832,449
1,777	0	0	0	29,383	56,775
0	0	0	0	1,145,000	1,145,000
<u>43,531</u>	<u>0</u>	<u>42,500</u>	<u>0</u>	<u>3,237,055</u>	<u>26,560,284</u>
0	0	0	6,790,111	0	6,790,111
23,119	0	0	0	0	23,119
136,456	7,712	0	0	0	144,168
0	0	0	0	0	191,501
0	0	0	0	0	180,000
0	0	0	0	0	331,845
0	0	0	0	0	3,291
0	0	0	0	0	91,824
0	0	6,026	0	0	916,825
<u>159,575</u>	<u>7,712</u>	<u>6,026</u>	<u>6,790,111</u>	<u>0</u>	<u>8,672,684</u>
<u>\$203,106</u>	<u>\$7,712</u>	<u>\$48,526</u>	<u>\$6,790,111</u>	<u>\$3,237,055</u>	<u>\$35,232,968</u>



**Heath City School District**

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expensible Trust Fund	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Taxes	\$5,406,570	\$0	\$247,761	\$41,388	\$0	\$5,695,719
Tuition	61,129	0	0	0	0	61,129
Investment Earnings	76,009	682	0	87,857	125	164,673
Extracurricular Activities	0	54,117	0	0	0	54,117
Intergovernmental - State	2,369,912	61,673	0	18,343	0	2,449,928
Intergovernmental - Federal	0	80,276	0	0	0	80,276
All Other Revenues	60,124	89,489	352	80	3,135	153,180
Total Revenues	<u>7,973,744</u>	<u>286,237</u>	<u>248,113</u>	<u>147,668</u>	<u>3,260</u>	<u>8,659,022</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	4,929,223	78,753	0	92,838	472	5,101,286
<b>Supporting Services:</b>						
Pupils	433,777	69,580	0	6,939	0	510,296
Instructional Staff	310,961	45,993	0	0	0	356,954
Board of Education	12,831	0	0	0	0	12,831
Administration	902,698	415	0	0	0	903,113
Fiscal Services	380,797	1,656	0	5,279	0	387,732
Business	30,926	1,509	0	0	0	32,435
Operation and Maintenance of Plant	810,501	0	0	19,310	0	829,811
Pupil Transportation	276,831	0	0	0	0	276,831
Central	94,708	17,495	0	0	3,714	115,917
Community Services	0	50,762	0	0	0	50,762
Extracurricular Activities	198,966	43,972	0	0	0	242,938
Other Expenditures	59,914	0	0	0	0	59,914
Capital Outlay	83,494	0	0	132,099	0	215,593
<b>Debt Service:</b>						
Principal Retirements	0	0	160,000	0	0	160,000
Interest and Fiscal Charges	0	0	60,218	128,851	0	189,069
Total Expenditures	<u>8,525,627</u>	<u>310,135</u>	<u>220,218</u>	<u>385,316</u>	<u>4,186</u>	<u>9,445,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(551,883)	(23,898)	27,895	(237,648)	(926)	(786,460)
<b>Other Financing Sources (Uses):</b>						
Proceeds of General Obligation Bonds	175,000	0	0	993,350	0	1,168,350
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>0</u>	<u>0</u>	<u>993,350</u>	<u>0</u>	<u>1,168,350</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(376,883)	(23,898)	27,895	755,702	(926)	381,890
Fund Balance Beginning of Year	926,776	133,686	63,929	202,053	6,952	1,333,396
Fund Balance End of Year	<u>\$549,893</u>	<u>\$109,788</u>	<u>\$91,824</u>	<u>\$957,755</u>	<u>\$6,026</u>	<u>\$1,715,286</u>

The notes to the general purpose financial statements are an integral part of this statement.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 2000**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Local Sources:						
Taxes	\$5,986,975	\$5,986,970	(\$5)	\$0	\$0	\$0
Tuition	61,135	61,129	(6)	0	0	0
Investment Earnings	80,010	80,009	(1)	685	682	(3)
Extracurricular Activities	0	0	0	54,125	54,117	(8)
Intergovernmental - State	2,369,949	2,369,912	(37)	61,673	61,673	0
Intergovernmental - Federal	0	0	0	141,220	80,276	(60,944)
All Other Revenues	60,656	60,124	(532)	89,506	89,489	(17)
Total Revenues	<u>8,558,725</u>	<u>8,558,144</u>	<u>(581)</u>	<u>347,209</u>	<u>286,237</u>	<u>(60,972)</u>
<b>Expenditures:</b>						
Current:						
Instruction	5,145,833	5,099,792	46,041	111,015	85,976	25,039
Supporting Services:						
Pupils	456,441	444,035	12,406	101,031	79,461	21,570
Instructional Staff	310,668	306,594	4,074	86,837	45,192	41,645
Board of Education	14,660	12,689	1,971	0	0	0
Administration	918,726	902,807	15,919	600	415	185
Fiscal Services	385,325	381,159	4,166	1,656	1,656	0
Business	33,052	31,052	2,000	1,560	1,509	51
Operation and Maintenance of Plant	848,435	822,016	26,419	0	0	0
Pupil Transportation	289,994	280,326	9,668	0	0	0
Central	111,343	97,281	14,062	18,591	17,495	1,096
Community Services	0	0	0	63,319	56,468	6,851
Extracurricular Activities	203,089	200,245	2,844	68,198	66,636	1,562
Other Expenditures	60,433	59,900	533	0	0	0
Capital Outlay	163,849	109,346	54,503	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	<u>8,941,848</u>	<u>8,747,242</u>	<u>194,606</u>	<u>452,807</u>	<u>354,808</u>	<u>97,999</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(383,123)	(189,098)	194,025	(105,598)	(68,571)	37,027
<b>Other Financing Sources (Uses):</b>						
Proceeds of Bond Anticipation Notes	0	0	0	0	0	0
Proceeds of General Obligation Bonds	175,000	175,000	0	0	0	0
Advances In	34,810	34,810	0	3,360	3,360	0
Advances Out	(35,000)	(28,640)	6,360	(9,000)	(9,000)	0
Total Other Financing Sources (Uses)	<u>174,810</u>	<u>181,170</u>	<u>6,360</u>	<u>(5,640)</u>	<u>(5,640)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(208,313)	(7,928)	200,385	(111,238)	(74,211)	37,027
Fund Balance at Beginning of Year	719,959	719,959	0	134,110	134,110	0
Prior Year Encumbrances	195,894	195,894	0	26,623	26,623	0
Fund Balance at End of Year	<u>\$707,540</u>	<u>\$907,925</u>	<u>\$200,385</u>	<u>\$49,495</u>	<u>\$86,522</u>	<u>\$37,027</u>

The notes to the general purpose financial statements are an integral part of this statement.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FISCAL YEAR ENDED JUNE 30, 2000**

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$275,338	\$275,261	(\$77)	\$48,510	\$48,488	(\$22)	\$6,310,823	\$6,310,719	(\$104)
0	0	0	0	0	0	61,135	61,129	(6)
0	0	0	27,430	(62,701)	(90,131)	108,125	17,990	(90,135)
0	0	0	0	0	0	54,125	54,117	(8)
0	0	0	18,345	18,343	(2)	2,449,967	2,449,928	(39)
0	0	0	0	0	0	141,220	80,276	(60,944)
352	352	0	80	80	0	150,594	150,045	(549)
275,690	275,613	(77)	94,365	4,210	(90,155)	9,275,989	9,124,204	(151,785)
0	0	0	219,321	113,072	106,249	5,476,169	5,298,840	177,329
0	0	0	8,405	6,939	1,466	565,877	530,435	35,442
0	0	0	0	0	0	397,505	351,786	45,719
0	0	0	0	0	0	14,660	12,689	1,971
0	0	0	0	0	0	919,326	903,222	16,104
0	0	0	5,300	5,279	21	392,281	388,094	4,187
0	0	0	0	0	0	34,612	32,561	2,051
0	0	0	38,750	23,310	15,440	887,185	845,326	41,859
0	0	0	0	0	0	289,994	280,326	9,668
0	0	0	0	0	0	129,934	114,776	15,158
0	0	0	0	0	0	63,319	56,468	6,851
0	0	0	0	0	0	271,287	266,881	4,406
0	0	0	0	0	0	60,433	59,900	533
0	0	0	49,548	49,548	0	213,397	158,894	54,503
160,000	160,000	0	0	0	0	160,000	160,000	0
60,218	60,218	0	0	0	0	60,218	60,218	0
220,218	220,218	0	321,324	198,148	123,176	9,936,197	9,520,416	415,781
55,472	55,395	(77)	(226,959)	(193,938)	33,021	(660,208)	(396,212)	263,996
0	0	0	16,250,000	16,250,000	0	16,250,000	16,250,000	0
0	0	0	993,350	993,350	0	1,168,350	1,168,350	0
0	0	0	0	0	0	38,170	38,170	0
0	0	0	0	0	0	(44,000)	(37,640)	6,360
0	0	0	17,243,350	17,243,350	0	17,412,520	17,418,880	6,360
55,472	55,395	(77)	17,016,391	17,049,412	33,021	16,752,312	17,022,668	270,356
36,429	36,429	0	189,709	189,709	0	1,080,207	1,080,207	0
0	0	0	5,981	5,981	0	228,498	228,498	0
\$91,901	\$91,824	(\$77)	\$17,212,081	\$17,245,102	\$33,021	\$18,061,017	\$18,331,373	\$270,356

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Tuition and Fees	\$68,621	\$7,573	\$76,194
Sales	250,489	0	250,489
Total Operating Revenues	<u>319,110</u>	<u>7,573</u>	<u>326,683</u>
<u>Operating Expenses:</u>			
Salaries and Wages	122,752	0	122,752
Fringe Benefits	66,100	0	66,100
Contractual Services	712	0	712
Materials and Supplies	202,071	4,507	206,578
Depreciation	10,578	0	10,578
Other Operating Expenses	803	2,800	3,603
Total Operating Expenses	<u>403,016</u>	<u>7,307</u>	<u>410,323</u>
Operating Income (Loss)	(83,906)	266	(83,640)
<u>Non-Operating Revenues:</u>			
Operating Grants	63,565	0	63,565
Federally Donated Commodities	19,598	0	19,598
Investment Earnings	4,000	264	4,264
Miscellaneous	6,650	0	6,650
Total Non-Operating Revenues	<u>93,813</u>	<u>264</u>	<u>94,077</u>
Net Income	9,907	530	10,437
Restated Retained Earnings at Beginning of Year	<u>126,549</u>	<u>7,182</u>	<u>133,731</u>
Retained Earnings at End of Year	<u>\$136,456</u>	<u>\$7,712</u>	<u>\$144,168</u>

The notes to the general purpose financial statements are an integral part of this statement.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$257,139	\$0	\$257,139
Cash Received from Tuition and Fee Payments	68,621	7,573	76,194
Cash Payments for Goods and Services	(184,834)	(7,318)	(192,152)
Cash Payments to Employees for Services and Benefits	<u>(201,388)</u>	<u>0</u>	<u>(201,388)</u>
Net Cash Provided (Used) by Operating Activities	<u>(60,462)</u>	<u>255</u>	<u>(60,207)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	63,565	0	63,565
Advance from General Fund	280	0	280
Repayment of Advance from General Fund	<u>(775)</u>	<u>0</u>	<u>(775)</u>
Net Cash Provided by Noncapital Financing Activities	<u>63,070</u>	<u>0</u>	<u>63,070</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	<u>0</u>	<u>264</u>	<u>264</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>264</u>	<u>264</u>
Net Increase in Cash and Cash Equivalents	2,608	519	3,127
Cash and Cash Equivalents at Beginning of Year	<u>105,689</u>	<u>7,193</u>	<u>112,882</u>
Cash and Cash Equivalents at End of Year	<u><u>\$108,297</u></u>	<u><u>\$7,712</u></u>	<u><u>\$116,009</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>    Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$83,906)	\$266	(\$83,640)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Non-Operating Income	6,650	0	6,650
Depreciation Expense	10,578	0	10,578
Donated Commodities Used During the Year	19,598	0	19,598
Changes in Assets and Liabilities:			
Increase in Inventory	(3,065)	0	(3,065)
Decrease in Accounts Payable	(25)	0	(25)
Decrease in Accrued Wages and Benefits	(3,768)	0	(3,768)
Decrease in Intergovernmental Payables	(2,015)	(11)	(2,026)
Increase in Deferred Revenue	2,244	0	2,244
Decrease in Compensated Absences	(8,530)	0	(8,530)
Increase in Early Retirement Incentive Payable	<u>1,777</u>	<u>0</u>	<u>1,777</u>
Total Adjustments	<u>23,444</u>	<u>(11)</u>	<u>23,433</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$60,462)</u></u>	<u><u>\$255</u></u>	<u><u>(\$60,207)</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2000, the Food Service Fund received \$19,598 in donated commodities from the federal government.

The notes to the general purpose financial statements are an integral part of this statement.



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Heath City School District, Ohio (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 56 noncertified and approximately 110 certified teaching personnel and administrative employees providing education to 1,534 students.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the District's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. The District is a member of the Licking Area Computer Association (LACA), a jointly governed organization which provides computer services to school districts. The Licking County Joint Vocational School acts as fiscal agent for LACA. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

The following fund types and account groups are used by the District:

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's governmental fund types:

**General Fund** - This fund is the general operating fund of the district and is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund** - This fund is used for the accumulation of resources for the payment of general long-term debt principal and interest.

**Capital Projects Funds** - These 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).

***Proprietary Funds*** - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service Funds** - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

***Fiduciary Funds***

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains an expendable trust fund and an agency fund. The expendable trust fund is accounted for and reported similarly to a governmental fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and that of general government and between long-term liabilities related to specific funds and that of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the District except those accounted for in the proprietary funds.

**C. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes property taxes available for advance, tuition, grants and entitlements, student fees and interest on investments.

Current property taxes measurable at June 30, 2000, and which are not intended to finance fiscal 2000 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the object level within each department by fund. Budgetary modifications may only be made by resolution of the Board of Education.

**1. Tax Budget**

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

**2. Estimated Resources**

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2000.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund, department and object level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year with approval of the Board. During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The treasurer may allocate appropriations among objects within a department. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**6. 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 governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$376,883)	(\$23,898)	\$27,895	\$755,702
Increase (Decrease):				
Accrued Revenues at June 30, 2000, received during FY 2001	(341,740)	0	0	(51,801)
Accrued Revenues at June 30, 1999, received during FY 2000	928,310	0	27,500	9,000
Accrued Expenditures at June 30, 2000, paid during FY 2001	839,349	15,785	0	213,659
Accrued Expenditures at June 30, 1999, paid during FY 2000	(920,809)	(27,047)	0	(2,637)
FY 1999 Prepaids for FY 2000	3,422	0	0	0
FY 2000 Prepaids for FY 2001	(3,291)	0	0	0
Proceeds of Notes	0	0	0	16,250,000
Adjustment to Fair Value	0	0	0	(100,657)
Encumbrances Outstanding	(136,286)	(39,051)	0	(23,854)
Budget Basis	<u>(\$7,928)</u>	<u>(\$74,211)</u>	<u>\$55,395</u>	<u>\$17,049,412</u>

**E. Cash and Cash Equivalents**

During fiscal year 2000, cash and cash equivalents included amounts in demand deposits, short-term certificates of deposit with original maturities of three months or less, repurchase agreements and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost.

The District has invested funds in the STAR Ohio during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000. See Note 4, "Cash, Cash Equivalents and Investments."

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental and expendable trust funds when purchased and as expenses in the proprietary funds when used.

**H. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

**1. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. The District does not possess any infrastructure.

General fixed asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The District has elected not to record depreciation in the General Fixed Assets Account Group.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fixed Assets and Depreciation** (Continued)

2. Property, Plant and Equipment - Proprietary Fund

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost for assets not purchased in recent years), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Machinery, Equipment, Furniture and Fixtures	5-20

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	General Obligation Bond Retirement Fund
Long-Term Notes Payable	General Obligation Bond Retirement Fund
Compensated Absences	General Fund, Food Service Fund
Capital Leases Payable	General Fund
Intergovernmental Payable	General Fund
Early Retirement Incentive Payable	General Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 245 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 56.75 days for certified employees or 61 days for noncertified employees, plus one day for each year of service over ten years. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Interfund Transactions**

During the course of normal operations, the District has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as “Other Financing Sources and Uses” in the governmental funds, as “Operating Transfers In” by the recipient fund, and “Operating Transfers Out” by the disbursing fund.
- Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during the fiscal year.

Transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the District are similarly treated when involving other funds of the District.

**M. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for prepaid items, debt service, property taxes, statutory requirements, and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriations under state statute.

**N. Restricted Assets**

Restricted assets represent cash and cash equivalents set aside to establish reserves for textbooks, capital acquisition, and budget stabilization. This reserve is required by state statute.

**O. Estimates**

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

**P. Total Columns on Combined Financial Statements - Overview**

Total columns on the “Combined Financial Statements - Overview” are captioned “Memorandum Only” to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 - PRIOR PERIOD ADJUSTMENTS**

During the fiscal year ended June 30, 2000, the District completed a physical inventory and revaluation of all fixed assets. The inventory and revaluation resulted in the restatement of the retained earnings balance at June 30, 1999 of the Food Service Fund. The General Fixed Asset account group was also restated from the balance previously reported of \$6,123,061 to \$6,559,674, an increase of \$436,613.

The restatement resulted in adjustments to the June 30, 1999 account balance as follows:

<b>Enterprise Funds</b>	
Retained Earnings Balance 6/30/99 (as reported)	\$73,754
Fixed Asset Restatement	<u>52,795</u>
Fund Balance 6/30/99 (restated)	<u><u>\$126,549</u></u>

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

*Fund Deficits* - The fund deficits at June 30, 2000 of \$4,133 in the Title VI-B Fund and \$10,719 in the Title I Fund (special revenue) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures on the budgetary basis. A deficit does not exist under the cash basis of accounting.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. In addition, investments are separately held by a number of individual funds.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "near cash" status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, *“Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,”* collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions’ agent in the pool’s name are classified as Category 3. The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District’s name.
- Category 2 Collateralized with securities held by the pledging financial institution’s trust department or agent, in the District’s name.
- Category 3 Collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the District’s name.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Investments:*

- Category 1 Insured or registered, or securities held by the District or its agent in the District's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

**A. Deposits**

At year end the carrying amount of the District's deposits was \$49,284 and the bank balance was \$285,652. Federal Deposit Insurance Corporation (FDIC) insured \$103,300 of the bank balance; the remaining deposits are classified as Category 3.

**B. Investments**

The District's investments at June 30, 2000 were as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
<b>Categorized Investments</b>			
Repurchase Agreements	\$0	\$194,868	\$194,868
Federal Home Loan Mortgage Corporation	1,996,020	0	1,996,020
Federal National Mortgage Association	6,447,015	0	6,447,015
Federal Home Loan Bank	8,381,066	0	8,381,066
<b>Noncategorized Investments</b>			
STAR Ohio	N/A	N/A	1,727,503
Total Investments	<u>\$16,824,101</u>	<u>\$194,868</u>	<u>\$18,746,472</u>

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$3,964,375	\$14,831,381
Certificates of Deposit		
(with maturities of more than 3 months)	3,300	(3,300)
Government Agency Securities		
(with maturities of less than 3 months)	(1,996,020)	1,996,020
Repurchase Agreements	(194,868)	194,868
STAR Ohio	<u>(1,727,503)</u>	<u>1,727,503</u>
Per GASB Statement No. 3	<u>\$49,284</u>	<u>\$18,746,472</u>

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2000 were levied after October 1, 1999 on assessed values as of January 1, 1999, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Heath City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2000, upon which the 1999 levies were based, were as follows:

	<u>Assessed Values for Collection in:</u>	
	<u>1999 Second Half</u>	<u>2000 First Half</u>
Agricultural/Residential and Other Real Estate	\$145,418,700	\$169,063,570
Public Utility Personal	8,135,630	7,546,730
Tangible Personal Property	<u>42,289,650</u>	<u>44,507,210</u>
Total Assessed Value	<u>\$195,843,980</u>	<u>\$221,117,510</u>
Tax rate per \$1,000 of assessed valuation	\$43.10	\$43.10

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, interest and interfund loan receivables.

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of June 30, 2000, is as follows:

**A. Interfund Loans Receivable/Payable**

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$3,640	\$0
Special Revenue Funds:		
Title VI-B Fund	0	310
Title I Fund	0	3,050
Total Special Revenue Funds	<u>0</u>	<u>3,360</u>
Enterprise Fund:		
Uniform School Supply Fund	0	280
Totals	<u><u>\$3,640</u></u>	<u><u>\$3,640</u></u>

**B. Due to/from Other Funds**

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$5,300
Enterprise Fund:		
Food Service Fund	5,300	0
Totals	<u><u>\$5,300</u></u>	<u><u>\$5,300</u></u>

**NOTE 8 - FIXED ASSETS**

**A. General Fixed Assets**

Summary by category of changes in general fixed assets at June 30, 2000:

Class	Restated June 30, 1999	Additions	Deletions	June 30, 2000
Land and Improvements	\$1,021,125	\$0	\$0	\$1,021,125
Buildings and Improvements	3,225,198	0	0	3,225,198
Machinery and Equipment	1,848,558	98,338	0	1,946,896
Vehicles	464,793	0	0	464,793
Construction In Progress	0	132,099	0	132,099
Totals	<u><u>\$6,559,674</u></u>	<u><u>\$230,437</u></u>	<u><u>\$0</u></u>	<u><u>\$6,790,111</u></u>

**NOTE 8 - FIXED ASSETS (Continued)**

**B. Proprietary Fixed Assets**

Summary by Category at June 30, 2000:

Category	Historical Cost	Accumulated Depreciation	Book Value
Machinery and Equipment	\$270,665	(\$190,696)	\$79,969
Total Property, Plant and Equipment	<u>\$270,665</u>	<u>(\$190,696)</u>	<u>\$79,969</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. School Employees Retirement System of Ohio (SERS of Ohio)**

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614) 222-5853.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2000, 5.5% was allocated to fund the pension benefit and 8.5% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2000, 1999, and 1998 were \$162,348, \$148,938, and \$131,838, respectively, which were equal to the required contributions for each year.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)**

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 8.5%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2000, the minimum pay has been established as \$12,400. The amount contributed to fund health care benefits, including the surcharge amounted to \$119,343.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 51,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available) were \$126,380,984 and the target level was \$189.6 million. Net assets available for payment of benefits at June 30, 1999 was \$188.0 million.

**B. State Teachers Retirement System of Ohio (STRS of Ohio)**

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing multiple employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2000, 6% was allocated to fund the pension benefit and 8% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2000, 1999, and 1998 were \$620,724, \$553,740, and \$518,136, respectively, which were equal to the required contributions for each year.



**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)**

STRS provides postemployment health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions, equal to 2% of covered payroll, to a Health Care Reserve Fund. However, for the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund, which amounted to \$354,699 for the District. The balance of the Health Care Reserve Fund was \$2.783 billion at June 30, 1999 (the latest information available). For the fiscal year ended June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

**NOTE 10 - COMPENSATED ABSENCES**

The District provides a liability for accumulated unpaid sick leave and vacation time benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At June 30, 2000, the total accumulated unpaid sick and vacation time recorded in the General Long-Term Obligations Account Group was:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Total</u>
Liability	\$763,817	\$22,398	\$786,215

The portion attributable to the enterprise funds has been recorded within the respective fund and is not included in the figures presented above.

**NOTE 11 - NOTE PAYABLE**

Note Payable activity of the District for the year ended June 30, 2000, was as follows:

<u>Note Payable</u>	<u>Balance</u>		<u>Balance</u>	
	<u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2000</u>
Bond Anticipation Note 4.99%	\$0	\$16,250,000	\$0	\$16,250,000
	<u>\$0</u>	<u>\$16,250,000</u>	<u>\$0</u>	<u>\$16,250,000</u>

**NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Detail of the changes in the notes, bonds, intergovernmental payable, capital lease payable and compensated absences of the District for the year ended June 30, 2000 is as follows:

		Balance June 30, 1999	Issued (Retired)	Balance June 30, 2000
<b>General Long-Term Debt:</b>				
(Long-Term Notes Payable)				
Energy Conservation Project	6.05%	\$105,000	(\$35,000)	\$70,000
Permanent Improvement	4.00%	800,000	(100,000)	700,000
Energy Conservation Project	4.50%	400,000	(25,000)	375,000
Total Long-Term Notes Payable		<u>1,305,000</u>	<u>(160,000)</u>	<u>1,145,000</u>
(General Obligation Bonds Payable)				
School Improvement Bonds	6.38%	0	993,350	993,350
School Bus Bonds	5.5-6.1%	0	175,000	175,000
Total General Obligation Bonds Payable		<u>0</u>	<u>1,168,350</u>	<u>1,168,350</u>
Total General Long-Term Debt		<u>1,305,000</u>	<u>1,008,350</u>	<u>2,313,350</u>
<b>Other General Long-Term Obligations:</b>				
Intergovernmental Payable		56,536	2,578	59,114
Capital Leases		64,087	(15,094)	48,993
Compensated Absences		803,902	(17,687)	786,215
Early Retirement Incentive Payable		0	29,383	29,383
Total Other General Long-Term Obligations		<u>924,525</u>	<u>(820)</u>	<u>923,705</u>
Total General Long-Term Debt and Other General Long-Term Obligations		<u>\$2,229,525</u>	<u>\$1,007,530</u>	<u>\$3,237,055</u>

**A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2000, follows:

Years	Long-Term Notes Payable		General Obligation Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$180,000	\$51,188	\$15,000	\$77,451	\$16,471	\$3,641
2002	185,000	42,408	18,350	72,532	17,974	2,138
2003	150,000	33,402	50,000	71,418	14,548	536
2004	155,000	26,258	55,000	68,534	0	0
2005	155,000	18,904	55,000	65,366	0	0
2006-2028	320,000	15,220	975,000	1,185,909	0	0
Totals	<u>\$1,145,000</u>	<u>\$187,380</u>	<u>\$1,168,350</u>	<u>\$1,541,210</u>	<u>\$48,993</u>	<u>\$6,315</u>

**NOTE 13 - CAPITALIZED LEASES**

The District leases several copiers under capital leases. The cost of the equipment obtained under capital leases is \$81,194, which is included in the General Fixed Assets Account Group and the related liability is included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2000:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2001	\$20,112
2002	20,112
2003	<u>15,084</u>
Minimum Lease Payments	55,308
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(6,315)</u>
Present Value of minimum lease payments	<u><u>\$48,993</u></u>

**NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains two Enterprise Funds to account for the operation of Food Services and Uniform School Supply Sales. The key financial information for the year ended June 30, 2000 for these enterprise activities is as follows:

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating Revenues	\$250,489	\$68,621	\$319,110
Depreciation Expense	10,578	0	10,578
Operating Income (Loss)	(100,662)	16,756	(83,906)
Net Income (Loss)	(6,849)	16,756	9,907
Operating Grants	63,565	0	63,565
Federal Donated Commodities	19,598	0	19,598
Total Assets	163,046	40,060	203,106
Net Working Capital	42,429	39,729	82,158
Total Equity	119,846	39,729	159,575

**NOTE 15 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2000 the District contracted with several different insurance providers for various insurance coverages, as follows:

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Deductible</u>
Nationwide Insurance Company	Automobile	\$1,000
Indiana Insurance Company	Property, General Liability	\$500
Nationwide Insurance Company	Blanket Bond	\$0

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State, based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

In September 1998, the District changed their health care insurance program by contracting with Medical Mutual, Inc. for commercial health care coverage. Until that time, the District provided group health, dental and vision benefits to employees and their eligible dependents through a self-insured program. Premiums were paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) were available to pay claims and administrative costs. The plan was administered by a third party administrator, Medical Benefits, Inc., which monitors all claim payments. Excess loss coverage, became effective after \$30,000 per year per specific claim.

As a result of the termination of the self-insurance program, there is no claims liability reported in the fund at June 30, 1999 and June 30, 2000. Claims liability from previous years were based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 15 - RISK MANAGEMENT (Continued)**

Changes in the fund's claims liability amount in 1999 and 2000 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
1999	\$134,866	\$28,917	(\$163,783)	\$0
2000	0	0	0	0

**NOTE 16 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Acquisition Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-aside Cash Balance as of June 30, 1999	\$103,210	\$0	\$104,424	\$207,634
Current Year Set-Aside Requirement	195,000	195,000	65,000	455,000
Qualifying Disbursements	<u>(197,701)</u>	<u>(133,088)</u>	<u>0</u>	<u>(330,789)</u>
Total	<u>\$100,509</u>	<u>\$61,912</u>	<u>\$169,424</u>	<u>\$331,845</u>
Cash Balance Carried Forward to FY 2001	<u>\$100,509</u>	<u>\$61,912</u>	<u>\$169,424</u>	<u>\$331,845</u>
Amount Restricted for Textbooks				\$100,509
Amount Restricted for Capital Acquisition				61,912
Amount Restricted for Budget Stabilization				<u>169,424</u>
Total Restricted Assets				<u>\$331,845</u>

**NOTE 17 - CONTRIBUTED CAPITAL**

There were no changes to contributed capital during the year. Contributed capital balance as of year end was as follows:

	Food Service Fund
Contributed Capital at June 30, 2000	<u>\$23,119</u>

**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

*Licking Area Computer Association* - The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The District paid LACA \$30,704 for services provided during the year. Financial information can be obtained from their fiscal agent, the Licking County Joint Vocational School, Shirley Dupps, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

**NOTE 19 – SUBSEQUENT EVENT**

In August of 2000, the District issued \$16,248,718 of general obligation bonds to provide funds for the construction, improvements, renovations and additions to school facilities.

**NOTE 20 – CONTINGENCIES**

**A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement 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, 2000.

**B. Litigation**

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2000.

**NOTE 20 – CONTINGENCIES (Continued)**

**C. State School Funding**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,843,466 of school foundation support for its general fund. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the State's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continue the case at least until June 15, 2001. As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE GENERAL FUND, SPECIAL REVENUE FUNDS, CAPITAL PROJECTS  
FUNDS, ENTERPRISE FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY  
FUNDS AND THE GENERAL FIXED ASSET ACCOUNT GROUP.*





**Heath City School District**

## ***GENERAL FUND***

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The General Fund is used to account for ordinary operations not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Local Sources:			
Taxes	\$5,986,975	\$5,986,970	(\$5)
Tuition	61,135	61,129	(6)
Investment Earnings	80,010	80,009	(1)
Intergovernmental - State	2,369,949	2,369,912	(37)
All Other Revenues	60,656	60,124	(532)
Total Revenues	8,558,725	8,558,144	(581)
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,014,627	3,012,794	1,833
Fringe Benefits	950,728	944,062	6,666
Purchased Services	67,347	65,170	2,177
Supplies and Materials	348,078	332,531	15,547
Other Expenditures	300	194	106
Capital Outlay	2,370	1,975	395
Total Regular	4,383,450	4,356,726	26,724
Special:			
Salaries and Wages	367,902	356,506	11,396
Fringe Benefits	115,810	112,942	2,868
Purchased Services	185	181	4
Supplies and Materials	2,232	223	2,009
Total Special	486,129	469,852	16,277
Vocational:			
Salaries and Wages	110,984	110,815	169
Fringe Benefits	27,204	24,777	2,427
Supplies and Materials	100	0	100
Total Vocational	138,288	135,592	2,696
Other:			
Purchased Services	115,951	115,615	336
Other Expenditures	22,015	22,007	8
Total Other	137,966	137,622	344
Total Instructional Services	5,145,833	5,099,792	46,041

(Continued)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	320,933	318,477	2,456
Fringe Benefits	87,702	85,643	2,059
Purchased Services	16,831	15,939	892
Supplies and Materials	29,975	23,802	6,173
Other Expenditures	1,000	174	826
Total Pupils	456,441	444,035	12,406
Instructional Staff:			
Salaries and Wages	192,303	191,084	1,219
Fringe Benefits	107,603	104,920	2,683
Purchased Services	1,020	1,018	2
Supplies and Materials	9,639	9,469	170
Other Expenditures	103	103	0
Total Instructional Staff	310,668	306,594	4,074
Board of Education:			
Salaries and Wages	2,300	2,100	200
Fringe Benefits	4,590	3,599	991
Purchased Services	1,630	1,275	355
Supplies and Materials	1,100	824	276
Other Expenditures	5,040	4,891	149
Total Board of Education	14,660	12,689	1,971
Administration:			
Salaries and Wages	624,299	616,744	7,555
Fringe Benefits	194,466	192,177	2,289
Purchased Services	79,668	77,078	2,590
Supplies and Materials	12,383	11,154	1,229
Other Expenditures	3,425	2,407	1,018
Capital Outlay	4,485	3,247	1,238
Total Administration	918,726	902,807	15,919
Fiscal Services:			
Salaries and Wages	120,681	120,064	617
Fringe Benefits	55,164	54,451	713
Purchased Services	13,498	12,314	1,184
Supplies and Materials	5,432	4,812	620
Other Expenditures	189,050	188,124	926
Capital Outlay	1,500	1,394	106
Total Fiscal Services	385,325	381,159	4,166

(Continued)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Business:			
Fringe Benefits	700	46	654
Purchased Services	31,352	30,388	964
Other Expenditures	1,000	618	382
Total Business	33,052	31,052	2,000
Operation and Maintenance of Plant:			
Salaries and Wages	292,760	291,741	1,019
Fringe Benefits	117,111	116,355	756
Purchased Services	370,398	355,338	15,060
Supplies and Materials	66,166	57,230	8,936
Other Expenditures	600	532	68
Capital Outlay	1,400	820	580
Total Operation and Maintenance of Plant	848,435	822,016	26,419
Pupil Transportation:			
Salaries and Wages	160,231	158,704	1,527
Fringe Benefits	89,653	88,175	1,478
Purchased Services	9,097	7,063	2,034
Supplies and Materials	28,598	24,427	4,171
Other Expenditures	2,115	1,957	158
Capital Outlay	300	0	300
Total Pupil Transportation	289,994	280,326	9,668
Central:			
Salaries and Wages	49,595	49,577	18
Fringe Benefits	7,790	7,690	100
Purchased Services	46,958	33,742	13,216
Supplies and Materials	750	575	175
Other Expenditures	6,250	5,697	553
Total Central	111,343	97,281	14,062
Total Support Services	3,368,644	3,277,959	90,685
Extracurricular Activities:			
Academic and Subject Oriented:			
Salaries and Wages	22,770	21,485	1,285
Fringe Benefits	550	244	306
Capital Outlay	20,823	20,821	2
Total Academic and Subject Oriented	44,143	42,550	1,593

(Continued)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Occupation Oriented:			
Salaries and Wages	1,838	1,825	13
Total Occupation Oriented	1,838	1,825	13
Sports Oriented:			
Salaries and Wages	127,099	126,682	417
Fringe Benefits	18,190	17,670	520
Total Sports Oriented	145,289	144,352	937
School and Public Service Co-Curricular:			
Salaries and Wages	11,664	11,363	301
Fringe Benefits	155	155	0
Total School and Public Service Co-Curricular	11,819	11,518	301
Total Extracurricular Activities	203,089	200,245	2,844
Other Expenditures:			
Salaries and Wages	2,300	1,839	461
Purchased Services	250	178	72
Other Expenditures	57,883	57,883	0
Total Other Expenditures	60,433	59,900	533
Capital Outlay	163,849	109,346	54,503
Total Expenditures	8,941,848	8,747,242	194,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	(383,123)	(189,098)	194,025
<u>Other Financing Sources (Uses):</u>			
Proceeds of General Obligation Bonds	175,000	175,000	0
Advances In	34,810	34,810	0
Advances Out	(35,000)	(28,640)	6,360
Total Other Financing Sources (Uses):	174,810	181,170	6,360
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(208,313)	(7,928)	200,385
Fund Balance at Beginning of Year	719,959	719,959	0
Prior Year Encumbrances	195,894	195,894	0
Fund Balance at End of Year	<u>\$707,540</u>	<u>\$907,925</u>	<u>\$200,385</u>

## ***SPECIAL REVENUE FUNDS***

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

### **Public School Support Fund**

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions.

### **Other Grants Fund**

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

### **District Managed Student Activity Fund**

To account for student activity programs which have student participation in the activity without involvement in the management of the program. Typically this includes athletic programs, band, cheerleaders and other similar activities.

### **Auxiliary Services Fund**

To account for monies which provide services and materials to pupils attending non-public schools within the school district.

### **Career Development Fund**

To account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education, and Division of Vocational Education.

### **Teacher Development Fund**

To account for monies which provide locally developed teacher training and professional development and establishment of local professional development committees.

### **Management Information System Fund**

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system.

### **Data Communication Fund**

To account for money appropriated for Ohio Educational Computer Network Connections.

(Continued)

**Textbook/Instructional Materials Subsidy Fund**

To account for monies received to provide textbooks for elementary and secondary schools.

**OhioReads Fund**

To account for grant monies to be used for improving reading outcomes, especially on the fourth grade reading proficiency test and for operating expenditures associated with administering the program. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Miscellaneous State Grants Fund**

To account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

**Title VI-B Fund**

To account for monies received through grants to assist in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

**Vocational Education Fund**

To account for grant monies to be used for the development of vocational education programs.

**Title I Fund**

To account for financial assistance received from federal program to meet the special needs of educationally deprived children.

**Title VI Fund**

To account for various grant programs to be used in accordance with educational needs.

**Drug Free Grant Fund**

To account for grant funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

**Telecommunications Fund**

To account for a Federal grant to be used for telecommunications services.

**Other Federal Grants Fund**

To account for various monies received through state agencies from the federal government which are not classified elsewhere.



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2000**

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services	Career Development
<u>Assets:</u>					
Cash and Cash Equivalents	\$21,737	\$5,867	\$24,132	\$11,572	\$1,352
Total Assets	<u>\$21,737</u>	<u>\$5,867</u>	<u>\$24,132</u>	<u>\$11,572</u>	<u>\$1,352</u>
<u>Liabilities and Fund Equity:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$356	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Loan Payables	0	0	0	0	0
Intergovernmental Payables	0	0	0	0	0
Total Liabilities	<u>356</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Equity:</u>					
Reserved for Encumbrances	7,836	2,700	22,374	5,644	0
Unreserved	13,545	3,167	1,758	5,928	1,352
Total Fund Equity	<u>21,381</u>	<u>5,867</u>	<u>24,132</u>	<u>11,572</u>	<u>1,352</u>
Total Liabilities and Fund Equity	<u>\$21,737</u>	<u>\$5,867</u>	<u>\$24,132</u>	<u>\$11,572</u>	<u>\$1,352</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2000**

Teacher Development	Management Information System	Data Communication	Textbook/ Instructional Materials Subsidy	Misellaneous State Grants	Title VI-B	Vocational Education	Title I
\$6,864	\$21,721	\$1,096	\$5,679	\$1,170	\$1	\$41	\$4
<u>\$6,864</u>	<u>\$21,721</u>	<u>\$1,096</u>	<u>\$5,679</u>	<u>\$1,170</u>	<u>\$1</u>	<u>\$41</u>	<u>\$4</u>
\$0	\$0	\$0	\$572	\$0	\$0	\$0	\$0
0	0	0	0	0	3,769	0	7,673
0	0	0	0	0	310	0	3,050
0	0	0	0	0	55	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>572</u>	<u>0</u>	<u>4,134</u>	<u>0</u>	<u>10,723</u>
0	0	0	0	0	0	0	0
6,864	21,721	1,096	5,107	1,170	(4,133)	41	(10,719)
<u>6,864</u>	<u>21,721</u>	<u>1,096</u>	<u>5,107</u>	<u>1,170</u>	<u>(4,133)</u>	<u>41</u>	<u>(10,719)</u>
<u>\$6,864</u>	<u>\$21,721</u>	<u>\$1,096</u>	<u>\$5,679</u>	<u>\$1,170</u>	<u>\$1</u>	<u>\$41</u>	<u>\$4</u>

(Continued)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2000**

	Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$5,635	\$4,218	\$9,987	\$4,497	\$125,573
Total Assets	<u>\$5,635</u>	<u>\$4,218</u>	<u>\$9,987</u>	<u>\$4,497</u>	<u>\$125,573</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$0	\$928
Accrued Wages and Benefits	0	0	0	0	11,442
Interfund Loan Payables	0	0	0	0	3,360
Intergovernmental Payables	0	0	0	0	55
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,785</u>
Fund Equity:					
Reserved for Encumbrances	0	0	0	0	38,554
Unreserved	5,635	4,218	9,987	4,497	71,234
Total Fund Equity	<u>5,635</u>	<u>4,218</u>	<u>9,987</u>	<u>4,497</u>	<u>109,788</u>
Total Liabilities and Fund Equity	<u>\$5,635</u>	<u>\$4,218</u>	<u>\$9,987</u>	<u>\$4,497</u>	<u>\$125,573</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services	Career Development	Teacher Development
<b>Revenues:</b>						
Local Sources:						
Investment Earnings	\$0	\$0	\$682	\$0	\$0	\$0
Extracurricular Activities	0	0	54,117	0	0	0
Intergovernmental - State	0	0	0	41,402	800	12,471
Intergovernmental - Federal	0	0	0	0	0	0
All Other Revenues	63,908	4,000	15,533	0	0	0
Total Revenues	<u>63,908</u>	<u>4,000</u>	<u>70,332</u>	<u>41,402</u>	<u>800</u>	<u>12,471</u>
<b>Expenditures:</b>						
Current:						
Instructional Services	0	3,607	0	0	0	6,691
Support Services:						
Pupils	55,424	0	0	0	965	0
Instructional Staff	4,992	227	0	0	0	0
Administration	0	0	0	0	0	415
Fiscal Services	0	0	0	1,656	0	0
Business	0	0	0	0	0	0
Central	0	0	0	0	0	0
Community Services	0	0	0	50,165	0	0
Extracurricular Activities	0	0	43,972	0	0	0
Total Expenditures	<u>60,416</u>	<u>3,834</u>	<u>43,972</u>	<u>51,821</u>	<u>965</u>	<u>7,106</u>
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	3,492	166	26,360	(10,419)	(165)	5,365
Fund Balance (Deficit) at Beginning of Year	17,889	5,701	(2,228)	21,991	1,517	1,499
Fund Balance (Deficit) at End of Year	<u>\$21,381</u>	<u>\$5,867</u>	<u>\$24,132</u>	<u>\$11,572</u>	<u>\$1,352</u>	<u>\$6,864</u>

(Continued)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Management Information System	Data Communication	Textbook/ Instructional Materials Subsidy	OhioReads	Miscellaneous State Grants	Title VI-B
<b>Revenues:</b>						
Local Sources:						
Investment Earnings	\$0	\$0	\$0	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0	0	0
Intergovernmental - State	5,000	0	0	2,000	0	0
Intergovernmental - Federal	0	0	0	0	0	19,870
All Other Revenues	0	0	0	0	0	0
Total Revenues	5,000	0	0	2,000	0	19,870
<b>Expenditures:</b>						
Current:						
Instructional Services	0	0	14,648	0	0	0
Support Services:						
Pupils	0	0	495	0	0	5,351
Instructional Staff	0	0	7,530	2,000	0	21,683
Administration	0	0	0	0	0	0
Fiscal Services	0	0	0	0	0	0
Business	1,509	0	0	0	0	0
Central	0	17,495	0	0	0	0
Community Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Total Expenditures	1,509	17,495	22,673	2,000	0	27,034
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	3,491	(17,495)	(22,673)	0	0	(7,164)
Fund Balance (Deficit) at Beginning of Year	18,230	18,591	27,780	0	1,170	3,031
Fund Balance (Deficit) at End of Year	\$21,721	\$1,096	\$5,107	\$0	\$1,170	(\$4,133)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

Vocational Education	Title I	Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$682
0	0	0	0	0	0	54,117
0	0	0	0	0	0	61,673
443	39,209	8,101	8,156	0	4,497	80,276
0	0	0	0	6,048	0	89,489
<u>443</u>	<u>39,209</u>	<u>8,101</u>	<u>8,156</u>	<u>6,048</u>	<u>4,497</u>	<u>286,237</u>
402	49,939	2,466	0	0	1,000	78,753
0	0	0	7,345	0	0	69,580
0	0	5,561	0	0	4,000	45,993
0	0	0	0	0	0	415
0	0	0	0	0	0	1,656
0	0	0	0	0	0	1,509
0	0	0	0	0	0	17,495
0	0	247	350	0	0	50,762
0	0	0	0	0	0	43,972
<u>402</u>	<u>49,939</u>	<u>8,274</u>	<u>7,695</u>	<u>0</u>	<u>5,000</u>	<u>310,135</u>
41	(10,730)	(173)	461	6,048	(503)	(23,898)
0	11	5,808	3,757	3,939	5,000	133,686
<u>\$41</u>	<u>(\$10,719)</u>	<u>\$5,635</u>	<u>\$4,218</u>	<u>\$9,987</u>	<u>\$4,497</u>	<u>\$109,788</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**PUBLIC SCHOOL SUPPORT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$63,921	\$63,908	(\$13)
Total Revenues	63,921	63,908	(13)
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	71,369	63,556	7,813
Instructional Staff:			
Purchased Services	7,225	4,992	2,233
Total Expenditures	78,594	68,548	10,046
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(14,673)	(4,640)	10,033
Fund Balance at Beginning of Year			
	16,494	16,494	0
Prior Year Encumbrances			
	1,550	1,550	0
Fund Balance at End of Year			
	\$3,371	\$13,404	\$10,033

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**OTHER GRANTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$4,000	\$4,000	\$0
Total Revenues	4,000	4,000	0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	221	220	1
Supplies and Materials	8,000	6,087	1,913
Total Instructional Services	8,221	6,307	1,914
Support Services:			
Instructional Staff:			
Purchased Services	227	227	0
Total Expenditures	8,448	6,534	1,914
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(4,448)	(2,534)	1,914
Fund Balance at Beginning of Year	5,480	5,480	0
Prior Year Encumbrances	221	221	0
Fund Balance at End of Year	\$1,253	\$3,167	\$1,914



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**DISTRICT MANAGED STUDENT ACTIVITY FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$685	\$682	(\$3)
Extracurricular Activities	54,125	54,117	(8)
All Other Revenues	15,535	15,533	(2)
Total Revenues	70,345	70,332	(13)
 <u>Expenditures:</u>			
Extracurricular Activities:			
Sports Oriented:			
Salaries and Wages	10,880	10,880	0
Purchased Services	26,200	26,151	49
Supplies and Materials	16,494	16,490	4
Other Expenditures	6,910	6,909	1
Capital Outlay	7,714	6,206	1,508
Total Expenditures	68,198	66,636	1,562
 Excess (Deficiency) of Revenues Over (Under) Expenditures			
	2,147	3,696	1,549
 <u>Other Financing Sources (Uses):</u>			
Advances Out	(9,000)	(9,000)	0
Total Other Financing Sources (Uses):	(9,000)	(9,000)	0
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	(6,853)	(5,304)	1,549
 Fund Balance at Beginning of Year			
	691	691	0
Prior Year Encumbrances	6,371	6,371	0
Fund Balance at End of Year	\$209	\$1,758	\$1,549

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**AUXILIARY SERVICES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$41,402	\$41,402	\$0
Total Revenues	41,402	41,402	0
<u>Expenditures:</u>			
Support Services:			
Fiscal Services:			
Other Expenditures	1,656	1,656	0
Community Services:			
Supplies and Materials	27,652	21,884	5,768
Other Expenditures	20,533	20,533	0
Capital Outlay	13,714	13,454	260
Total Community Services	61,899	55,871	6,028
Total Expenditures	63,555	57,527	6,028
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(22,153)	(16,125)	6,028
Fund Balance at Beginning of Year	21,479	21,479	0
Prior Year Encumbrances	574	574	0
Fund Balance at End of Year	(\$100)	\$5,928	\$6,028

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**CAREER DEVELOPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$800	\$800	\$0
Total Revenues	<u>800</u>	<u>800</u>	<u>0</u>
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	2,317	965	1,352
Total Expenditures	<u>2,317</u>	<u>965</u>	<u>1,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,517)	(165)	1,352
Fund Balance at Beginning of Year	1,301	1,301	0
Prior Year Encumbrances	<u>216</u>	<u>216</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,352</u></u>	<u><u>\$1,352</u></u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TEACHER DEVELOPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$12,471	\$12,471	\$0
Total Revenues	12,471	12,471	0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	9,339	6,691	2,648
Support Services:			
Administration:			
Purchased Services	600	415	185
Business:			
Purchased Services	25	0	25
Total Expenditures	9,964	7,106	2,858
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	2,507	5,365	2,858
Fund Balance at Beginning of Year	1,388	1,388	0
Prior Year Encumbrances	111	111	0
Fund Balance at End of Year	\$4,006	\$6,864	\$2,858

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**MANAGEMENT INFORMATION SYSTEM FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
<u>Expenditures:</u>			
Support Services:			
Business:			
Purchased Services	25	0	25
Capital Outlay	1,510	1,509	1
Total Expenditures	1,535	1,509	26
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,465	3,491	26
Fund Balance at Beginning of Year	18,230	18,230	0
Fund Balance at End of Year	\$21,695	\$21,721	\$26

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**DATA COMMUNICATION FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Support Services:			
Central:			
Capital Outlay	18,591	17,495	1,096
Total Expenditures	18,591	17,495	1,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,591)	(17,495)	1,096
Fund Balance at Beginning of Year	1,661	1,661	0
Prior Year Encumbrances	16,930	16,930	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,096</u>	<u>\$1,096</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TEXTBOOK/INSTRUCTIONAL MATERIALS SUBSIDY FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	17,991	15,816	2,175
Special:			
Supplies and Materials	5,370	3,823	1,547
Total Instructional Services	<u>23,361</u>	<u>19,639</u>	<u>3,722</u>
Support Services:			
Pupils:			
Supplies and Materials	1,210	495	715
Instructional Staff:			
Supplies and Materials	8,200	6,958	1,242
Total Expenditures	<u>32,771</u>	<u>27,092</u>	<u>5,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,771)	(27,092)	5,679
Fund Balance at Beginning of Year	<u>32,771</u>	<u>32,771</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$5,679</u></u>	<u><u>\$5,679</u></u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**OHIOREADS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$2,000	\$2,000	\$0
Total Revenues	2,000	2,000	0
<u>Expenditures:</u>			
Support Services:			
Instructional Staff:			
Salaries and Wages	2,000	2,000	0
Total Expenditures	2,000	2,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**MISCELLANEOUS STATE GRANTS FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>1,170</u>	<u>1,170</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,170</u></u>	<u><u>\$1,170</u></u>	<u><u>\$0</u></u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TITLE VI-B FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$66,232	\$19,870	(\$46,362)
Total Revenues	66,232	19,870	(46,362)
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Purchased Services	8,500	5,617	2,883
Supplies and Materials	6,483	1,483	5,000
Total Pupils	14,983	7,100	7,883
Instructional Staff:			
Salaries and Wages	26,889	21,157	5,732
Fringe Benefits	15,408	0	15,408
Purchased Services	17,327	297	17,030
Total Instructional Staff	59,624	21,454	38,170
Total Expenditures	74,607	28,554	46,053
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,375)	(8,684)	(309)
<u>Other Financing Sources (Uses):</u>			
Advances In	310	310	0
Total Other Financing Sources (Uses):	310	310	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,065)	(8,374)	(309)
Fund Balance at Beginning of Year	7,725	7,725	0
Prior Year Encumbrances	650	650	0
Fund Balance at End of Year	\$310	\$1	(\$309)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**VOCATIONAL EDUCATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$450	\$443	(\$7)
Total Revenues	450	443	(7)
 <u>Expenditures:</u>			
Instructional Services:			
Vocational:			
Purchased Services	405	402	3
Total Expenditures	405	402	3
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	45	41	(4)
 Fund Balance at Beginning of Year			
	0	0	0
Fund Balance at End of Year	\$45	\$41	(\$4)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TITLE I FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$53,784	\$39,209	(\$14,575)
Total Revenues	53,784	39,209	(14,575)
<u>Expenditures:</u>			
Instructional Services:			
Special:			
Salaries and Wages	57,088	49,471	7,617
Fringe Benefits	3,912	0	3,912
Total Instructional Services	61,000	49,471	11,529
Total Expenditures	61,000	49,471	11,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,216)	(10,262)	(3,046)
<u>Other Financing Sources (Uses):</u>			
Advances In	3,050	3,050	0
Total Other Financing Sources (Uses):	3,050	3,050	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,166)	(7,212)	(3,046)
Fund Balance at Beginning of Year	7,216	7,216	0
Fund Balance at End of Year	\$3,050	\$4	(\$3,046)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TITLE VI FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$8,101	\$8,101	\$0
Total Revenues	8,101	8,101	0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,000	0	3,000
Supplies and Materials	4,689	2,466	2,223
Total Instructional Services	7,689	2,466	5,223
Support Services:			
Instructional Staff:			
Supplies and Materials	5,561	5,561	0
Community Services:			
Supplies and Materials	659	247	412
Total Expenditures	13,909	8,274	5,635
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,808)	(173)	5,635
Fund Balance at Beginning of Year	5,808	5,808	0
Fund Balance at End of Year	\$0	\$5,635	\$5,635

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**DRUG FREE GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$8,156	\$8,156	\$0
Total Revenues	8,156	8,156	0
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Salaries and Wages	800	400	400
Purchased Services	3,417	3,338	79
Supplies and Materials	6,935	3,607	3,328
Total Pupils	11,152	7,345	3,807
Community Services:			
Purchased Services	761	350	411
Total Community Services	761	350	411
Total Expenditures	11,913	7,695	4,218
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,757)	461	4,218
Fund Balance at Beginning of Year	3,757	3,757	0
Fund Balance at End of Year	\$0	\$4,218	\$4,218

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**TELECOMMUNICATIONS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$6,050	\$6,048	(\$2)
Total Revenues	6,050	6,048	(2)
 <u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,050	6,048	(2)
Fund Balance at Beginning of Year	3,939	3,939	0
Fund Balance at End of Year	\$9,989	\$9,987	(\$2)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**OTHER FEDERAL GRANTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$4,497	\$4,497	\$0
Total Revenues	4,497	4,497	0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	1,000	1,000	0
Support Services:			
Instructional Staff:			
Purchased Services	4,000	4,000	0
Total Expenditures	5,000	5,000	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(503)	(503)	0
Fund Balance at Beginning of Year	5,000	5,000	0
Fund Balance at End of Year	\$4,497	\$4,497	\$0



## ***CAPITAL PROJECTS FUNDS***

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

### **Permanent Improvement Fund**

To account for the acquisition, construction and improvement of such permanent improvements as authorized by Chapter 5705 of the Ohio Revised Code.

### **Building Fund**

To account for the acquisition, construction and improvement of capital facilities as authorized by Chapter 5705 of the Ohio Revised Code.

### **Vocational Education Equipment Fund**

To account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills.

### **SchoolNet Plus Fund**

To account for monies received from state grant to provide computer workstations for all classrooms, grades K-4.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2000**

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$164,587	\$2,376,252	\$598	\$95	\$2,541,532
Investments	0	14,828,081	0	0	14,828,081
Receivables (net of allowance for doubtful accounts):					
Taxes	215,748	0	0	0	215,748
Interest	0	81,581	0	0	81,581
Total Assets	<u>\$380,335</u>	<u>\$17,285,914</u>	<u>\$598</u>	<u>\$95</u>	<u>\$17,666,942</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$2,257	\$82,551	\$0	\$0	\$84,808
Accrued Interest Payable	0	128,851	0	0	128,851
Deferred Revenue - Taxes	213,848	0	0	0	213,848
Deferred Revenue	0	31,680	0	0	31,680
General Obligation Notes Payable	0	16,250,000	0	0	16,250,000
Total Liabilities	<u>216,105</u>	<u>16,493,082</u>	<u>0</u>	<u>0</u>	<u>16,709,187</u>
Fund Equity:					
Reserved for Encumbrances	21,809	0	0	0	21,809
Reserved for Property Taxes	1,000	0	0	0	1,000
Unreserved	141,421	792,832	598	95	934,946
Total Fund Equity	<u>164,230</u>	<u>792,832</u>	<u>598</u>	<u>95</u>	<u>957,755</u>
Total Liabilities and Fund Equity	<u>\$380,335</u>	<u>\$17,285,914</u>	<u>\$598</u>	<u>\$95</u>	<u>\$17,666,942</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Totals
<u>Revenues:</u>					
Local Sources:					
Taxes	\$41,388	\$0	\$0	\$0	\$41,388
Investment Earnings	27,425	60,432	0	0	87,857
Intergovernmental - State	18,343	0	0	0	18,343
All Other Revenues	80	0	0	0	80
Total Revenues	<u>87,236</u>	<u>60,432</u>	<u>0</u>	<u>0</u>	<u>147,668</u>
<u>Expenditures:</u>					
Instructional Services	92,838	0	0	0	92,838
Support Services:					
Pupils	6,939	0	0	0	6,939
Fiscal Services	5,279	0	0	0	5,279
Operations and Maintenance of Plant	19,310	0	0	0	19,310
Capital Outlay	0	132,099	0	0	132,099
Debt Service:					
Interest and Fiscal Charges	0	128,851	0	0	128,851
Total Expenditures	<u>124,366</u>	<u>260,950</u>	<u>0</u>	<u>0</u>	<u>385,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,130)	(200,518)	0	0	(237,648)
<u>Other Financing Sources (Uses):</u>					
Proceeds of General Obligation Bonds	0	993,350	0	0	993,350
Total Other Financing Sources (Uses)	<u>0</u>	<u>993,350</u>	<u>0</u>	<u>0</u>	<u>993,350</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(37,130)	792,832	0	0	755,702
Fund Balance at Beginning of Year	<u>201,360</u>	<u>0</u>	<u>598</u>	<u>95</u>	<u>202,053</u>
Fund Balance at End of Year	<u>\$164,230</u>	<u>\$792,832</u>	<u>\$598</u>	<u>\$95</u>	<u>\$957,755</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**PERMANENT IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$48,510	\$48,488	(\$22)
Investment Earnings	27,430	27,425	(5)
Intergovernmental - State	18,345	18,343	(2)
All Other Revenues	80	80	0
Total Revenues	94,365	94,336	(29)
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	3,500	579	2,921
Supplies and Materials	56,444	26,788	29,656
Capital Outlay	158,684	85,705	72,979
Total Instructional Services	218,628	113,072	105,556
Support Services:			
Pupils:			
Purchased Services	8,405	6,939	1,466
Support Services:			
Fiscal Services:			
Other Expenditures	5,300	5,279	21
Operation and Maintenance of Plant Services:			
Purchased Services	18,750	12,915	5,835
Capital Outlay	20,000	10,395	9,605
Total Operation and Maintenance of Plant Services	38,750	23,310	15,440
Total Expenditures	271,083	148,600	122,483
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(176,718)	(54,264)	122,454
Fund Balance at Beginning of Year	189,016	189,016	0
Prior Year Encumbrances	5,981	5,981	0
Fund Balance at End of Year	\$18,279	\$140,733	\$122,454

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**BUILDING FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$0	(\$90,126)	(\$90,126)
Total Revenues	0	(90,126)	(90,126)
<u>Expenditures:</u>			
Capital Outlay	49,548	49,548	0
Total Expenditures	49,548	49,548	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,548)	(139,674)	(90,126)
<u>Other Financing Sources (Uses):</u>			
Proceeds of Notes	16,250,000	16,250,000	0
Proceeds of Bonds	993,350	993,350	0
Total Other Financing Sources (Uses):	17,243,350	17,243,350	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	17,193,802	17,103,676	(90,126)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$17,193,802	\$17,103,676	(\$90,126)

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**VOCATIONAL EDUCATION EQUIPMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Capital Outlay	598	0	598
Total Expenditures	598	0	598
Excess (Deficiency) of Revenues Over (Under) Expenditures	(598)	0	598
Fund Balance at Beginning of Year	598	598	0
Fund Balance at End of Year	\$0	\$598	\$598

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**SCHOOLNET PLUS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Capital Outlay	95	0	95
Total Expenditures	95	0	95
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95)	0	95
Fund Balance at Beginning of Year	95	95	0
Fund Balance at End of Year	\$0	\$95	\$95

## ***ENTERPRISE FUNDS***

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges; or where the District has decided that periodic determination of net income is appropriate for accountability purposes.

### **Food Service Fund**

To record financial transactions associated with food service operations.

### **Uniform School Supply Fund**

To account for the purchase and sale of school supplies. Profits derived from sales must be used for school purposes or activities.



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**JUNE 30, 2000**

	Food Service	Uniform School Supply	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$68,237	\$40,060	\$108,297
Due from Other Funds	5,300	0	5,300
Inventory of Supplies at Cost	9,540	0	9,540
Property Plant and Equipment	270,665	0	270,665
Less: Accumulated Depreciation	(190,696)	0	(190,696)
Net Fixed Assets	79,969	0	79,969
Total Assets	<u>\$163,046</u>	<u>\$40,060</u>	<u>\$203,106</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$1,113	\$51	\$1,164
Accrued Wages and Benefits	12,739	0	12,739
Interfund Loan Payable	0	280	280
Intergovernmental Payables	20,381	0	20,381
Deferred Revenue	4,638	0	4,638
Compensated Absences Payable	2,552	0	2,552
Early Retirement Incentive Payable	1,777	0	1,777
Total Liabilities	<u>43,200</u>	<u>331</u>	<u>43,531</u>
Fund Equity:			
Contributed Capital	23,119	0	23,119
Retained Earnings:			
Unreserved	96,727	39,729	136,456
Total Retained Earnings	<u>96,727</u>	<u>39,729</u>	<u>136,456</u>
Total Fund Equity	<u>119,846</u>	<u>39,729</u>	<u>159,575</u>
Total Liabilities and Fund Equity	<u>\$163,046</u>	<u>\$40,060</u>	<u>\$203,106</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Totals</u>
<u>Operating Revenues:</u>			
Tuition and Fees	\$0	\$68,621	\$68,621
Sales	250,489	0	250,489
Total Operating Revenues	<u>250,489</u>	<u>68,621</u>	<u>319,110</u>
<u>Operating Expenses:</u>			
Salaries and Wages	122,752	0	122,752
Fringe Benefits	66,100	0	66,100
Contractual Services	712	0	712
Materials and Supplies	150,206	51,865	202,071
Depreciation	10,578	0	10,578
Other Operating Expenses	803	0	803
Total Operating Expenses	<u>351,151</u>	<u>51,865</u>	<u>403,016</u>
Operating Income (Loss)	(100,662)	16,756	(83,906)
<u>Nonoperating Revenues:</u>			
Operating Grants	63,565	0	63,565
Federally Donated Commodities	19,598	0	19,598
Investment Earnings	4,000	0	4,000
Miscellaneous	6,650	0	6,650
Total Nonoperating Revenues	<u>93,813</u>	<u>0</u>	<u>93,813</u>
Net Income (Loss)	(6,849)	16,756	9,907
Restated Retained Earnings at Beginning of Year	103,576	22,973	126,549
Retained Earnings at End of Year	<u>\$96,727</u>	<u>\$39,729</u>	<u>\$136,456</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Food Service	Uniform School Supply	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$257,139	\$0	\$257,139
Cash Received from Tuition and Fee Payments	0	68,621	68,621
Cash Payments for Goods and Services	(131,831)	(53,003)	(184,834)
Cash Payments to Employees for Services and Benefits	(201,388)	0	(201,388)
Net Cash Provided (Used) by Operating Activities	<u>(76,080)</u>	<u>15,618</u>	<u>(60,462)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	63,565	0	63,565
Advance from General Fund	0	280	280
Repayment of Advance from General Fund	0	(775)	(775)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>63,565</u>	<u>(495)</u>	<u>63,070</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,515)	15,123	2,608
Cash and Cash Equivalents at Beginning of Year	<u>80,752</u>	<u>24,937</u>	<u>105,689</u>
Cash and Cash Equivalents at End of Year	<u><u>\$68,237</u></u>	<u><u>\$40,060</u></u>	<u><u>\$108,297</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$100,662)	\$16,756	(\$83,906)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Non-Operating Income	6,650	0	6,650
Depreciation Expense	10,578	0	10,578
Donated Commodities Used During the Year	19,598	0	19,598
Changes in Assets and Liabilities:			
Increase in Inventory	(3,065)	0	(3,065)
Increase (Decrease) in Accounts Payable	1,113	(1,138)	(25)
Decrease in Accrued Wages and Benefits	(3,768)	0	(3,768)
Decrease in Intergovernmental Payables	(2,015)	0	(2,015)
Increase in Deferred Revenues	2,244	0	2,244
Decrease in Compensated Absences	(8,530)	0	(8,530)
Increase in Early Retirement Incentive Payable	1,777	0	1,777
Total Adjustments	<u>24,582</u>	<u>(1,138)</u>	<u>23,444</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$76,080)</u></u>	<u><u>\$15,618</u></u>	<u><u>(\$60,462)</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2000, the Food Service Fund received \$19,598 in donated commodities from the federal gover

## *INTERNAL SERVICE FUNDS*

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Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the District on a cost-reimbursement basis.

### **Rotary Fund**

To account for operations that provide goods and services provided by the District.

### **Employee Benefits Self Insurance Fund**

To account for monies for the 10% risk premium of the Contingent Premium Plan of the employees health and dental plans.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2000**

	Rotary	Employee Benefits Self Insurance	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$7,622	\$90	\$7,712
Total Assets	\$7,622	\$90	\$7,712
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Total Liabilities	\$0	\$0	\$0
<u>Fund Equity:</u>			
<u>Retained Earnings:</u>			
Unreserved	7,622	90	7,712
Total Retained Earnings	7,622	90	7,712
Total Fund Equity	7,622	90	7,712
Total Liabilities and Fund Equity	\$7,622	\$90	\$7,712

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Rotary	Employee Benefits Self Insurance	Totals
<u>Operating Revenues:</u>			
Tuition and Fees	\$7,573	\$0	\$7,573
Total Operating Revenues	<u>7,573</u>	<u>0</u>	<u>7,573</u>
<u>Operating Expenses:</u>			
Materials and Supplies	4,507	0	4,507
Other Operating Expenses	2,800	0	2,800
Total Operating Expenses	<u>7,307</u>	<u>0</u>	<u>7,307</u>
Operating Income	266	0	266
<u>Nonoperating Revenues:</u>			
Investment Earnings	264	0	264
Total Nonoperating Revenues	<u>264</u>	<u>0</u>	<u>264</u>
Net Income	530	0	530
Retained Earnings at Beginning of Year	7,092	90	7,182
Retained Earnings at End of Year	<u>\$7,622</u>	<u>\$90</u>	<u>\$7,712</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Rotary</u>	<u>Employee Benefits Self Insurance</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Tuition and Fee Payments	\$7,573	\$0	\$7,573
Cash Payments for Goods and Services	<u>(7,318)</u>	<u>0</u>	<u>(7,318)</u>
Net Cash Provided by Operating Activities	<u>255</u>	<u>0</u>	<u>255</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	<u>264</u>	<u>0</u>	<u>264</u>
Net Cash Provided by Investing Activities	<u>264</u>	<u>0</u>	<u>264</u>
Net Increase in Cash and Cash Equivalents	519	0	519
Cash and Cash Equivalents at Beginning of Year	<u>7,103</u>	<u>90</u>	<u>7,193</u>
Cash and Cash Equivalents at End of Year	<u><u>\$7,622</u></u>	<u><u>\$90</u></u>	<u><u>\$7,712</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$266	\$0	\$266
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities:			
Decrease in Intergovernmental Payable	<u>(11)</u>	<u>0</u>	<u>(11)</u>
Total Adjustments	<u>(11)</u>	<u>0</u>	<u>(11)</u>
Net Cash Provided by Operating Activities	<u><u>\$255</u></u>	<u><u>\$0</u></u>	<u><u>\$255</u></u>

***FIDUCIARY FUND TYPES***

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Fiduciary fund types are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

***EXPENDABLE TRUST FUND***

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**Special Trust Fund**

To account for assets held by the District in a trustee capacity to be used for scholarships and staff flower fund, refreshments, etc.

***AGENCY FUND***

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**Student Managed Activity Fund**

To account for student activity programs which have student participation in the activity and student involvement in the management of the program.



**HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2000**

	<u><i>Expendable</i></u> <u><i>Trust Fund</i></u>	<u><i>Agency Fund</i></u> Student Managed Activity	<u>Totals</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$2,726	\$42,500	\$45,226
Investments	<u>3,300</u>	<u>0</u>	<u>3,300</u>
Total Assets	<u><u>\$6,026</u></u>	<u><u>\$42,500</u></u>	<u><u>\$48,526</u></u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Due to Students	<u>\$0</u>	<u>\$42,500</u>	<u>\$42,500</u>
Total Liabilities	<u>0</u>	<u>42,500</u>	<u>42,500</u>
<u>Fund Equity:</u>			
Unreserved	<u>6,026</u>	<u>0</u>	<u>6,026</u>
Total Fund Equity	<u>6,026</u>	<u>0</u>	<u>6,026</u>
Total Liabilities and Fund Equity	<u><u>\$6,026</u></u>	<u><u>\$42,500</u></u>	<u><u>\$48,526</u></u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Balance June 30, 1999	Additions	Deductions	Balance June 30, 2000
<b><u>Student Managed Activity Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$42,311	\$88,947	(\$88,758)	\$42,500
Total Assets	<u>\$42,311</u>	<u>\$88,947</u>	<u>(\$88,758)</u>	<u>\$42,500</u>
Liabilities:				
Interfund Loan Payable	\$35	\$0	(\$35)	\$0
Due to Students	42,276	88,947	(88,723)	42,500
Total Liabilities	<u>\$42,311</u>	<u>\$88,947</u>	<u>(\$88,758)</u>	<u>\$42,500</u>

***GENERAL FIXED ASSETS ACCOUNT GROUP***

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General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
**JUNE 30, 2000**

General Fixed Assets

Land and Improvements	\$1,021,125
Buildings and Improvements	3,225,198
Machinery and Equipment	1,946,896
Vehicles	464,793
Construction In Progress	132,099
	<hr/>
Total General Fixed Assets	<u><u>\$6,790,111</u></u>

Investment in General Fixed Assets from:

General Fund	\$6,256,819
Special Revenue Fund	329,487
Capital Project Funds	203,805
	<hr/>
Total Investment in General Fixed Assets	<u><u>\$6,790,111</u></u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**JUNE 30 , 2000**

Function and Activity	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicles	Construction in Progress	Total
Instruction	\$344,079	\$3,076,423	\$1,321,982	\$0	\$132,099	\$4,874,583
Support Services:						
Pupils	0	0	105,683	0	0	105,683
Instructional Staff	0	0	190,293	0	0	190,293
Administration	1,892	100,000	186,723	0	0	288,615
Fiscal Services	0	0	1,222	0	0	1,222
Operation and Maintenance of Plant	0	0	41,161	26,171	0	67,332
Pupil Transportation	1,305	32,675	37,081	438,622	0	509,683
Central	0	0	10,340	0	0	10,340
Extracurricular Activities	212,477	16,100	52,411	0	0	280,988
Facility Acquisition and Improvement	461,372	0	0	0	0	461,372
Total General Fixed Assets	<u>\$1,021,125</u>	<u>\$3,225,198</u>	<u>\$1,946,896</u>	<u>\$464,793</u>	<u>\$132,099</u>	<u>\$6,790,111</u>

**HEATH CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Function and Activity	Restated June 30, 1999	Additions	Deletions	June 30, 2000
Instruction	\$4,680,873	\$193,710	\$0	\$4,874,583
Support Services:				
Pupils	105,683	0	0	105,683
Instructional Staff	190,293	0	0	190,293
Administration	288,615	0	0	288,615
Fiscal Services	0	1,222	0	1,222
Operation and Maintenance of Plant	58,787	8,545	0	67,332
Pupil Transportation	509,683	0	0	509,683
Central	0	10,340	0	10,340
Extracurricular Activities	264,368	16,620	0	280,988
Facility Acquisition and Improvement	461,372	0	0	461,372
Total General Fixed Assets	<u>\$6,559,674</u>	<u>\$230,437</u>	<u>\$0</u>	<u>\$6,790,111</u>



**Heath City School District**

*STATISTICAL SECTION*

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## *STATISTICAL TABLES*

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*THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE DISTRICT.*

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>Instructional Services</b>	<b>Pupils</b>	<b>Instructional Staff</b>	<b>Board of Education and Administration</b>	<b>Fiscal Services</b>	<b>Business</b>	<b>Operation and Maintenance of Plant</b>	<b>Subtotal</b>
1991 a	\$3,100,619	\$274,052	\$190,183	\$549,832	\$159,334	\$46,960	\$476,656	\$4,797,636
1992 a	3,258,959	295,814	167,689	606,338	179,443	25,657	549,255	5,083,155
1993 a	3,331,142	338,796	173,418	603,122	223,254	48,595	522,732	5,241,059
1994 a	3,578,046	349,984	218,906	641,105	242,199	60,937	580,060	5,671,237
1995 a	3,532,030	404,583	215,835	723,959	304,633	61,902	568,235	5,811,177
1996 a	3,754,054	440,015	228,908	714,478	259,513	74,530	577,162	6,048,660
1997 b	3,904,658	472,098	266,260	749,229	302,810	51,650	604,111	6,350,816
1998 b	3,893,379	427,074	287,335	786,174	314,891	110,929	706,486	6,526,268
1999 b	4,543,627	478,355	286,163	817,381	312,569	16,003	801,530	7,255,628
2000 b	5,007,976	503,357	356,954	915,944	382,453	32,435	810,501	8,009,620

a - Cash Basis Financial Data  
b - GAAP Basis Financial Data

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(Continued)

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>Pupil Transportation</b>	<b>Central</b>	<b>Community Service</b>	<b>Extracurricular Activities</b>	<b>Other</b>	<b>Debt Services</b>	<b>Subtotal Page 2</b>	<b>Total</b>
1991 a	144,617	20,654	0	146,913	0	0	312,184	5,109,820
1992 a	192,807	15,597	768	152,716	0	0	361,888	5,445,043
1993 a	158,184	17,542	1,862	142,618	0	39,364	359,570	5,600,629
1994 a	188,797	14,936	2,023	170,163	0	41,034	416,953	6,088,190
1995 a	167,212	25,368	2,349	172,579	0	39,520	407,028	6,218,205
1996 b	259,467	34,757	1,114	190,348	0	45,841	531,527	6,580,187
1997 b	191,953	41,689	6,788	194,578	3,101	83,495	521,604	6,872,420
1998 b	239,337	46,123	33,909	180,415	3,053	184,632	687,469	7,213,737
1999 b	314,317	137,245	36,787	272,077	197,670 (2)	178,118	1,136,214	8,391,842
2000 b	276,831	112,203	50,762	242,938	143,408 (2)	220,218	1,046,360	9,055,980

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

(2) Includes Other Expenditures and Capital Outlay

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN YEARS**

<u>Year</u>		<u>Taxes</u>	<u>Tuition and Fees</u>	<u>Investment Earnings</u>	<u>Extracurricular Activities</u>	<u>Intergovernmental Revenues</u>	<u>All Other</u>	<u>Total</u>
1991	a	\$3,688,587	\$28,866	\$49,013	\$51,325	\$84,631	\$1,112,056	\$5,014,478
1992	a	4,215,894	20,762	41,706	37,118	66,576	1,181,310	5,563,366
1993	a	4,102,830	25,596	30,297	39,324	70,982	1,312,555	5,581,584
1994	a	4,506,551	14,090	32,543	43,831	102,319	1,507,424	6,206,758
1995	a	4,750,902	3,867	57,237	67,852	94,244	1,479,097	6,453,199
1996	a	4,877,788	12,333	12,083	63,531	100,185	1,422,011	6,487,931
1997	b	4,865,663	27,614	248	72,583	1,868,239	101,732	6,936,079
1998	b	5,397,330	16,155	91,570	82,074	2,096,273	124,984	7,808,386
1999	b	6,099,304	42,592	73,446	58,642	2,349,206	200,216	8,823,406
2000	b	5,654,331	61,129	76,691	54,117	2,511,861	149,965	8,508,094

a - Cash Basis Financial Data  
b - GAAP Basis Financial Data

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

**THE HEATH CITY SCHOOL DISTRICT, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1990	\$3,621,225	\$3,464,861	\$102,556	\$3,567,417	98.51%	\$186,946	5.16%
1991	4,500,201	4,289,845	133,530	4,423,375	98.29%	270,951	6.02%
1992	4,447,752	4,280,825	71,082	4,351,907	97.85%	358,734	8.07%
1993	4,423,930	4,252,642	179,766	4,432,408	100.19%	498,088	11.26%
1994	5,009,442	4,824,689	409,858	5,234,547	104.49%	628,797	12.55%
1995	5,089,474	5,014,918	181,967	5,196,885	102.11%	346,057	6.80%
1996	5,135,951	4,919,942	135,847	5,055,789	98.44%	321,456	6.26%
1997	5,362,353	5,649,147	86,162	5,735,309	106.96%	186,266	3.47%
1998	5,855,193	5,436,190	198,193	5,634,383	96.23%	228,252	3.90%
1999	6,467,714	5,303,187	104,776	5,407,963	83.61%	1,059,752	16.39%

Source: Licking County Auditor

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES**  
**OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS**

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1990 **	\$85,326,650	\$243,790,429	\$7,148,970	\$7,148,970	\$46,816,210	\$167,200,750	\$139,291,830	\$418,140,149	33.31%
1991	89,002,050	254,291,571	8,021,000	8,021,000	44,672,270	165,452,852	141,695,320	427,765,423	33.12%
1992	91,399,570	261,141,629	8,008,210	8,008,210	39,982,350	153,778,269	139,390,130	422,928,108	32.96%
1993 *	103,406,360	295,446,743	8,127,460	8,127,460	37,941,710	151,766,840	149,475,530	455,341,043	32.83%
1994	108,987,570	311,393,057	8,314,550	8,314,550	46,991,410	187,965,640	164,293,530	507,673,247	32.36%
1995	112,909,910	322,599,743	8,049,430	8,049,430	46,029,380	184,117,520	166,988,720	514,766,693	32.44%
1996 **	126,591,240	361,689,257	7,860,160	7,860,160	47,552,130	190,208,520	182,003,530	559,757,937	32.51%
1997	132,339,250	378,112,143	7,594,650	7,594,650	47,019,450	188,077,800	186,953,350	573,784,593	32.58%
1998	145,418,700	415,482,000	8,135,630	8,135,630	42,289,650	169,158,600	195,843,980	592,776,230	33.04%
1999 *	169,063,570	483,038,771	7,546,730	7,546,730	44,507,210	178,028,840	221,117,510	668,614,341	33.07%

Source: Licking County Auditor

\* Reappraisal

\*\* Update

Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUATIONS)**  
**LAST TEN CALENDAR YEARS**

Tax Year	Heath City School District			City of Heath	Joint Vocational School	Licking County	Total
	General Fund	Permanent Improvement Fund	Total				
1990	38.90	0.00	38.90	3.90	2.80	7.00	52.60
1991	38.90	0.00	38.90	3.90	2.80	7.20	52.80
1992	38.90	0.00	38.90	3.90	2.00	7.20	52.00
1993	38.90	0.00	38.90	3.90	2.00	7.20	52.00
1994	38.90	0.00	38.90	3.90	2.00	7.20	52.00
1995	38.90	1.20	40.10	3.90	2.00	6.70	52.70
1996	38.90	1.20	40.10	3.90	2.00	7.20	53.20
1997	41.90	1.20	43.10	5.40	2.00	7.20	57.70
1998	41.90	1.20	43.10	5.40	2.00	7.20	57.70
1999	41.90	1.20	43.10	5.40	2.00	7.20	57.70

Source: Licking County Auditor  
Licking County Treasurer

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2000**

Net Assessed Valuation	\$221,117,510
Legal Debt Limitation (%) (1)	9.00%
Legal Debt Limitation (\$) (1)	19,900,576
Applicable District Debt Outstanding	18,118,350
Less: Applicable Debt Service Fund Amounts	<u>(91,824)</u>
Net Indebtedness Subject to Limitation	<u>18,026,526</u>
Overall Legal Debt Margin	<u><u>\$1,874,050</u></u>
Legal Debt Limitation (%) (1)	0.10%
Legal Debt Limitation (\$) (1)	221,118
Applicable District Debt Outstanding	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$221,118</u></u>
Legal Debt Limitation (%) (1)	0.90%
Legal Debt Limitation (\$) (1)	1,990,058
Applicable District Debt Outstanding	<u>(445,000)</u>
Unvoted Energy Conservation Notes Legal Debt Margin	<u><u>\$1,545,058</u></u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.



**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED**  
**VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
2000	8,100	\$221,117,510	\$1,168,350	\$91,824	\$1,076,526	0.49%	\$132.90

NOTE: The District has had no general obligation debt in the nine years prior to 2000.

(1) City of Heath 1990 Census.

(2) Source: Licking County Auditor

(3) Includes all general obligation bonded debt supported by property taxes.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
2000	\$0	\$0	\$0	\$9,055,980	0.00%

NOTE: The District has had no general obligation debt in the nine years prior to 2000.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT**  
**JUNE 30, 2000**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Heath City School District</u>	<u>Amount Applicable to Heath City School District</u>
<b>Direct</b>			
Heath City School District (1)	\$18,026,526	100.00%	\$18,026,526
<b>Overlapping Subdivisions</b>			
City of Heath	2,779,365	94.60%	2,629,279
Licking County	15,636,085	8.75%	1,368,157
		Subtotal	<u>3,997,436</u>
		Total	<u><u>\$22,023,962</u></u>
Total			

(1) Includes general obligation notes.

Source: Licking County Auditor and Fiscal Officers of Subdivision.

**THE HEATH CITY SCHOOL DISTRICT, OHIO  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<u>Year</u>		<u>Heath City Population (1)</u>	<u>Licking County Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Licking County (3)</u>
1991	a	7,302	128,300	1,272	6.2%
1992	a	7,384	128,300	1,281	6.1%
1993	a	7,452	128,300	1,296	6.3%
1994	a	7,500	128,300	1,291	5.7%
1995	a	7,650	128,300	1,321	4.8%
1996	a	8,000	128,300	1,369	5.1%
1997	b	8,100	137,500	1,434	3.9%
1998	b	8,100	135,800	1,471	3.8%
1999	b	8,100	135,800	1,535	3.8%
2000	b	8,100	135,800	1,537	3.6%

Source: (1) U.S. Bureau of Census of Polulation - (a) Estimated 1991 through 1996; (b) Chamber of Commerce  
(2) Heath City School District, Board of Education  
(3) State Department of Labor

***THE HEATH CITY SCHOOL DISTRICT, OHIO  
PROPERTY VALUE AND CONSTRUCTION PERMITS  
LAST TEN CALENDAR YEARS***

<b>Year</b>	<b>Residential</b>		<b>Commercial</b>	
	<b>Number of Permits</b>	<b>Property Value</b>	<b>Number of Permits</b>	<b>Property Value</b>
1990	12	\$799,900	6	\$6,849,901
1991	14	1,196,500	8	5,187,500
1992	30	2,549,800	4	3,371,000
1993	32	2,844,701	2	2,615,000
1994	56	6,245,628	5	6,587,000
1995	53	6,655,138	6	779,286
1996	45	7,037,765	10	5,310,100
1997	28	4,646,240	7	3,645,000
1998	43	5,738,269	15	8,315,306
1999	56	8,326,708	10	8,827,000

Source: City of Heath Building Department

Presented on a calendar year basis because that is the manner in which the information is maintained by the City.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS (TANGIBLE PERSONAL PROPERTY TAX)**  
**DECEMBER 31, 1999**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Meritor Automotives, Inc.	Heavy Truck Axles	\$13,771,960	30.94%
2	Kaiser Aluminum and Chemical Corporation	Aluminum Products	8,257,430	18.55%
3	Wal*Mart Stores, Inc.	Retail Store	1,462,910	3.29%
4	Lowes	Home Improvement Center	1,229,950	2.76%
5	Koch Materials Company	Asphalt Materials	1,052,150	2.37%
6	Sears Roebuck & Company	Retail Store	1,043,000	2.34%
7	Southeastern Equipment Center	Heavy Equipment Rental	1,029,580	2.31%
8	Ashland Inc.	Petroleum Products	967,490	2.18%
9	Penn Traffic Company	Retail Grocery	683,490	1.54%
10	Hills Stores Company	Retail Store	655,770	1.47%
		Sub-Total	30,153,730	67.75%
		All Others	14,353,480	32.25%
		Total	<u>\$44,507,210</u>	<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 1999

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)**  
**DECEMBER 31, 1999**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 Glimcher Properties Limited Partnership	Shopping Mall	\$20,050,950	11.35%
2 Ohio Power Co.	Utility Company - Electric	4,677,170	2.65%
3 Southgate Association Limited Partnership	Shopping Center	4,362,440	2.47%
4 Cross Creek Limited Partnership	Shopping Center	3,651,800	2.07%
5 Kaiser Aluminum and Chemical Corporation	Aluminum Processing	2,748,690	1.55%
6 Heath-Newark-Licking County Port Authority	Real Estate - Leasing	2,717,190	1.54%
7 Rockwell/Meritor Heavy Vehicle System	Manufacturer	2,526,830	1.43%
8 Alltel Ohio, Inc.	Utility Company - Telephone	2,522,560	1.43%
9 National Gas and Oil Corporation	Utility Company - Gas	1,723,170	0.97%
10 Wal*Mart Stores, Inc.	Retail Store	1,705,970	0.97%
	Sub-Total	46,686,770	26.43%
	All Others	129,923,530	73.57%
	Total	<u>\$176,610,300</u>	<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 1999

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

**THE HEATH CITY SCHOOL DISTRICT, OHIO  
PRINCIPAL EMPLOYERS  
DECEMBER 31, 1999**

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>		
			<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>
1	Central Ohio Aerospace and Technology Center	Manufacturing	1,237	0	1,237
2	Rockwell/Meritor Heavy Vehicle Systems	Manufacturing	1,053	0	1,053
3	Kaiser Aluminum and Chemical Corporation	Manufacturing	287	22	309
4	Wal-Mart Stores	Retail Sales	148	72	220
5	Krogers	Retail Grocery	124	77	201
6	Heath Nursing Home	Health Care	153	42	195
7	Englefield Oil	Petroleum Products	141	29	170
8	Sears	Retail Sales	52	109	161
9	Heath City Schools	Education	166	0	166
10	Mathews Ford	Automobile Sales and Service	112	1	113

Source: City of Heath Income Tax Department

Presented on a calendar year basis because that is the manner in which the information is maintained by the Employers.



**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**MISCELLANEOUS STATISTICS**  
**JUNE 30, 2000**

Date of Incorporation	1922
Form of Government	School - Political Subdivision
Area (square miles)	11.29
Miles traveled by Transportation Fleet for the 1999-2000 School Year	114,457
Meals Served by Food Service Department for the 1999-2000 School Year	98,908

<u>School Buildings</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Heath High School	9 - 12	445
Fulton Middle School	6 - 8	392
Stevenson Elementary School	3 - 5	361
Garfield Elementary School	K - 2	339

Source: District Treasurer's Office

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**STAFF STATISTICS**  
**JUNE 30, 2000**

Average classroom teacher salary	\$42,058
Average classroom teacher experience	14.27 years
Districtwide student/teacher ratio	16.01 : 1

**Certified Staff**

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Classroom Teachers	96
	5
Instructional Support	8
Administrators and Supervisors	0

**Support Staff**

---

Administration	2
Operations	2
Maintenance	9
Transportation	10
Clerical	11
Aides	6
Food Service	15

Source: District Treasurer's Office

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**TEACHERS EDUCATION AND EXPERIENCE STATISTICS**  
**JUNE 30, 2000**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	17	17.7%
Bachelor + 15	31	32.3%
Master's Degree	34	35.4%
Master's + 15	8	8.3%
Master's + 30	6	6.3%
Total	96	100.0%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	23	24.0%
6 - 10	17	17.7%
11 - 15	15	15.6%
16 - 20	15	15.6%
21 - 25	8	8.3%
26 and over	18	18.8%
Total	96	100.0%

Source: District Treasurer's Office

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**COST PER PUPIL STATISTICS**  
**LAST TEN YEARS**

<u>Fiscal Year</u>	<u>General Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>
1991	\$5,109,820	1,272	\$4,017
1992	5,445,043	1,281	4,251
1993	5,600,629	1,296	4,321
1994	6,088,190	1,291	4,716
1995	6,218,205	1,321	4,707
1996	6,580,187	1,369	4,807
1997	6,872,420	1,434	4,792
1998	7,213,737	1,471	4,904
1999	8,391,842	1,535	5,467
2000	9,055,980	1,537	5,892

Source: District Treasurer's Office

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**TRANSPORTATION STATISTICS**  
**JUNE 30, 2000**

Number of assigned school buses in fleet	14
Average age of school buses in fleet	12.0
Number of bus drivers	11
Number of miles driven per day	643
Number of miles driven annually	114,457
Average miles per bus	8,175

Students Transported per Day

Public School	1,074
Non-public School	23
Handicapped	18
Preschool	8
	1,123
Percent of student enrollment transported	73%

Source: District Treasurer's Office

**THE HEATH CITY SCHOOL DISTRICT, OHIO**  
**ENROLLMENT STATISTICS**  
**LAST TEN YEARS**

<b>Fiscal Year</b>	<b>K</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>JVS</b>	<b>Total</b>
1990	106	104	96	102	103	98	80	99	80	88	90	103	99	43	1,291
1991	88	112	99	90	101	101	93	88	93	75	89	99	99	45	1,272
1992	101	88	104	96	98	102	103	93	82	93	80	94	101	46	1,281
1993	87	101	94	105	98	93	110	108	93	91	80	81	106	49	1,296
1994	94	96	94	96	105	101	97	112	100	89	89	86	84	48	1,291
1995	92	99	96	100	99	119	102	103	115	90	85	88	86	47	1,321
1996	86	106	97	101	116	102	128	110	103	121	87	89	78	45	1,369
1997	97	100	103	111	109	129	111	124	102	109	112	95	86	46	1,434
1998	97	113	102	111	127	114	129	119	134	118	113	84	69	41	1,471
1999	98	107	128	101	114	131	127	134	126	140	115	94	80	40	1,535
2000	110	121	108	143	107	111	137	128	127	127	121	80	78	39	1,537

Source: District Treasurer's Office

**HEATH CITY SCHOOL DISTRICT**  
**COLUMBUS REGION, LICKING COUNTY**  
**AUDIT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**  
**JULY 1, 1999 THROUGH JUNE 30, 2000**

**HEATH CITY SCHOOL DISTRICT  
LICKING COUNTY**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Heath City School District  
Heath, Ohio

We have audited the general purpose financial statements of the Heath City School District as of and for the year ended June 30, 2000, and have issued our report thereon dated October 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Heath City School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-1454-001 through 2000-1454-003. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Heath City School District in a separate letter dated October 22, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Heath City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted one matter involving the internal control over financial reporting that we have reported to management of the Heath City School District in a separate letter dated October 22, 2000.

This report is intended solely for the information and use of the board of education, management and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Jones, Cochenour & Co.  
October 22, 2000

**HEATH CITY SCHOOL DISTRICT  
FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS  
JUNE 30, 2000**

<b>Finding Number</b>	<b>2000-1454-001</b>
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Ohio Rev. Code 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. We noted that appropriations exceeded total estimated resources in five funds. We recommend the District monitor the estimated resources throughout the fiscal year and obtain an amended certificate of estimated resources when needed.

<u>Fund</u>	<u>Est. Resources</u>	<u>Appropriations</u>	<u>Variance</u>
019	5,480	8,227	(2,747)
300	69,286	70,827	(1,541)
401	53,478	62,881	(9,503)
584	7,052	11,913	(4,861)
014	13,762	14,179	(417)

<b>Finding Number</b>	<b>2000-1454-002</b>
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Ohio Revised Code 5705.41(D) states that no orders or contracts involving the expenditures of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collections to the credit of an appropriate fund free from any previous encumbrances. The District had 6 instances out of 60 tested (10%) where expenditures were made prior to certification. We recommend the District obtain proper certification of funds prior to expenditure.

<b>Finding Number</b>	<b>2000-1454-003</b>
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Ohio Rev. Code 5705.391(B) requires school districts to prepare 5 year projections of revenues and expenditures as part of their spending plan and also to update the plan whenever actual revenues and expenditures deviate from the projections by 5% or more and contracts subject to 5705.412 are entered into. The District did not update the projection when actual revenues and expenditures deviated from the projection by more than 5% and when contracts subject to 5705.412 were entered into. We recommend the District monitor actual receipts and expenditures and update the 5 year projection when a deviation of more than 5% occurs.

**HEATH CITY SCHOOL DISTRICT  
STATUS OF PRIOR AUDIT CITATIONS AND FINDINGS  
JUNE 30, 2000**

<u>CITATIONS AND FINDINGS</u>	<u>Status</u>	<u>Comment if not Fully Implemented</u>
<b>CITATIONS:</b>		
1. ORC Section 5705.39	Not Corrected	Treasurer will monitor this more closely.
2. ORC Section 5705.41(B)	Corrected	N/A
3. ORC Section 5705.41(D)	Not Corrected	Treasurer will monitor this more closely.
4. ORC Section 5705.391(B)	Not Corrected	Treasurer will monitor this more closely.

**HEATH CITY SCHOOL DISTRICT  
CONCLUSION STATEMENT  
JUNE 30, 2000**

**A post-audit conference with the Heath City School District officials was conducted on December 21, 2000, at which time they were notified they had five business days to respond to the preliminary report. Responses were reviewed.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**HEATH CITY SCHOOL DISTRICT**

**LICKING COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 23, 2001**