

**HIGHLAND LOCAL SCHOOL DISTRICT
MEDINA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HIGHLAND LOCAL SCHOOL DISTRICT
MEDINA COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Highland Local School District
Medina County
3880 Ridge Road
Medina, Ohio 44256

To the Board of Education:

We have audited the general purpose financial statements of Highland Local School District, Medina County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 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 District's 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 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.

Highland Local School District
Medina County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 15, 2000



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Fourth Floor
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Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Highland Local School District
Medina County
3880 Ridge Road
Medina, Ohio 44256

To the Board of Education

Compliance

We have audited the compliance of Highland Local School District, Medina County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 15, 2000

**HIGHLAND LOCAL SCHOOL DISTRICT
MEDINA COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution	048496	10.550	\$0	\$30,755	\$0	\$47,806
National School Lunch Program	048496 03-PU-00	10.555	38,320		38,320	
Total U.S. Department of Agriculture - Child Nutrition Cluster			38,320	30,755	38,320	47,806
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Education Agencies	048496-C1-S1 99 048496-C1-S1 00	84.010	74,238		14,712 57,337	
Total Title I Grants to Local Education Agencies			74,238		72,049	
Special Education Cluster:						
Special Education Grants to States	048496 6B-SF 99 P 048496 6B-SF 00 P	84.027	133,438		7,986 115,172	
Total Special Education Grants to States			133,438		123,158	
Special Education Preschool Grants	048496-PG-S1-00P	84.173	9,061		8,586	
Total Special Education Cluster			142,499		131,744	
Safe and Drug Free Schools and Communities	048496 DR-S1 99 048496 DR-S1 00	84.186	10,037		554 10,037	
Total Safe and Drug Free Schools and Communities			10,037		10,591	
Eisenhower Professional Development	048496 MS-S1 00	84.281	6,869		6,543	
Goals 2000	048496 G2-S2 99	84.276			4,086	
Innovative Education Program Strategies	048496 C2-S1 99 048496 C2-S1 00	84.298	1,525 11,839		799 11,597	
Total Innovative Education Program Strategies			13,364		12,396	
ESEA Title VI-R Class-Size Reduction	048496-CR-S1-00	84.340	21,468		16,996	
Total U.S. Department of Education			268,475		254,405	
Totals			<u>\$306,795</u>	<u>\$30,755</u>	<u>\$292,725</u>	<u>\$47,806</u>

The accompanying notes to this schedule are an integral part of this schedule

**HIGHLAND LOCAL SCHOOL DISTRICT
MEDINA OF COUNTY
FISCAL YEAR ENDED June 30, 2000**

NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

**HIGHLAND LOCAL SCHOOL DISTRICT
MEDINA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any material reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Educationally Handicapped CFDA #84.027 Preschool Subsidy CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

FINDINGS FOR FEDERAL AWARDS

None

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Highland Local School District

Medina, Ohio



Home of the Highland Hornets!!!

Comprehensive Annual Financial Report
For the Year Ended June 30, 2000

Highland Local School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000

<p>Prepared By: Mary M. Markle, Treasurer and Treasurer's Office Staff</p>
--

Highland Local School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2000

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Highland Local School District
Comprehensive Annual Financial Report
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Highland Local School District
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The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development • The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process •

INTRODUCTORY SECTION

Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well

The Highland Local School District is committed to the highest academic and behavioral expectations. Our mission is to guarantee each learner reaches maximum potential, by providing, in partnership with the community, a quality, progressive, educational program in a safe and dynamic, life-long learning environment.

being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family



Highland Local Schools

3880 Ridge Road, Medina, Ohio 44256
Phone: (330) 239-1901 Fax (330) 239-2456

December 21, 2000

To the Citizens and Board of Education of the Highland Local School District:

The Comprehensive Annual Financial Report (CAFR) of the Highland Local School District (the "School District"), for the fiscal year ended June 30, 2000, is hereby submitted. This report, prepared by the Treasurer's Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 1999-2000 fiscal year.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with School District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District.

This CAFR, which includes an opinion from the Ohio Auditor of State, conforms to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District's commitment to provide meaningful information to the citizens of the Highland Local School District.

This CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of principal officials, and the School District's organizational chart.

The Financial Section includes the Report of Independent Accountants, the general purpose financial statements and explanatory notes, and combining, individual fund financial statements and schedules, which are unaudited.

The Statistical Section, which is unaudited, includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

Copies of this report will be widely distributed throughout the School District. A copy will be sent to all school buildings, major taxpayers, Hinckley Library, Financial Rating Services, the School District's Financial Advisory Panel, and any other interested parties.

Bruce W. Armstrong, Ph. D.
Superintendent

Mary M. Markle
Treasurer

Ann Johnson
Director of Curriculum & Instruction

John Opperman, Ph. D.
Director of Special Education

James Reusch
Supervisor of Operations

DESCRIPTION OF THE SCHOOL DISTRICT

Nestled among the rolling hills and extensive 900-acre park system of Medina County, the Highland Local School District offers its students a progressive, achievement-oriented educational program within a country living atmosphere.

The sprawling 79-square mile School District is located in the eastern portion of Medina County with a small portion located in Summit County. The School District educates students from picturesque Hinckley, Granger, Sharon, Montville, Copley, Medina and Brunswick townships. Easy access to the area is provided by Interstates 71 and 271 and State Routes 18 and 94. Major hospitals, Cleveland Hopkins Airport, and over ten institutions of higher learning are within a forty-five minute drive. The Schools District's communities are predominantly rural-residential. The socio-economic make-up ranges from middle to upper income.

The Highland Local School District's main townships are rich in history. The lands were part of the Connecticut Western Reserve. Granger and Sharon Townships were laid out in 1816; Hinckley Township was formed in 1819. Each township was quick to recognize the importance of education to its children; the people agreed that the schoolhouse was a "thing of necessity."

Granger became a centralized school district in 1900, meaning that the one-room schoolhouses were abandoned for one central school. Granger continued to have a single township school district until 1950 when Granger and Sharon districts joined. In 1952, Hinckley was added to create the Highland Local School District.

As of June 30, 2000, the School District had 2,456 public students enrolled in four community schools: Sharon Elementary, Hinckley Elementary, Highland Middle School housing grades 6 through 8, and Highland High School, a comprehensive high school for grades 9 through 12. The School District also operates other facilities including a bus garage, maintenance facility, and several sports fields.

Following a period of decline in the mid 1980's, the enrollment in the School District, as of the June 2000 count, has grown more than 33% since 1990 when enrollment was at 1,846. Sixty new major housing developments and several smaller ones are attracting an increasing number of young families with children to the community.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education (the "Board") of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget, and approves all expenditures of the School District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Ohio Revised Code.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Dr. Michael E. Carlson was initially appointed as Superintendent of the School District in the 1982-1983 school year. After serving three years, Dr. Carlson resigned to pursue other interests. He was rehired as Superintendent in June of 1989 and served in that capacity for ten years. In October of the 1999-2000 school year, Dr. Carlson incurred medical problems and requested disability through the 2000-2001 school year. Dr. Robert D. Fenn, a retired Superintendent with thirty-three years of service in education, was appointed Interim Superintendent for the remainder of the 1999-2000 school year. Following an extensive Superintendent search, Dr. Bruce W. Armstrong, formerly Superintendent of Sycamore Community Schools, was appointed the new Superintendent. He was given a three-year contract beginning on August 1, 2000 and ending on July 31, 2003. Dr. Armstrong enters the School District with a total of twenty-three years' experience in education.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. Mrs. Mary M. Markle was initially appointed Treasurer of the School District on October 1, 1985. Mrs. Markle came into the School District with a total of five years' experience as a school treasurer. Mrs. Markles' current contract will expire on the Organizational Meeting of the Board of Education in January 2004.

All other School District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

ECONOMIC CONDITION AND FUTURE OUTLOOK

Easily accessible via interstate highways between the metropolitan areas of Akron and Cleveland, the School District offers a wealth of opportunity for cultural, social and economic resources for its residents. Three major state universities, The University of Akron, Kent State University and Cleveland State University are within reasonable traveling distance from the community.

The Townships within the School District offer an excellent opportunity for business growth. It is a healthy, favorable environment with a low tax base for business establishments.

The School District works cooperatively with the Medina County Economic Development Corporation to recruit new businesses to the area. In the past five years, the School District has realized increased activity in commercial development property value of over 100%. Residential housing continues to increase each year. The following list, provided by the Medina County Auditor's Office, indicates information on the largest tangible, public utility, and real estate taxpayers:

TOP TEN TANGIBLE TAX PAYERS (1999 Collection)

<u>Name</u>	<u>Valuation</u>
A. Schulman, Inc.	\$1,666,700
Avalon RV Center, Inc.	\$1,439,530
Atlantic Tool & Die Company	\$1,009,540
Partners In Plastic	\$1,002,640
Power Transmission	\$ 761,220
USG Interiors, Inc.	\$ 744,610
Ruhlin Company	\$ 604,490
Inflatable Survival	\$ 535,790
Cell O Core	\$ 265,000
Thyssen, Inc.	\$ 212,280

PUBLIC UTILITY PERSONAL (2000 Collection)

<u>Name</u>	<u>Valuation</u>
Ohio Edison	\$7,761,750
GTE North, Inc.	\$2,007,470
Columbia Gas of Ohio	\$1,988,780
East Ohio Gas Co.	\$1,175,050
Western Reserve Telephone	\$ 521,590
GTE Mobilnet of Ohio	\$ 303,650
New Par	\$ 292,800
Ohio Telephone & Telegraph	\$ 259,310
A T & T Communication of Ohio	\$ 258,110
A T & T Wireless Pcs of Ohio	\$ 245,780

TOP TEN REAL ESTATE TAX PAYERS (2000 Collection)

<u>Name</u>	<u>Valuation</u>
Cornelius Mihalca	\$1,012,000
Nicholas J. & Demetra K. Spirtos	\$ 959,120
Sharon Club Company	\$ 703,140
Russell Price	\$ 681,340
Petros Family LTD Partners	\$ 674,620
Structured Management	\$ 564,480
Ironwood Golf Course	\$ 559,910
Hinckley Hills Golf Course, Inc.	\$ 529,060
Skyland Golf Course	\$ 500,400
Atlantic Tool & Die Company	\$ 482,940

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Across the School District a number of major accomplishments have taken place at each of the four instructional buildings. The following are examples of those initiatives that directly impact teaching and learning:

STUDENTS - STAFF - DISTRICT

TEACHER OF THE YEAR

- Highland High School Chemistry teacher Elizabeth Gleason was selected as the Medina County Teacher of the Year and the Wal-Mart 2000 Teacher of the Year. These honors portray the dedication and hard work that our teaching staff possesses.

PROFICIENCY TESTS

- 8th grade students performed very well on the 9th grade proficiency test. 73% of our students passed all five tests, making the scores the highest in Medina County and among the top 5% in the state.

COLLEGE CREDIT

- 85% of the Highland High School students who opted to take Advanced Placement tests scored high enough to receive college credit. These tests are the most difficult of the pre-college tests. Success on these tests represents a high level of skill and academic preparation.

ACADEMIC COMPETITION TEAM

- During the 1999-2000 academic year, Highland High School's academic competition team, Convolutions, participated in two leagues and two international Knowledge Master Opens. Highland High is a charter member of both the Medina County Academians and the Northeast Ohio Academic League. Highland High School brought home the first place trophy from the 2000 Medina County Academians Invitational, held at The University of Akron during the spring. Results from the fall 1999 Knowledge Master Open show that our team placed in the 18th spot of 52 Ohio teams (top 34.6%), 289 of 1,064 teams overall (top 27%), and 56 of 250 teams (top 22%) of schools with 501-1,000 enrollment. The spring 2000 Open results show Highland High School as placing 21st of 53 Ohio teams (top 39.6%), 400 of 1,036 teams overall (top 38.6%) by enrollment. The team, which consists of students from grade levels 9-12, is co-advised by English teacher Christine R. Alexander and German teacher Barbara K. Ott.

POWER OF THE PEN

- Highland Middle School won both the district and regional Power of the Pen competitions. As the Sweepstakes Winner, the middle school was awarded the Raymond Dix Trophy for the second year in a row. Our middle school is the first school to win back-to-back trophies. Advancing to the state competition at Denison University were Bret Nolan, Whitney Harrison, Sara Weigand, Elizabeth Erikson and Reanna Stoinoff. These students placed 16th out of 288 schools competing. In addition, Sara Weigand was recognized for having written a statewide Best of Round in the 1998-1999 competition.

STATE QUALIFIERS IN SPEECH

- In the third year of competition in forensics/speech, the Highland High School team sent four students to the State speech contest. Two of the students qualified for the quarterfinals, putting them in the top twenty statewide.

SPORTSMANSHIP

- For the 5th year in a row, Highland High School received the Ohio High School Athletic Association Harold A. Meyer Sportsmanship, Ethics and Integrity Award. This award recognizes the schools, students, coaches and communities that have established athletic programs with exemplary policies, philosophies and campaigns promoting sportsmanship, ethics and integrity.

ATHLETIC TEAMS

- The girl's cross-country team qualified for the regional tournament. Katie Sako advanced to state competition.
- The boy's cross country team advanced to state competition and placed 14th in the state as a team.
- The golf team was a district qualifier.
- The volleyball team was league runner-up and district qualifiers.
- The girl's tennis team was league co-champions. Pennie Spirtos advanced to state competition.
- A wrestling team member Josh Vanni placed 5th in the state competition.
- The girl's track team placed 5th at districts. Val Eyssen placed 5th in the state competition in discus.
- The boy's track members Matt Coley and Brian Jeffers qualified for the regional tournament.
- The girl's softball team was a district qualifier.
- The boy's baseball team were district runner-ups.

HOW DOES YOUR GARDEN GROW

- At Sharon Elementary, a beautiful garden is growing as a result of the generous donations from the community and staff. In the spring of 2000, a fairy garden, complete with miniature plants and landscape details was installed and dedicated. Classes and visitors to the garden have begun to enjoy the covered pavilion with bench seating. Teachers, students, and community members alike look forward to learning in-and-from our garden.

ELEMENTARY STUDENTS BECOME READING MILLIONAIRES

- Sharon Elementary and Hinckley Elementary students and staff became millionaires during the 1999-2000 school year but not in the traditional sense. As part of a school-wide initiative to promote reading, students and staff were challenged to read at least a million minutes before the end of the school year. Donated M & M's were used so that the children could visualize what a million looked like. Not only did the program promote reading but it also hopefully instilled a lifetime habit of reading for enjoyment.

BEST PRACTICES

- The Highland High School received a Best Practice Award for an after school program designed to increase the academic achievement of the students involved. The media center is kept open until 7:00 p.m. Monday through Friday, staffed by a tutor, to help students with assignments. The cafeteria remains open after school until 5:30 p.m.
- Hinckley T. Buzzard is a world traveler from Hinckley Elementary's DH class. Under the direction of teacher Patricia Zarbock, this writing project, started in 1997, won a Best Practice Award in 1999 as well as an award at the early education level called "First Things First." Hinckley, a stuffed animal buzzard, travels with a backpack filled with stationery and a camera so other travelers may write to the class and share their trips with pictures. Hinckley Buzzard has been to Washington, California and Chicago by Amtrak train, a Pueblo Indian reservation in New Mexico, the Navajo Indian reservation in Arizona, visited with Eskimos in Alaska, taken cruises on the "Disney Wonder" to Castaway Cay and the Bahamas, toured Hispaniola, Jamaica and Mexico aboard Royal Caribbean's "Voyager of the Seas" and visited The House of Parliament in London, England. This visit brought Stephen Westlake, a security officer at the Parliament, to Hinckley Elementary to meet the students he had been writing to.

PEER LEADERS

- The Peer Leader program had 28 students from grades 10 – 12 participating during the 1999-2000 school year. After training, they go to the elementary schools once a month to present lessons on topics such as; making good choices, drugs and alcohol, peer pressure and cooperation. This successful program gives the elementary students a beginning sense of high school and gives the high school students an opportunity to provide a service and teach to the youngsters.

PLANT AND EDUCATIONAL SUPPORT

OPERATIONAL EFFICIENCY

- The Ohio Department of Education identified Highland Local Schools as one of only twenty-eight school districts across the state to be operationally effective. That determination was based on the School District's student performance, attendance, graduation and spending patterns.

TECHNOLOGY

- All buildings are wired, networked and have Internet access. Over the past two years, 500 new computers have been purchased. The School District is currently working with Cablevision to wire all buildings with fiber optic cable. The fourth year of SchoolNet Plus grant money has been received from the State.

FISCALLY SOUND

- Despite growing costs of doing business, the controversy over state funding and increasing numbers of unfunded state and federal mandates, Highland Local Schools remain in sound financial condition. This is particularly noteworthy because the School District relies heavily on the residential taxpayer for additional operating revenues.

STRATEGIC PLAN

- The School District developed, in cooperation with, and participation of students, staff and community members, a five-year strategic plan during the 1998-1999 school year. This five-year plan and commitment was implemented immediately and is proving to be a great success. Many valuable strategies and action plans, such as the survey, Financial Advisory Panel and the Educational Foundation listed below, are a direct result of the strategic plan. The School District anticipates completion of the plan in four years, not five.

SURVEY

- A comprehensive community wide survey was completed in April 2000 with in-depth interviews with community members. Focus groups and a random door-to-door survey followed. Wright State University professors Glenn T. Graham and Gordon L. Wise collaborated on the quantitative and qualitative aspects of this survey. Results demonstrated that the community supports construction of new school facilities as long as the School District provides detailed information regarding the issue.

FINANCIAL ADVISORY PANEL

- A ten-member Financial Advisory Panel was established during the 1999-2000 school year. Two community representatives from four of the townships provide an independent review of the School District's finances, communicate this information with the citizens, and maintain dialogue with the Board of Education on financial issues. Representatives from Granger Township are Roger Feess and Mike Turk; Hinckley Township, Rob Smykal and Melissa Huff; Montville Township, Bob Clarke and John Gresock, and Sharon Township, Paul Kelly and John Leech. John Opperman, Director of Special Education and Mary Markle, Treasurer, serve as District advisors to the Panel.

EDUCATIONAL FOUNDATION

- An anonymous donation of \$30,000 was made to the School District to develop an educational foundation. The services of the McCormick Group and Dr. Glen K. Gerard were used in planning, developing and implementing The Highland Foundation for Educational Excellence, Inc. This non-profit foundation's Statement of Mission is "to acquire and distribute resources to Highland Local Schools to enhance, enrich and supplement learning opportunities for its students, staff and community."

THE CLASS OF 2000

FUTURE PLANS

- Following graduation, 69% of the Class of 2000 enrolled in a four-year college, 10% enrolled in a two-year college, 9% in a trade and technical program, and 12% entered the labor market or military.

VALEDICTORIANS

- Two valedictorians with grade point averages of 4.56 led the Class of 2000: Kristen Dettorre and Bradford Zmrazek.

HONORS DIPLOMAS

- Forty-seven graduates earned honors diplomas. An honors score on the Senior (twelfth grade) proficiency test is one of the seven of eight criteria needed to earn the honors diploma.

HONORS SCORES

- Seventy-one percent of the seniors exceeded the state standard for proficiency and received an honors score on one or more of the twelfth grade proficiency tests. On the overall test, Highland ranked first in Medina County. All students passed the Ninth Grade Proficiency test, which is required for graduation.

EDUCATIONAL EXCELLENCE

- Forty graduating seniors earned the Presidential Award for Educational Excellence given to students who complete the core curriculum, maintain a 3.5 grade point average or better, and score in at least the 85th percentile on a standardized reading or math test.

MERIT AWARDS

- Seventeen percent of the graduating class earned the State Award of Merit. To receive this honor, students must complete the core curriculum, plus have three units of a foreign language, a 3.25 grade point average, an average attendance of 90.8% or better and good character.

SCHOLARSHIP WINNERS

- Thirty-eight members of the Class of 2000 shared in \$336,200 in college and university scholarships awarded at graduation.

The above initiatives and accomplishments are only a small sample selection of the many fine programs and achievements within the School District. Each building prides itself on the tradition, vision, and excellence that sets the tone for every activity within the School District. We are proud of the many outstanding accomplishments of the students, parents, staff, and volunteers in our community.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing accounting entity. Reports for general governmental operations and expendable trust funds are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). 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 from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

As a recipient of federal financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District and certain annual evaluations by the School District's independent auditors.

Budgetary Controls

The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Revised Code. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the function and object of expenditure within an individual fund. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not reappropriated.

General Governmental Functions

The general government funds (all governmental fund types and expendable trust fund) encompass the general, special revenue, debt service, capital project, and expendable trust fund of the School District.

The following schedule presents a summary of revenues for all Governmental Funds for fiscal year ended June 30, 2000, and the amount and percentage of increases (decreases) in relation to the 1999 fiscal year.

<i>Revenue by Source</i>	<i>1999 Amount</i>	<i>2000 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Taxes	\$ 10,043,853	11,223,255	66.97 %	\$ 1,179,402	11.74 %
Tuition and fees	158,087	75,626	0.45 %	(82,461)	(52.16) %
Interest Income	358,319	492,076	2.94 %	133,757	37.33 %
Extracurricular	122,745	128,882	0.77 %	6,137	5.00 %
Other Local	138,453	172,855	1.03 %	34,391	24.84 %
Intergovernmental	<u>4,752,187</u>	<u>4,666,518</u>	<u>27.84 %</u>	<u>(85,669)</u>	<u>1.80 %</u>
Total	<u>\$ 15,573,644</u>	<u>\$ 16,759,212</u>	<u>100.00 %</u>	<u>\$ 1,185,568</u>	<u>7.61 %</u>

Tax revenues increased due to a new property valuation from the three-year update and 1.2 mills of the 7.9 mill Incremental Levy included in the tax duplicate. The School District realized a 9% increase in the total valuation or a dollar figure of \$29,008,730. As a comparison, annual School District valuation increases have averaged 4.4% in years not related to six-year reappraisal or three-year update.

Interest rates during the year began rising in mid fiscal year 2000. The School District maximized its investment earnings by purchasing certificates of deposits, US Treasury Bills, Notes and Bonds, certain bankers acceptance notes and commercial paper notes, along with a sweep account and STAR (State Treasury Asset Reserve). Interest earnings for 1999-2000 were \$492,076.

Intergovernmental revenue from state sources increased due to additional state foundation basic aid based on the new formula funding method. Federal sources increased slightly due to increased funding for Title VI-B, Title I, and Title VI.

The following schedule presents a summary of expenditures for all governmental funds for the fiscal year ended June 30, 2000, and the amount and percentage of increases (decreases) in relation to the 1999 fiscal year.

<i>Expenditure by Function</i>	<i>1999 Amount</i>	<i>2000 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Instruction	\$ 8,301,442	\$ 8,424,704	53.73 %	\$ 123,262	1.48 %
Pupil Support	636,563	632,375	4.06 %	(4,188)	(.67) %
Instructional Staff	675,836	838,410	5.34 %	162,574	24.06 %
Board of Education	12,271	13,288	0.08 %	1,017	8.29 %
Administration	1,290,845	1,251,719	7.98 %	(39,126)	(3.03) %
Fiscal	405,446	490,630	3.13 %	85,184	21.01 %
Business	60,813	43,599	0.27 %	(17,214)	(28.31) %
Plant Operations	1,275,532	2,019,991	12.88 %	744,459	58.36 %
Pupil Transportation	805,837	1,002,971	6.40 %	197,134	24.46 %
Central	84,531	134,764	0.86 %	50,233	59.43 %
Extracurricular	473,288	526,941	3.36 %	53,653	11.33 %
Capital Outlay	158,147	149,955	0.96 %	(8,192)	(5.18) %
Debt Service	<u>157,681</u>	<u>148,895</u>	<u>0.95 %</u>	<u>(8,786)</u>	<u>(5.57) %</u>
Total	<u>\$ 14,338,232</u>	<u>\$ 15,678,242</u>	<u>100.00 %</u>	<u>\$ 1,340,010</u>	<u>9.35 %</u>

The largest expenditure component in the governmental funds is the instruction/pupil support account. Over \$.62 of every dollar is spent on activities dealing directly with instruction and support of the students. Salaries of teachers, classroom aides, counselors, textbooks and classroom materials are examples of expenditures in this account.

The administrative function includes activities concerned with establishing and administering policy in connection with the School District. Expenditures in this category, accounting for \$.086 of every dollar spent, include salaries of the board of education, school building and central office administrators, and the necessary materials and equipment to perform those jobs.

The fiscal and business functions, which account for \$.034 of every dollar spent, include the functions of purchasing, contracts, accounting, budgeting, and payroll.

Plant operations accounted for just over \$.12 of every dollar spent. In addition to the salary and benefit costs of the maintenance and custodial staff, large expenditures for utilities and repair/maintenance projects are incurred on an annual basis.

Transportation and related functions account for \$.064 of every dollar spent. In addition to salaries and benefits for the supervisor, drivers, and mechanics, this area covers fuel costs, maintenance, repairs, and materials in connection with transportation of 2,177 public and non-public students on a daily basis.

Significant activity in the major funds of each Governmental Fund Type is highlighted below.

General Fund

The School District ended the 1999-2000 fiscal year with a general fund unencumbered cash balance of \$5,190,349. The School District also had a fund balance of \$226,986 in the Budget Reserve Set-Aside Fund. With the passage of a 7.9 mill incremental levy in 1996, 1.2 mills of that levy came on the tax duplicate of the School District in 2000.

Special Revenue Funds

The Special Revenue Funds account for revenue derived primarily from grants and entitlements restricted by law to expenditures for specific purposes, or other formal actions to expend for a specific purpose. For the fiscal year ended June 30, 2000, Special Revenue Funds had combined revenues of \$492,123 and expenditures of \$485,809.

Capital Projects Funds

The Capital Projects Funds are used to account for all transactions related to acquiring, constructing or improving capital assets. During the year, \$824,353 was expended for these purposes, including: paving throughout the School District, classroom furniture, Sharon Elementary heating project and window replacement at the high school.

Enterprise Funds

The Enterprise Funds are the Food Service Fund and Uniform School Supplies Fund. These operations are similar to activities found in the private sector and it is the management's desire to track the profit and loss of these functions. All Enterprise operations had a total operating loss in 1999-2000 of \$3,844.

Internal Service Funds

The two Internal Service Funds accounted for by the School District in 1999-2000 include Rotary and Self-Insurance Funds. During fiscal 2000, all Internal Service Funds, on a combined basis, showed a net income of \$106,565.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, other School District organizations, or other funds. The School District maintains an expendable trust and agency funds. On June 30, 2000, assets held in Fiduciary Funds totaled to \$58,130.

General Fixed Assets

The General Fixed Assets of the School District are used to carry on the main educational and support functions of the School District and, as such, are not financial resources available for expenditure. The total General Fixed Assets at June 30, 2000 were \$17,173,832. These assets are accounted for at historical cost. Depreciation is not recognized on General Fixed Assets.

DEBT ADMINISTRATION

The School District had debt outstanding at June 30, 2000 in the amount of \$130,000. Originally issued for \$2,940,000 in 1977, this issue, for school improvements, will be retired in December 2000.

CASH MANAGEMENT

The School District has approached the cash management program during 1999-2000 with the use of the following investment instruments: non-negotiable certificates of deposit, US Treasury Bills, Notes and Bonds, certain bankers acceptance notes and commercial paper notes, along with a sweep account and STAR (State Treasury Asset Reserve) To maximize earnings, all investments are matched to liabilities. The School District monitors its cash management program and investments on a weekly basis. Total amount of interest earned was \$492,076.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits, to secure the repayment of all public monies deposited in a financial institution. A detailed description of the School District's investment functions is described in Note 4 to the financial statements.

RISK MANAGEMENT

As a political subdivision, the School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for general liability, property loss, boiler and machinery coverage, and vehicle fleet liability are purchased from insurance companies licensed to do business in the State of Ohio.

The School District operates and manages its hospital/medical health benefits, dental benefits, prescription drug benefits, and life insurance program for employees on a self-insured basis. This internal service Health (self-insurance) Fund was established in conjunction with formalized risk management programs in an effort to minimize risk exposure, control claims and premium costs. A third party administrator, Klais and Company, Inc., processes and initiates payment of claims.

The health benefits liability is limited by reinsurance that caps the individual liability at \$40,000 and an aggregate liability, for all covered employees, of \$1,278,284 for fiscal year 2000. Control of the plan rests solely with the School District. A major advantage of the self-insurance program includes the School District's holding of reserve balances as well as savings on administrative costs. The School District's health insurance reserve balance on June 30, 2000 was \$2,007,039.

All employees of the School District are covered by worker's compensation. Effective January 1, 1992, the School District joined a group-rating program through the Ohio School Boards Association in an effort to control these costs. Over 436 school districts in Ohio are participating members. The program has resulted in group savings of \$12,233,756 during the 2000 calendar year. The School District has realized, on an individual basis, savings of \$26,206 or a 43.92% premium reduction based on School District cost without pooling, during the 2000 fiscal year.

PENSION PLANS

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system, currently 14 percent.

School District contributions for 2000 were \$1,015,368 as the employer portion to STRS and \$287,466 in employer contributions to SERS. Included in the SERS remittance is an annual employer surcharge. Starting in 1988-89 an additional employer charge (surcharge) was levied on salaries of lower-paid SERS members. Minimum annual compensation is determined annually by the System's actuaries and was \$12,400 for fiscal 2000. The surcharge is calculated at 14 percent of the difference between the member's annual compensation and the minimum compensation level. For the 1999-00 fiscal year, a surcharge of \$40,853 was incurred.

OTHER INFORMATION

Independent Audit

Provisions of State statute require the School District's financial statements to be subjected to a biannual examination by The Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendment of 1996. The Ohio Auditor of State performed the audit for the year ended June 30, 2000. The auditor's unqualified opinion rendered on the School District's general purpose financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

GFOA Certificate of Achievement

The School District has submitted this report for consideration of the Government Finance Officers Association of the United States and Canada (GFOA) award for Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this first Comprehensive Annual Financial Report a reality. Special recognition goes to Highland High School media specialist, Mrs. Constance Steinback, who provided necessary research material. This accomplishment would not have been possible without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the School District

I would also extend my appreciation to the members of the Highland Board of Education for their leadership, commitment to excellence and support. It is with great pride that the Highland Local School District presents the 2000 Comprehensive Annual Financial Report to the citizens and taxpayers of the district.

Respectfully Submitted,



Mary M. Markle
Treasurer

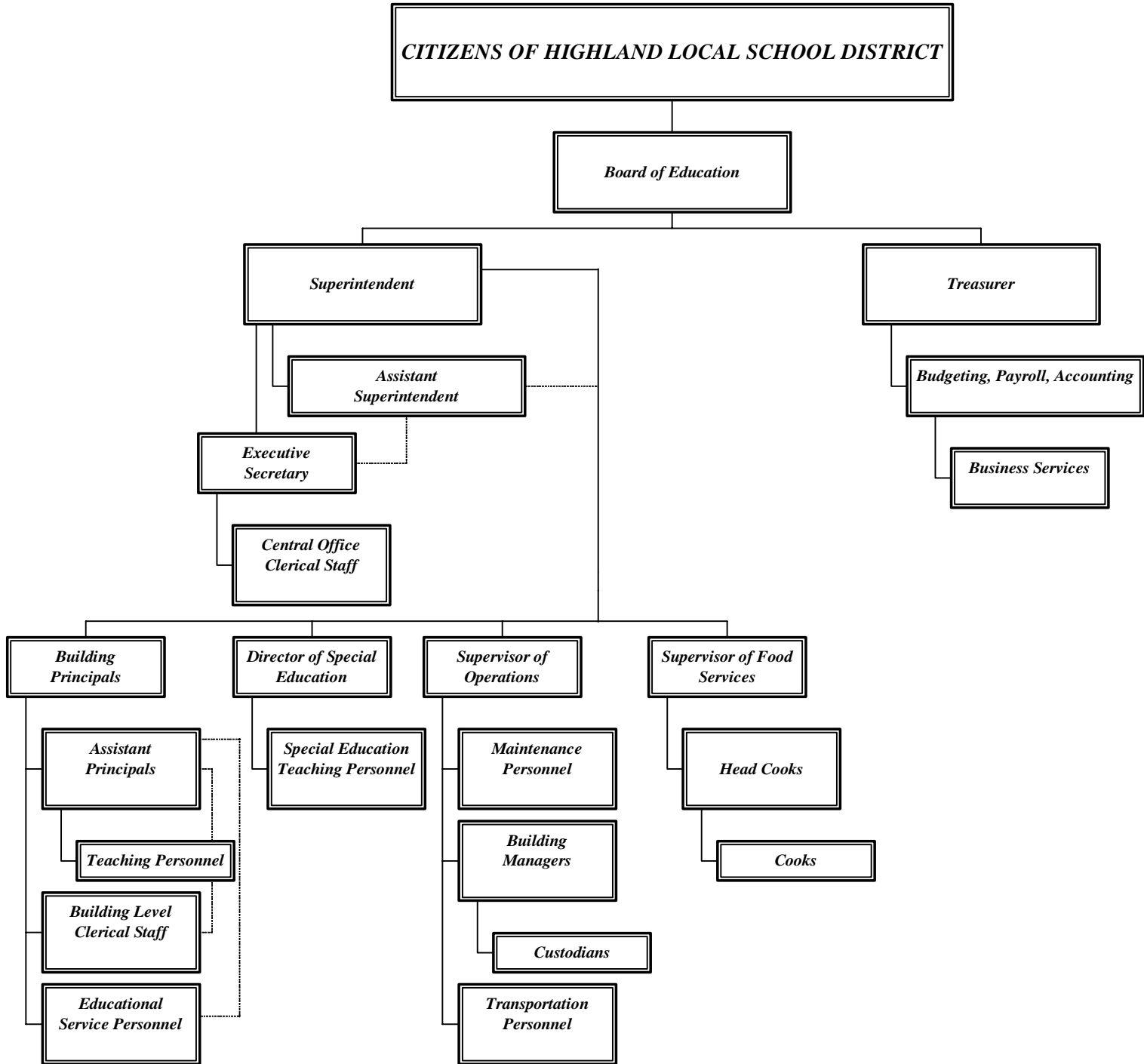
Highland Local School District
Public Officials Roster
For the fiscal year ended June 30, 2000

Board of Education

Robert Kelly	Board Member, President (Term: 1/1/98-12/31/01)
Robert Chaffee	Board Member, Vice-President (Term: 1/1/98-12/31/01)
Nancy Wingenbach	Board Member (Term: 1/1/98-12/31/01)
Ruth Abboud	Board Member (Term: 1/1/00-12/31/03)
Robert Senkar	Board Member (Term: 1/1/00-12/31/03)

Administration

Dr. Michael Carlson	Superintendent
Dr. Robert Fenn	Interim Superintendent
Mary M. Markle	Treasurer
John Opperman	Director of Special Education
Craig Bailey	Director of Curriculum
James Reusch	Supervisor of Operations
Heather Wuensch	Community Information Coordinator





The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development • The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process •

FINANCIAL SECTION

Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well

The Highland Local School District is committed to the highest academic and behavioral expectations. Our mission is to guarantee each learner reaches maximum potential, by providing, in partnership with the community, a quality, progressive, educational program in a safe and dynamic, life-long learning environment.

being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Highland Local School District
Medina County
3880 Ridge Road
Medina, Ohio 44256

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Highland Local School District, Medina County, Ohio, (the 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 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 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 introductory and statistical sections of this report and therefore express no opinion thereon.

Jim Petro
Auditor of State

December 15, 2000

General Purpose Financial Statements

Highland Local School District
Combined Balance Sheet
All Fund Types and Account Groups
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 5,365,578	\$ 187,203	\$ 133,575	\$ 351,378
Equity in pooled cash and cash equivalents - nonexpendable trust fund	-	-	-	-
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
With fiscal agents	-	-	10,500	-
Receivables:				
Taxes	11,656,427	-	-	335,981
Accounts	82,710	-	-	-
Intergovernmental	10,044	-	-	-
Accrued interest	134,116	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	226,986	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 17,475,861</u>	<u>\$ 187,203</u>	<u>\$ 144,075</u>	<u>\$ 687,359</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 32,590	\$ 663	\$ -	\$ -
Accrued wages	1,373,025	21,875	-	-
Compensated absences payable	64,364	-	-	-
Intergovernmental payable	254,662	2,002	-	-
Deferred revenue	11,175,865	-	-	318,519
Due to students	-	-	-	-
Matured bonds payable	-	-	5,000	-
Matured interest payable	-	-	5,500	-
Claims payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>12,900,506</u>	<u>24,540</u>	<u>10,500</u>	<u>318,519</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	146,634	46,224	-	22,399
Reserved for property taxes	561,497	-	-	17,462
Reserved for budget stabilization	226,986	-	-	-
Reserved for debt service	-	-	133,575	-
Reserved for endowment	-	-	-	-
Unreserved:				
Undesignated	3,640,238	116,439	-	328,979
Total fund equity and other credits	<u>4,575,355</u>	<u>162,663</u>	<u>133,575</u>	<u>368,840</u>
Total liabilities, fund equity and other credits	<u>\$ 17,475,861</u>	<u>\$ 187,203</u>	<u>\$ 144,075</u>	<u>\$ 687,359</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 136,107	\$ 1,762,097	\$ 78,181	\$ -	\$ -	\$ 8,014,119
-	-	58,130	-	-	58,130
-	257,316	-	-	-	257,316
-	-	-	-	-	10,500
-	-	-	-	-	11,992,408
-	18,731	-	-	-	101,441
-	-	-	-	-	10,044
-	-	-	-	-	134,116
15,683	-	-	-	-	15,683
2,939	-	-	-	-	2,939
-	-	-	-	-	226,986
85,646	-	-	17,173,832	-	17,259,478
-	-	-	-	133,575	133,575
-	-	-	-	701,406	701,406
<u>\$ 240,375</u>	<u>\$ 2,038,144</u>	<u>\$ 136,311</u>	<u>\$ 17,173,832</u>	<u>\$ 834,981</u>	<u>\$ 38,918,141</u>
\$ -	\$ 79	\$ 123	\$ -	\$ -	\$ 33,455
36,588	-	-	-	-	1,431,488
14,859	-	-	-	588,689	667,912
22,658	-	20	-	116,292	395,634
10,636	-	-	-	-	11,505,020
-	-	61,494	-	-	61,494
-	-	-	-	-	5,000
-	-	-	-	-	5,500
-	109,596	-	-	-	109,596
-	-	-	-	130,000	130,000
<u>84,741</u>	<u>109,675</u>	<u>61,637</u>	<u>-</u>	<u>834,981</u>	<u>14,345,099</u>
-	-	-	17,173,832	-	17,173,832
14,022	-	-	-	-	14,022
141,612	1,928,469	-	-	-	2,070,081
-	-	-	-	-	215,257
-	-	-	-	-	578,959
-	-	-	-	-	226,986
-	-	-	-	-	133,575
-	-	56,464	-	-	56,464
-	-	18,210	-	-	4,103,866
<u>155,634</u>	<u>1,928,469</u>	<u>74,674</u>	<u>17,173,832</u>	<u>-</u>	<u>24,573,042</u>
<u>\$ 240,375</u>	<u>\$ 2,038,144</u>	<u>\$ 136,311</u>	<u>\$ 17,173,832</u>	<u>\$ 834,981</u>	<u>\$ 38,918,141</u>

Highland Local School District
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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$ 10,905,330	\$ -	\$ -	\$ 317,925
Intergovernmental	4,260,351	326,740	-	79,427
Interest	489,399	-	-	1,520
Tuition and fees	52,945	22,681	-	-
Extracurricular activities	-	128,882	-	-
Miscellaneous	96,203	13,820	-	62,832
Total revenues	15,804,228	492,123	-	461,704
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,528,724	63,464	-	39,633
Special	1,496,161	87,373	-	-
Vocational	182,228	-	-	-
Other	27,121	-	-	-
Support services:				
Pupils	629,065	3,310	-	-
Instructional staff	791,916	46,494	-	-
Board of education	13,288	-	-	-
Administration	1,159,072	92,090	-	557
Fiscal	485,950	-	-	4,680
Business	43,599	-	-	-
Operation and maintenance of plant	1,257,050	2,503	-	760,438
Pupil transportation	983,207	719	-	19,045
Central	122,480	12,162	-	-
Operation of non-instructional services	122	-	-	-
Extracurricular activities	349,247	177,694	-	-
Capital outlay	149,955	-	-	-
Debt service:				
Principal retirement	7,887	-	130,000	-
Interest and fiscal charges	283	-	10,725	-
Total expenditures	14,227,355	485,809	140,725	824,353
Excess of revenues over (under) expenditures	1,576,873	6,314	(140,725)	(362,649)
<u>Other financing sources (uses):</u>				
Proceeds from sale of fixed assets	100	95	-	-
Operating transfers in	-	-	-	144,653
Operating transfers out	-	-	(144,653)	-
Total other financing sources (uses)	100	95	(144,653)	144,653
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,576,973	6,409	(285,378)	(217,996)
Fund balances at beginning of year	2,998,382	156,254	418,953	586,836
Fund balances at end of year	\$ 4,575,355	\$ 162,663	\$ 133,575	\$ 368,840

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 11,223,255
-	4,666,518
1,157	492,076
-	75,626
-	128,882
-	172,855
1,157	16,759,212
-	6,631,821
-	1,583,534
-	182,228
-	27,121
-	632,375
-	838,410
-	13,288
-	1,251,719
-	490,630
-	43,599
-	2,019,991
-	1,002,971
-	134,642
-	122
-	526,941
-	149,955
-	137,887
-	11,008
-	15,678,242
1,157	1,080,970
-	195
-	144,653
-	(144,653)
-	195
1,157	1,081,165
15,387	4,175,812
\$ 16,544	\$ 5,256,977

Highland Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Taxes	\$ 10,733,967	\$ 11,077,815	\$ 343,848
Intergovernmental	4,091,952	4,255,907	163,955
Interest	351,864	374,653	22,789
Tuition and fees	111,314	55,729	(55,585)
Extracurricular activities	-	-	-
Miscellaneous	98,355	95,392	(2,963)
Total revenues	15,387,452	15,859,496	472,044
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,664,167	6,462,728	201,439
Special	1,550,409	1,503,153	47,256
Vocational	181,597	180,696	901
Other	44,609	40,543	4,066
Support services:			
Pupils	655,149	627,112	28,037
Instructional staff	849,738	795,790	53,948
Board of education	17,370	13,288	4,082
Administration	1,286,874	1,205,705	81,169
Fiscal	495,807	486,708	9,099
Business	87,099	64,208	22,891
Operation and maintenance of plant	1,307,711	1,255,973	51,738
Pupil transportation	990,711	974,611	16,100
Central	157,009	133,203	23,806
Operation of non-instructional services	-	-	-
Extracurricular activities	368,414	348,540	19,874
Capital outlay	248,007	207,327	40,680
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	14,904,671	14,299,585	605,086
Excess of revenues over (under) expenditures	482,781	1,559,911	1,077,130
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	4,226	100	(4,126)
Refund of prior year expenditures	-	7,322	7,322
Refund of prior year receipts	(80)	(78)	2
Operating transfers in	-	-	-
Operating transfers out	(119)	-	119
Total other financing sources (uses)	4,027	7,344	3,317
Excess of revenues and other financing sources over (under) expenditures and other financing uses	486,808	1,567,255	1,080,447
Fund balances at beginning of year	3,651,009	3,651,009	-
Prior year encumbrances appropriated	199,830	199,830	-
Fund balances at end of year	\$ 4,337,647	\$ 5,418,094	\$ 1,080,447

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
461,650	326,740	(134,910)	-	-	-
-	-	-	-	-	-
20,935	22,681	1,746	-	-	-
128,591	128,882	291	-	-	-
13,056	13,520	464	-	-	-
<u>624,232</u>	<u>491,823</u>	<u>(132,409)</u>	<u>-</u>	<u>-</u>	<u>-</u>
138,472	98,358	40,114	-	-	-
99,814	83,554	16,260	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,310	3,310	-	-	-	-
53,732	47,030	6,702	-	-	-
-	-	-	-	-	-
94,874	84,475	10,399	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,503	2,503	-	-	-	-
693	721	(28)	-	-	-
21,831	12,330	9,501	-	-	-
1,748	-	1,748	-	-	-
186,011	186,012	(1)	-	-	-
-	-	-	-	-	-
-	-	-	130,000	130,000	-
-	-	-	10,725	10,725	-
<u>602,988</u>	<u>518,293</u>	<u>84,695</u>	<u>140,725</u>	<u>140,725</u>	<u>-</u>
<u>21,244</u>	<u>(26,470)</u>	<u>(47,714)</u>	<u>(140,725)</u>	<u>(140,725)</u>	<u>-</u>
100	95	(5)	-	-	-
-	-	-	-	-	-
-	(460)	(460)	-	-	-
-	300	300	-	-	-
-	-	-	(144,653)	(144,653)	-
<u>100</u>	<u>(65)</u>	<u>(165)</u>	<u>(144,653)</u>	<u>(144,653)</u>	<u>-</u>
21,344	(26,535)	(47,879)	(285,378)	(285,378)	-
155,683	155,683	-	418,953	418,953	-
11,167	11,167	-	-	-	-
<u>\$ 188,194</u>	<u>\$ 140,315</u>	<u>\$ (47,879)</u>	<u>\$ 133,575</u>	<u>\$ 133,575</u>	<u>\$ -</u>

(Continued)

Highland Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		
	Capital Projects Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Taxes	\$ 317,050	\$ 323,910	\$ 6,860
Intergovernmental	78,776	79,427	651
Interest	1,500	1,520	20
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Miscellaneous	63,000	62,832	(168)
Total revenues	460,326	467,689	7,363
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	44,528	42,946	1,582
Special	-	-	-
Vocational	-	-	-
Other	-	-	-
Support Services:			
Pupils	-	-	-
Instructional Staff	-	-	-
Board of Education	-	-	-
Administration	558	557	1
Fiscal	4,691	4,680	11
Business	-	-	-
Operation and Maintenance of Plant	881,609	783,924	97,685
Pupil Transportation	19,100	19,045	55
Central	-	-	-
Operation of Non-Instructional Services			
Extracurricular Activities	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total expenditures	950,486	851,152	99,334
Excess of revenues over (under) expenditures	(490,160)	(383,463)	106,697
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	-	-	-
Refund of prior year expenditures	-	-	-
Refund of prior year receipts	-	-	-
Operating transfers in	144,653	144,653	-
Operating transfers out	-	-	-
Total other financing sources (uses)	144,653	144,653	-
Excess of revenues and other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	(345,507)	(238,810)	106,697
Fund balances at beginning of year	112,353	112,353	-
Prior year encumbrances appropriated	455,435	455,435	-
Fund balances at end of year	\$ 222,281	\$ 328,978	\$ 106,697

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 11,051,017	\$ 11,401,725	\$ 350,708
-	-	-	4,632,378	4,662,074	29,696
977	1,157	180	354,341	377,330	22,989
-	-	-	132,249	78,410	(53,839)
-	-	-	128,591	128,882	291
-	-	-	174,411	171,744	(2,667)
977	1,157	180	16,472,987	16,820,165	347,178
-	-	-	6,847,167	6,604,032	243,135
-	-	-	1,650,223	1,586,707	63,516
-	-	-	181,597	180,696	901
-	-	-	44,609	40,543	4,066
-	-	-	658,459	630,422	28,037
-	-	-	903,470	842,820	60,650
-	-	-	17,370	13,288	4,082
-	-	-	1,382,306	1,290,737	91,569
-	-	-	500,498	491,388	9,110
-	-	-	87,099	64,208	22,891
-	-	-	2,191,823	2,042,400	149,423
-	-	-	1,010,504	994,377	16,127
-	-	-	178,840	145,533	33,307
-	-	-	1,748	-	1,748
-	-	-	554,425	534,552	19,873
-	-	-	248,007	207,327	40,680
-	-	-	130,000	130,000	-
-	-	-	10,725	10,725	-
-	-	-	16,598,870	15,809,755	789,115
977	1,157	180	(125,883)	1,010,410	1,136,293
-	-	-	4,326	195	(4,131)
-	-	-	-	7,322	7,322
-	-	-	(80)	(538)	(458)
-	-	-	144,653	144,953	300
-	-	-	(144,772)	(144,653)	119
-	-	-	4,127	7,279	3,152
977	1,157	180	(121,756)	1,017,689	1,139,445
15,386	15,386	-	4,353,384	4,353,384	-
-	-	-	666,432	666,432	-
\$ 16,363	\$ 16,543	\$ 180	\$ 4,898,060	\$ 6,037,505	\$ 1,139,445

Highland Local School District
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings/Fund Balance
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<u>Operating revenues:</u>				
Tuition	\$ 60,430	\$ -	\$ -	\$ 60,430
Sales	502,079	-	-	502,079
Charges for services	-	1,350,428	-	1,350,428
Interest	-	-	4,266	4,266
Other operating revenues	55,051	49,974	-	105,025
Total operating revenue	<u>617,560</u>	<u>1,400,402</u>	<u>4,266</u>	<u>2,022,228</u>
<u>Operating expenses:</u>				
Salaries	306,655	-	-	306,655
Fringe benefits	36,517	-	-	36,517
Purchased services	5,838	183,284	-	189,122
Materials and supplies	89,526	26,591	-	116,117
Cost of sales	258,969	-	-	258,969
Depreciation	8,899	-	-	8,899
Claims	-	1,117,733	-	1,117,733
Other operating expenses	-	-	2,600	2,600
Total operating expenses	<u>706,404</u>	<u>1,327,608</u>	<u>2,600</u>	<u>2,036,612</u>
Operating income (loss)	<u>(88,844)</u>	<u>72,794</u>	<u>1,666</u>	<u>(14,384)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	47,906	-	-	47,906
Operating grants	39,743	-	-	39,743
Interest	1,098	33,771	-	34,869
Loss on disposal of fixed assets	(3,747)	-	-	(3,747)
Total non-operating revenues	<u>85,000</u>	<u>33,771</u>	<u>-</u>	<u>118,771</u>
Net income (loss)	<u>(3,844)</u>	<u>106,565</u>	<u>1,666</u>	<u>104,387</u>
Retained earnings/fund balance at beginning of year	<u>145,456</u>	<u>1,821,904</u>	<u>56,464</u>	<u>2,023,824</u>
Retained earnings/fund balance at end of year	<u>\$ 141,612</u>	<u>\$ 1,928,469</u>	<u>\$ 58,130</u>	<u>\$ 2,128,211</u>

See accompanying notes to the general purpose financial statements.

Highland Local School District
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 562,509	\$ -	\$ -	\$ 562,509
Cash received from other operating sources	55,051	31,243	-	86,294
Cash received from quasi-external transactions with other funds	-	1,350,428	-	1,350,428
Cash payments to suppliers for goods and services	(304,317)	(209,796)	-	(514,113)
Cash payments to employees for services	(259,837)	-	-	(259,837)
Cash payments for employee benefits	(86,299)	-	-	(86,299)
Cash payments for claims	-	(1,107,206)	-	(1,107,206)
Cash payments for other operating expenses	-	-	(2,600)	(2,600)
Net cash provided by (used for) operating activities	(32,893)	64,669	(2,600)	29,176
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	39,743	-	-	39,743
Net cash provided by noncapital financing activities	39,743	-	-	39,743
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(1,319)	-	-	(1,319)
Net cash used for capital financing activities	(1,319)	-	-	(1,319)
<u>Cash flows from investing activities:</u>				
Interest on investments	1,098	33,771	4,266	39,135
Net cash provided by investing activities	1,098	33,771	4,266	39,135
Net increase in cash and cash equivalents	6,629	98,440	1,666	106,735
Cash and cash equivalents at beginning of year	129,478	1,920,973	56,464	2,106,915
Cash and cash equivalents at end of year	\$ 136,107	\$ 2,019,413	\$ 58,130	\$ 2,213,650
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (88,844)	\$ 72,794	\$ 1,666	\$ (14,384)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	8,899	-	-	8,899
Federal donated commodities	47,906	-	-	47,906
Interest reported as operating income	-	-	(4,266)	(4,266)
Change in assets and liabilities:				
(Increase) decrease in assets:				
Inventory	9,149	-	-	9,149
Accounts receivable	-	(18,731)	-	(18,731)
Increase (decrease) in liabilities:				
Accounts payable	(195)	79	-	(116)
Accrued wages	4,098	-	-	4,098
Compensated absences payable	(2,495)	-	-	(2,495)
Intergovernmental payable	(4,567)	-	-	(4,567)
Claims payable	-	10,527	-	10,527
Deferred revenue	(6,844)	-	-	(6,844)
Total adjustments	55,951	(8,125)	(4,266)	43,560
Net cash provided by (used for) operating activities	\$ (32,893)	\$ 64,669	\$ (2,600)	\$ 29,176

See accompanying notes to the general purpose financial statements

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Highland Local School District (the "School 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 Highland Local School District was established in 1952 through the consolidation of former Granger-Sharon and Hinckley Local School Districts. The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's six instructional/support facilities staffed by 106 non-certificated and 167 certificated full time teaching personnel, including nine administrators, who provide services to 2,456 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Highland Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The School District's significant accounting policies are described below:

A. Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Highland Local School District, this includes general operations, food service, preschool and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2000.

The School District is associated with the Lake Erie Educational Computer Association (LEECA) which is defined as a jointly governed organization. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding this organization is presented in Note 13.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

B. Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

Special Revenue Funds – The 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 expenditure for specified purposes.

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

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

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

Proprietary Fund Types:

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent 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 or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

Fiduciary Fund Types:

Fiduciary funds 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. These include expendable trust, nonexpendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

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

General Long-term Obligations Account Group - This account group is established to account for all long-term obligations of the School District, except those accounted for in the proprietary or trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

All proprietary and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary and nonexpendable trust fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

D. Budgetary Data

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 with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances in and advances out are not required to be budgeted since they represent temporary cash flow resources and are intended to be repaid.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Medina County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations:

Upon receipt from the County Auditor of an amended Certificate of Estimated Resources, which based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for enterprise funds.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented on the General Purpose Financial Statements in the account, "Equity in pooled cash and cash equivalents." During fiscal year 2000, investments were limited to overnight repurchase agreements, certificates of deposit, commercial paper, notes of federal government agencies, and Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposits are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General fund except those specifically related to certain trust funds, unless the School Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as indicated in Note 4.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. This account's balance is presented in the account "Cash and cash equivalents with fiscal agent". Also, the School District maintains two segregated accounts for the Self Insurance Internal Service Fund, which is presented in the account "Cash and cash equivalents in segregated account".

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

The District has invested funds in 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.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Inventory

Inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. The amount of inventory in governmental funds was not significant on June 30, 2000 and therefore was not recorded. Inventories of proprietary funds consist of donated food, purchased food, and supplies held for resale and are expensed when used.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years.

H. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpected revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 16 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserve.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred and all other grant requirements have been met. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Data Communications
Drug Free Schools
EHA Preschool Grant for Handicapped
Eisenhower Professional Development Program
Management Information System
Ohio Reads
SchoolNet Professional Development
Teacher Development
Telecommunication Act Grant
Title I
Title VI
Title VI-B

Capital Projects

SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement

Proprietary Funds

Government Donated Commodities
National School Lunch Program

Grants and entitlements amounted to approximately twenty-five percent of the School District's revenue during the 2000 fiscal year.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

M. Estimates

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

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

N. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, budget reserve, endowments, property taxes, and debt service.

O. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1996, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying general purpose financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

P. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "(Totals Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Expendable Trust Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

- Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis)

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ 1,576,973	\$ 6,409	\$ (217,996)
<i>Revenue Accruals</i>	62,590	-	5,985
<i>Expenditure Accruals</i>	82,750	13,943	(4,400)
<i>Encumbrances (Budget Basis) Outstanding at year end</i>	<u>(155,058)</u>	<u>(46,887)</u>	<u>(22,399)</u>
<i>Budget Basis</i>	<u>\$ 1,567,255</u>	<u>\$ (26,535)</u>	<u>\$ (238,810)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts. Interim moneys may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

- United States Treasury Bills, Notes, Bonds, or any other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time and not to exceed one hundred eighty days.
8. Under limited circumstances corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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

Deposits:

At fiscal year-end, the carrying amount of the School District's deposits was \$3,669,175 and the bank balance was \$3,833,051. The district had \$5,270 in petty cash at June 30, 2000. \$275,835 of the bank balance was covered by federal depository insurance. \$3,557,216 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institutions trust department or agent in the School District's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments:

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of custodial risk. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
Commercial Paper	\$ 731,061	\$ 731,061
U.S. Agency Obligations	3,471,516	3,471,516
Repurchase Agreements	<u>485,000</u>	<u>485,000</u>
Total Categorized	<u>\$ 4,687,577</u>	<u>4,687,577</u>
 <u>Noncategorized Investments</u>		
STAR Ohio		<u>205,029</u>
Total Investments		<u>\$ 4,892,606</u>

The School District's investment in STAR Ohio is an unclassified investment since it is not evidence by securities that exist in physical or book entry form.

Interest earned on investments in the Permanent Improvement capital projects funds, the Food Service enterprise fund, the Special Trust expendable trust fund, the Endowment nonexpendable trust fund, and the Self Insurance internal service fund is recorded in those funds as required by a board resolution. All other interest is legally required to be placed in the General fund. Interest revenue credited to the General fund, the Endowment nonexpendable trust fund and Permanent Improvement capital projects fund during the fiscal year 2000 amounted to \$489,399, \$4,266, and \$1,520, respectively. The General fund includes interest of \$45,565 assigned from other School District funds.

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. Real property tax collections by the County are remitted to the School District a year after they are assessed by the County. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

The School District receives property taxes from Medina and Summit Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2000 are available as an advance to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivables represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$561,497 in the General fund and \$17,462 in the Permanent Improvement capital projects fund, and is recognized as revenue.

There were no new levies passed during the current fiscal year. The assessed values upon which the fiscal year 2000 taxes were collected are:

<u>Property Category</u>	<u>1999 Assessed Value</u>	<u>1998 Assessed Value</u>
<u>Real Property</u>		
Residential and Agricultural	\$ 314,120,930	\$ 295,694,800
Commercial and Industrial	19,756,510	18,728,160
Public Utilities	9,850	9,630
<u>Tangible Personal Property</u>		
General	14,886,057	12,843,740
Public Utilities	15,446,030	16,966,630
Total	<u>\$ 364,219,377</u>	<u>\$ 344,242,960</u>

NOTE 6 - RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The General fund receivables at June 30, 2000 consisted of excess cost reimbursements of \$82,710.

NOTE 7 - FIXED ASSETS

A summary of the enterprise fund's fixed assets as of June 30, 2000 follows:

<u>Classification</u>	<u>Balance</u>
Equipment	\$ 252,939
Less: accumulated depreciation	<u>(167,293)</u>
Net Fixed Assets	<u>\$ 85,646</u>

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	<i>Balance</i> <u>July 1</u>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <u>June 30</u>
<i>Land</i>	\$ 4,879,705	\$ -	\$ -	\$ 4,879,705
<i>Buildings and improvements</i>	5,643,178	384,128	-	6,027,306
<i>Intrastructure</i>	79,400	-	-	79,400
<i>Furniture, fixtures, and equipment</i>	3,941,455	350,170	111,564	4,180,061
<i>Vehicles</i>	<u>1,893,150</u>	<u>247,050</u>	<u>132,840</u>	<u>2,007,360</u>
<i>Total</i>	<u>\$ 16,436,888</u>	<u>\$ 981,348</u>	<u>\$ 244,404</u>	<u>\$ 17,173,832</u>

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District uses an Internal Service Fund to record and report its self-funded health care insurance program. The claims liability of \$109,596 reported in the fund at June 30, 2000, was estimated by the third party administrator and is based on the requirements of GASB Statement 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The School District purchases stop-loss coverage of \$40,000 per employee. Changes in the fund's claims liability during 1999 and 2000 were:

	<i>Balance at</i> <i>beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at</i> <i>end of year</i>
1999	\$ 109,595	1,078,441	1,088,967	99,069
2000	\$ 99,069	1,117,733	1,107,206	109,596

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute nine percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$286,274, \$279,253, and \$277,621, respectively; thirty-seven percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$182,116 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of ten percent for members and fourteen percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$1,018,272, \$961,720, and \$893,912 respectively; eighty-three percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$169,279 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

NOTE 10 - POSTEMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently fourteen percent of covered payroll. The retirement board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$581,870 during the 2000 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2,783 million at June 30, 1999 (latest information available). For the year ended June 30, 1999, the net health care costs paid by the STRS were \$249,929,000 and eligible benefit recipients totaled 95,796.

For the School Employees Retirement System (SERS), 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 seventy-five percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 8.50 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to fourteen percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999 (latest information available), the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the fourteen percent contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$128,823, which includes a surcharge of \$36,292 during the 2000 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 (latest information available) were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the SERS's net assets available for payment of health care benefits was \$188 million. The number of participants receiving health care benefits was approximately 51,000.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 11 - LONG-TERM DEBT

Changes in long-term obligations of the School District during the 2000 fiscal year were as follows:

	<i>Balance</i> <u>July 1</u>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <u>June 30</u>
<i>General Long-Term Obligations</i>				
<i>School Improvement Bonds, 5.5% maturing December 1, 2000</i>	\$ 260,000	\$ -	\$ (130,000)	\$ 130,000
<i>Other Obligations</i>				
<i>Compensated absences</i>	545,464	50,153	(6,928)	588,689
<i>Capital leases payable</i>	7,887	-	(7,887)	-
<i>Employer pension obligations</i>	113,767	116,292	(113,767)	116,292
<i>Total General Long-Term Obligations</i>	<u>\$ 927,118</u>	<u>\$ 166,445</u>	<u>\$ (258,582)</u>	<u>\$ 834,981</u>

The annual requirements to amortize all loans and notes outstanding as of June 30, 2000, including interest payments of \$ 3,575, are as follows:

<i>Fiscal</i> <u>Year</u>	<i>School Improvement</i> <u>Bonds</u>
2001	<u>133,575</u>
<i>Total</i>	<u>\$ 133,575</u>

The School Improvement Bonds Payable will be paid from the Bond Retirement Debt Service Fund. Compensated absences and employer pension due to the School Employees and State Teachers Retirement Systems will be paid from the fund from which the person is paid.

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The School District did not enter into any new capital leases during fiscal year 2000. In prior years, the School District entered into capitalized leases for the acquisition of copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service in the General Purpose Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

HIGHLAND LOCAL SCHOOL DISTRICT

Notes to the General Purpose Financial Statements

For the Fiscal Year Ended June 30, 2000

General fixed assets acquired by lease have been capitalized in the general fixed assets account group at \$40,544 equal to the present value of the future minimum lease payments at the time of acquisition, and a corresponding liability was recorded in the general long-term obligation account group. The final principal payment was made in fiscal year 2000 totaling \$7,887.

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county in which participating school districts are located. Financial information can be obtained by contacting the Treasurer at the Lorain County Board of Education which serves as fiscal agent.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains three enterprise funds to account for the operations of food service, uniform school supplies, and latchkey program. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2000.

<u>Description</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Latchkey</u>	<u>Total</u>
<i>Operating revenues</i>	\$ 502,079	\$ 55,036	\$ 60,445	\$ 617,560
<i>Operating expenses before depreciation</i>	593,356	54,023	50,126	697,505
<i>Depreciation expense</i>	8,529	-	370	8,899
<i>Operating income (loss)</i>	(99,806)	1,013	9,949	(88,844)
<i>Operating grants</i>	39,743	-	-	39,743
<i>Donated commodities</i>	47,906	-	-	47,906
<i>Net income (loss)</i>	(14,806)	1,013	9,949	(3,844)
<i>Fixed asset additions</i>	6,388	-	-	6,388
<i>Net working capital</i>	29,318	12,580	42,949	84,847
<i>Total assets</i>	181,688	12,580	46,107	240,375
<i>Compensated absences payable</i>	14,859	-	-	14,859
<i>Contributed capital</i>	14,022	-	-	14,022
<i>Total equity</i>	96,947	12,580	46,107	155,634
<i>Encumbrances outstanding (budget basis) at June 30, 2000</i>	\$ 80	\$ -	\$ -	\$ 80

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 15 - CONTINGENCIES

A. Grants:

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation:

The School District is party to legal proceedings. However, the School District management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

C. 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 Ohio General Assembly 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 this School District. During the fiscal year ended June 30, 2000, the School District received \$2,815,681 of school foundation support for its general fund.

Since the Supreme Court ruling, the State General Assembly has passed numerous pieces of legislation in an attempt to address the issues identified by the Court. The Court of common Pleas in Perry County has 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. 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 will 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 decision will have on its future State funding under this program and on its financial operations.

HIGHLAND LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 16 – STATUTORY RESERVES

The School District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. The School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. Effective in the current fiscal year the extra amounts for textbooks may be used to reduce the set-aside requirements for future years. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

Amounts are also to be set aside for budget stabilization if the School District’s revenues increase three percent or more from the prior year.

During the fiscal year ended June 30, 2000 the reserve activity was as follows:

	<i>Textbook</i>	<i>Capital</i>	<i>Budget</i>	
	<i>Reserve</i>	<i>Maintenance</i>	<i>Stabilization</i>	<i>Total</i>
	<i>Reserve</i>	<i>Reserve</i>	<i>Reserve</i>	<i>Reserve</i>
<i>Set-aside Cash Balance as of June 30, 1999</i>	\$ -	\$ -	\$ 102,444	\$ 102,444
<i>Current Year Set-aside Requirement</i>	340,479	340,479	124,542	805,500
<i>Current Year Offset</i>	-	-	-	-
<i>Qualifying Disbursements</i>	<u>(431,813)</u>	<u>(693,156)</u>	<u>-</u>	<u>(1,124,969)</u>
<i>Total</i>	<u>\$ (91,334)</u>	<u>\$ (352,677)</u>	<u>\$ 226,986</u>	<u>\$ (217,025)</u>
<i>Balance Carried Forward to FY 2001</i>	<u>\$ (91,334)</u>	<u>\$ -</u>	<u>\$ 226,986</u>	<u>\$ 135,652</u>
 <i>Restricted Cash</i>			 <u>\$ 226,986</u>	 <u>\$ 226,986</u>

NOTE 17 – CONTRIBUTED CAPITAL

The Food Service enterprise fund reports contributed capital for fixed assets contributed by the General fund. There were no changes in contributed capital during fiscal year 2000.

**Combining, Individual Fund and
Account Group
Financial Statements and Schedules**

GENERAL FUND

The General Fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 10,733,967	\$ 11,077,815	\$ 343,848
Intergovernmental	4,091,952	4,255,907	163,955
Interest	351,864	374,653	22,789
Tuition and fees	111,314	55,729	(55,585)
Miscellaneous	98,355	95,392	(2,963)
Total revenues	<u>15,387,452</u>	<u>15,859,496</u>	<u>472,044</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,778,617	4,630,942	147,675
Fringe benefits	1,371,359	1,349,747	21,612
Purchased services	54,396	51,219	3,177
Materials and supplies	364,998	350,587	14,411
Capital outlay - new	44,280	29,819	14,461
Capital outlay - replacement	50,517	50,414	103
Total regular	<u>6,664,167</u>	<u>6,462,728</u>	<u>201,439</u>
Special:			
Salaries and wages	1,087,221	1,063,578	23,643
Fringe benefits	319,597	300,272	19,325
Purchased services	116,731	116,437	294
Materials and supplies	25,560	22,702	2,858
Capital outlay - new	1,300	164	1,136
Total special	<u>1,550,409</u>	<u>1,503,153</u>	<u>47,256</u>
Vocational:			
Salaries and wages	128,596	128,258	338
Fringe benefits	42,767	42,656	111
Purchased services	700	686	14
Materials and supplies	9,534	9,096	438
Total vocational	<u>181,597</u>	<u>180,696</u>	<u>901</u>
Other:			
Purchased services	44,609	40,543	4,066
Total other	<u>44,609</u>	<u>40,543</u>	<u>4,066</u>

(Continued)

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support services:			
Pupils:			
Salaries and wages	419,170	411,219	7,951
Fringe benefits	131,882	124,320	7,562
Purchased services	80,164	77,132	3,032
Materials and supplies	16,200	11,586	4,614
Capital outlay - new	7,733	2,855	4,878
Total pupils	655,149	627,112	28,037
Instructional staff:			
Salaries and wages	339,624	328,169	11,455
Fringe benefits	117,436	113,788	3,648
Purchased services	230,769	195,952	34,817
Materials and supplies	30,888	26,987	3,901
Capital outlay - new	129,627	129,543	84
Capital outlay - replacement	1,394	1,351	43
Total instructional staff	849,738	795,790	53,948
Board of education:			
Salaries and wages	5,200	5,200	-
Fringe benefits	300	261	39
Purchased services	7,500	3,640	3,860
Materials and supplies	150	-	150
Other	4,220	4,187	33
Total board of education	17,370	13,288	4,082
Administration:			
Salaries and wages	802,133	790,608	11,525
Fringe benefits	257,530	256,515	1,015
Purchased services	142,104	83,750	58,354
Materials and supplies	18,326	14,501	3,825
Capital outlay - new	4,100	782	3,318
Capital outlay - replacement	4,798	1,693	3,105
Other	57,883	57,856	27
Total administration	1,286,874	1,205,705	81,169

(Continued)

Highland Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and wages	184,139	178,457	5,682
Fringe benefits	70,918	70,913	5
Purchased services	21,325	21,250	75
Materials and supplies	9,144	9,193	(49)
Capital outlay - new	2,189	1,243	946
Capital outlay - replacement	6,144	3,712	2,432
Other	201,948	201,940	8
Total fiscal	495,807	486,708	9,099
Business:			
Salaries and wages	10,735	9,049	1,686
Fringe benefits	156	144	12
Purchased services	18,758	16,848	1,910
Materials and supplies	52,450	33,561	18,889
Capital outlay - new	5,000	4,606	394
Total business	87,099	64,208	22,891
Operation and maintenance of plant:			
Salaries and wages	520,429	511,122	9,307
Fringe benefits	191,974	183,440	8,534
Purchased services	392,130	359,375	32,755
Materials and supplies	101,283	101,097	186
Capital outlay - new	93,137	92,610	527
Capital outlay - replacement	4,571	4,154	417
Other	4,187	4,175	12
Total operation and maintenance of plant	1,307,711	1,255,973	51,738
Pupil transportation:			
Salaries and wages	400,173	399,227	946
Fringe benefits	107,586	99,523	8,063
Purchased services	109,280	108,286	994
Materials and supplies	182,167	181,515	652
Capital outlay - new	5,765	378	5,387
Capital outlay - replacement	185,740	185,682	58
Total pupil transportation	990,711	974,611	16,100

(Continued)

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Central:			
Salaries and wages	18,173	17,528	645
Fringe benefits	7,407	6,930	477
Purchased services	127,710	106,614	21,096
Materials and supplies	1,734	1,061	673
Capital outlay - new	1,735	975	760
Other	250	95	155
Total central	<u>157,009</u>	<u>133,203</u>	<u>23,806</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	34,054	34,027	27
Fringe benefits	7,950	4,973	2,977
Other	525	500	25
Total academic and subject oriented activities	<u>42,529</u>	<u>39,500</u>	<u>3,029</u>
Sports oriented activities:			
Salaries and wages	210,090	209,363	727
Fringe benefits	33,657	33,591	66
Purchased services	39,743	28,214	11,529
Materials and supplies	21,498	17,400	4,098
Capital outlay - new	8,000	7,954	46
Total sports oriented activities	<u>312,988</u>	<u>296,522</u>	<u>16,466</u>
School and public service co-curricular activities:			
Salaries and wages	11,258	10,957	301
Fringe benefits	1,639	1,561	78
Total school and public service co-curricular activities	<u>12,897</u>	<u>12,518</u>	<u>379</u>
Total extracurricular activities	<u>368,414</u>	<u>348,540</u>	<u>19,874</u>
Capital outlay:			
Facilities acquisition and construction services:			
Site acquisition services:			
Purchased services	1,000	622	378

(Continued)

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Architecture and engineering services:			
Salaries and wages	40,000	7,155	32,845
Building acquisition and construction services:			
Capital outlay - new	204,607	199,550	5,057
Other Facilities acquisition and construction services:			
Purchased services	2,400	-	2,400
Total capital outlay	248,007	207,327	40,680
Total expenditures	14,904,671	14,299,585	605,086
Excess of revenues over expenditures	482,781	1,559,911	1,077,130
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	4,226	100	(4,126)
Refund of prior year expenditures	-	7,322	7,322
Refund of prior year receipts	(80)	(78)	2
Operating transfers out	(119)	-	119
Total other financing sources (uses)	4,027	7,344	3,317
Excess of revenues and other financing sources over expenditures and other financing uses	486,808	1,567,255	1,080,447
Fund balance at beginning of year	3,651,009	3,651,009	-
Prior year encumbrances appropriated	199,830	199,830	-
Fund balance at end of year	\$ 4,337,647	\$ 5,418,094	\$ 1,080,447

SPECIAL REVENUE FUNDS

The 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 expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Miscellaneous Local Grants

To account for a number of small local grants that are restricted for specific expenditures.

Underground Storage Tanks

To account for the financial responsibility rules of the State Fire Marshall to cover deductibles.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Teacher Development

To account for state revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Management Information System

To account for state funds provide to assist the district in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

SchoolNet Professional Development

To account for revenues received to provide professional development programs related to technology.

Textbooks/Instructional Material Subsidy

To account for monies received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Ohio Reads

To account for improvements in reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Miscellaneous State Grants

To account for monies received from state agencies which are not classified elsewhere.

Eisenhower Professional Development Program

To account for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I

To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title VI

To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

Drug Free Schools

To account for federal funds for the establishment, operation and improvement programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Preschool Grant

To account for federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Telecommunications Act Grant

This fund will be used to account for a federal grant, which is paid directly to the telecommunication service provider. These funds will be used to pay for telecommunication activities.

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal governments which are not classified elsewhere.



Highland Local School District
Combining Balance Sheet
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>Underground Storage Tanks</u>	<u>District Managed Student Activity</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 38,063	\$ 2,056	\$ 11,000	\$ 5,731
Total assets	<u>\$ 38,063</u>	<u>\$ 2,056</u>	<u>\$ 11,000</u>	<u>\$ 5,731</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 33	\$ -	\$ -	\$ -
Accrued wages	-	-	-	-
Intergovernmental payable	-	-	-	-
Total liabilities	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	6,513	-	-	1,741
Unreserved, undesignated	<u>31,517</u>	<u>2,056</u>	<u>11,000</u>	<u>3,990</u>
Total fund equity	<u>38,030</u>	<u>2,056</u>	<u>11,000</u>	<u>5,731</u>
Total liabilities and fund equity	<u>\$ 38,063</u>	<u>\$ 2,056</u>	<u>\$ 11,000</u>	<u>\$ 5,731</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Textbooks/Instructional Material Subsidy</u>	<u>Ohio Reads</u>
\$ 2,487	\$ 296	\$ 9,374	\$ 4,050	\$ 66,228	\$ 4,000
<u>\$ 2,487</u>	<u>\$ 296</u>	<u>\$ 9,374</u>	<u>\$ 4,050</u>	<u>\$ 66,228</u>	<u>\$ 4,000</u>
\$ -	\$ -	\$ -	\$ -	\$ 630	\$ -
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	630	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>-</u>
2,487	168	-	-	33,920	-
-	128	9,374	4,050	31,678	4,000
<u>2,487</u>	<u>296</u>	<u>9,374</u>	<u>4,050</u>	<u>65,598</u>	<u>4,000</u>
<u>\$ 2,487</u>	<u>\$ 296</u>	<u>\$ 9,374</u>	<u>\$ 4,050</u>	<u>\$ 66,228</u>	<u>\$ 4,000</u>

(Continued)

Highland Local School District
Combining Balance Sheet
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Miscellaneous State Grants	Eisenhower Professional Development Program	Title VI-B	Title I
<u>Assets:</u>				
cash equivalents	\$ 2,510	\$ 325	\$ 18,266	\$ 16,901
Total assets	<u>\$ 2,510</u>	<u>\$ 325</u>	<u>\$ 18,266</u>	<u>\$ 16,901</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	-	-	11,976	9,899
Intergovernmental payable	-	-	751	1,251
Total liabilities	<u>-</u>	<u>-</u>	<u>12,727</u>	<u>11,150</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	-	-	-	-
Unreserved, undesignated	2,510	325	5,539	5,751
Total fund equity	<u>2,510</u>	<u>325</u>	<u>5,539</u>	<u>5,751</u>
Total liabilities and fund equity	<u>\$ 2,510</u>	<u>\$ 325</u>	<u>\$ 18,266</u>	<u>\$ 16,901</u>

<u>Title VI</u>	<u>Drug-Free Schools</u>	<u>EHA Preschool Grant</u>	<u>Telecommunications Act Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 968	\$ -	\$ 475	\$ -	\$ 4,473	\$ 187,203
<u>\$ 968</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 4,473</u>	<u>\$ 187,203</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 663
-	-	-	-	-	21,875
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,002</u>
-	-	-	-	-	24,540
968	-	427	-	-	46,224
<u>-</u>	<u>-</u>	<u>48</u>	<u>-</u>	<u>4,473</u>	<u>116,439</u>
968	-	475	-	4,473	162,663
<u>\$ 968</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 4,473</u>	<u>\$ 187,203</u>

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>Underground Storage Tanks</u>	<u>District Managed Student Activity</u>
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 15,300	\$ -	\$ -
Tuition and fees	22,681	-	-	-
Extracurricular activities	35,411	-	-	93,471
Miscellaneous	3,842	-	-	9,978
Total revenues	<u>61,934</u>	<u>15,300</u>	<u>-</u>	<u>103,449</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	17,090	-	-
Special	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Extracurricular activities	67,461	-	-	110,233
Total expenditures	<u>67,461</u>	<u>17,090</u>	<u>-</u>	<u>110,233</u>
Excess of revenues over (under) expenditures	<u>(5,527)</u>	<u>(1,790)</u>	<u>-</u>	<u>(6,784)</u>
<u>Other financing sources:</u>				
Proceeds from sale of fixed assets	-	-	-	95
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>95</u>
Excess of revenues and other financing sources over (under) expenditures	(5,527)	(1,790)	-	(6,689)
Fund balances (deficit) at beginning of year	<u>43,557</u>	<u>3,846</u>	<u>11,000</u>	<u>12,420</u>
Fund balances at end of year	<u>\$ 38,030</u>	<u>\$ 2,056</u>	<u>\$ 11,000</u>	<u>\$ 5,731</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Textbooks/Instructional Material Subsidy</u>	<u>Ohio Reads</u>
\$ 12,329	\$ 6,776	\$ 10,848	\$ 4,000	\$ -	\$ 4,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,329</u>	<u>6,776</u>	<u>10,848</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
-	-	-	-	630	-
-	-	-	-	-	-
-	-	-	-	-	-
10,477	-	-	1,548	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,480	1,596	-	-	-
-	-	-	-	-	-
<u>10,477</u>	<u>6,480</u>	<u>1,596</u>	<u>1,548</u>	<u>630</u>	<u>-</u>
<u>1,852</u>	<u>296</u>	<u>9,252</u>	<u>2,452</u>	<u>(630)</u>	<u>4,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,852	296	9,252	2,452	(630)	4,000
635	-	122	1,598	66,228	-
<u>\$ 2,487</u>	<u>\$ 296</u>	<u>\$ 9,374</u>	<u>\$ 4,050</u>	<u>\$ 65,598</u>	<u>\$ 4,000</u>

(Continued)

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Miscellaneous State Grants	Eisenhower Professional Development Program	Title VI-B	Title I
<u>Revenues:</u>				
Intergovernmental	\$ 2,510	\$ 6,868	\$ 133,438	\$ 74,238
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,510</u>	<u>6,868</u>	<u>133,438</u>	<u>74,238</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	6,520	-	-
Special	-	-	6,167	75,930
Support services:				
Pupils	-	-	-	-
Instructional staff	-	-	34,469	-
Administration	-	-	92,090	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>-</u>	<u>6,520</u>	<u>132,726</u>	<u>75,930</u>
Excess of revenues over (under) expenditures	<u>2,510</u>	<u>348</u>	<u>712</u>	<u>(1,692)</u>
<u>Other financing sources:</u>				
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures	2,510	348	712	(1,692)
Fund balances (deficit) at beginning of year	<u>-</u>	<u>(23)</u>	<u>4,827</u>	<u>7,443</u>
Fund balances at end of year	<u>\$ 2,510</u>	<u>\$ 325</u>	<u>\$ 5,539</u>	<u>\$ 5,751</u>

<u>Title VI</u>	<u>Drug-Free Schools</u>	<u>EHA Preschool Grant</u>	<u>Telecommunications Act Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 13,364	\$ 10,037	\$ 9,061	\$ 2,503	\$ 21,468	\$ 326,740
-	-	-	-	-	22,681
-	-	-	-	-	128,882
-	-	-	-	-	13,820
<u>13,364</u>	<u>10,037</u>	<u>9,061</u>	<u>2,503</u>	<u>21,468</u>	<u>492,123</u>
12,396	9,833	-	-	16,995	63,464
-	-	5,276	-	-	87,373
-	-	3,310	-	-	3,310
-	-	-	-	-	46,494
-	-	-	-	-	92,090
-	-	-	2,503	-	2,503
-	719	-	-	-	719
-	-	-	-	4,086	12,162
-	-	-	-	-	177,694
<u>12,396</u>	<u>10,552</u>	<u>8,586</u>	<u>2,503</u>	<u>21,081</u>	<u>485,809</u>
<u>968</u>	<u>(515)</u>	<u>475</u>	<u>-</u>	<u>387</u>	<u>6,314</u>
-	-	-	-	-	95
-	-	-	-	-	95
968	(515)	475	-	387	6,409
-	515	-	-	4,086	156,254
<u>\$ 968</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ -</u>	<u>\$ 4,473</u>	<u>\$ 162,663</u>

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Public School Support Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and fees	\$ 20,935	\$ 22,681	\$ 1,746
Extracurricular activities	35,496	35,411	(85)
Miscellaneous	3,056	3,542	486
Total revenues	<u>59,487</u>	<u>61,634</u>	<u>2,147</u>
<u>Expenditures:</u>			
School and public service co-curricular activities: Materials and supplies	<u>73,974</u>	<u>73,974</u>	<u>-</u>
Excess of revenues under expenditures	<u>(14,487)</u>	<u>(12,340)</u>	<u>2,147</u>
<u>Other financing sources:</u>			
Operating transfers in	<u>-</u>	<u>300</u>	<u>300</u>
Excess of revenues and other financing sources under expenditures	(14,487)	(12,040)	2,447
Fund balance at beginning of year	40,766	40,766	-
Prior year encumbrances appropriated	<u>2,791</u>	<u>2,791</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,070</u>	<u>\$ 31,517</u>	<u>\$ 2,447</u>

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Miscellaneous Local Grants Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 15,300	\$ 15,300	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	3,980	3,550	430
Purchased services	11,134	11,000	134
Materials and supplies	2,607	2,565	42
Other	450	-	450
Total regular	18,171	17,115	1,056
Excess of revenues under expenditures	(2,871)	(1,815)	1,056
Fund balance at beginning of year	3,871	3,871	-
Fund balance at end of year	\$ 1,000	\$ 2,056	\$ 1,056

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Underground Storage Tanks Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance at beginning of year	11,000	11,000	-
Fund balance at end of year	\$ 11,000	\$ 11,000	\$ -

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 93,095	\$ 93,471	\$ 376
Miscellaneous	10,000	9,978	(22)
Total revenues	<u>103,095</u>	<u>103,449</u>	<u>354</u>
<u>Expenditures:</u>			
Current:			
Extracurricular activities:			
Academic and subject oriented activities:			
Materials and supplies	<u>3</u>	<u>3</u>	<u>-</u>
Sports oriented activities:			
Purchased services	40,678	40,677	1
Materials and supplies	54,701	54,703	(2)
Capital outlay - new	7,510	7,510	-
Other	<u>9,145</u>	<u>9,145</u>	<u>-</u>
Total sports oriented activities	<u>112,034</u>	<u>112,035</u>	<u>(1)</u>
Total expenditures	<u>112,037</u>	<u>112,038</u>	<u>(1)</u>
Excess of revenues under expenditures	<u>(8,942)</u>	<u>(8,589)</u>	<u>353</u>
<u>Other financing sources:</u>			
Proceeds from sale of fixed assets	<u>100</u>	<u>95</u>	<u>(5)</u>
Excess of revenues and other financing sources under expenditures	(8,842)	(8,494)	348
Fund balance at beginning of year	4,760	4,760	-
Prior year encumbrances appropriated	<u>7,723</u>	<u>7,723</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,641</u>	<u>\$ 3,989</u>	<u>\$ 348</u>

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Teacher Development Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 12,329	\$ 12,329	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	3,243	3,304	(61)
Fringe benefits	453	462	(9)
Purchased services	4,220	4,220	-
Materials and supplies	4,413	4,979	(566)
Total instructional staff	12,329	12,965	(636)
Excess of revenues under expenditures	-	(636)	(636)
<u>Other financing uses:</u>			
Refund of prior year receipts	-	(17)	(17)
Excess of revenues over (under) expenditures and other financing uses	-	(653)	(653)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	653	653	-
Fund balance at end of year	\$ 653	\$ -	\$ (653)

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Management Information System Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 6,776	\$ 6,776	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central:			
Capital outlay - new	6,776	6,648	128
Excess of revenues over expenditures	-	128	128
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 128	\$ 128

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Data Communications Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,848	\$ 10,848	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central:			
Purchased services	10,847	1,596	9,251
Capital outlay - new	122	-	122
Total central	10,969	1,596	9,373
Excess of revenues over (under) expenditures	(121)	9,252	9,373
Fund balance at beginning of year	121	121	-
Fund balance at end of year	\$ -	\$ 9,373	\$ 9,373

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 4,000	\$ 4,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	1,600	1,550	50
Excess of revenues over expenditures	2,400	2,450	50
Fund balance at beginning of year	1,600	1,600	-
Fund balance at end of year	\$ 4,000	\$ 4,050	\$ 50

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Textbooks/Instructional Material Subsidy Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	66,228	34,550	31,678
Excess of revenues under expenditures	(66,228)	(34,550)	31,678
Fund balance at beginning of year	66,228	66,228	-
Fund balance at end of year	\$ -	\$ 31,678	\$ 31,678

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Ohio Reads Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 4,000	\$ 4,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,000	-	4,000
Excess of revenues over expenditures	-	4,000	4,000
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 4,000	\$ 4,000

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 2,510	\$ 2,510	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	2,510	2,510	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 2,510	\$ 2,510	\$ -

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Eisenhower Professional Development Program Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 6,868	\$ 6,868	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,200	3,920	280
Fringe benefits	649	604	45
Purchased services	2,019	2,019	-
Total regular	<u>6,868</u>	<u>6,543</u>	<u>325</u>
Excess of revenues over expenditures	-	325	325
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 325</u>

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Title VI-B Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 266,876	\$ 133,438	\$ (133,438)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	980	350	630
Fringe benefits	151	54	97
Capital outlay - new	5,730	5,763	(33)
Total special	6,861	6,167	694
Instructional staff:			
Salaries and wages	25,485	20,646	4,839
Fringe benefits	14,318	11,869	2,449
Total instructional staff	39,803	32,515	7,288
Administration:			
Salaries and wages	67,863	60,500	7,363
Fringe benefits	24,185	21,048	3,137
Capital outlay - new	2,826	2,927	(101)
Total administration	94,874	84,475	10,399
Total support services	134,677	116,990	17,687
Total expenditures	141,538	123,157	18,381
Excess of revenues over expenditures	125,338	10,281	(115,057)
Fund balance at beginning of year	7,985	7,985	-
Fund balance at end of year	\$ 133,323	\$ 18,266	\$ (115,057)

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Title I Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 74,238	\$ 74,238	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	61,959	52,369	9,590
Fringe benefits	17,322	14,714	2,608
Materials and supplies	7,921	4,602	3,319
Total special	87,202	71,685	15,517
Operation of non-instructional services:			
Community services:			
Purchased services	1,748	-	1,748
Total expenditures	88,950	71,685	17,265
Excess of revenues over (under) expenditures	(14,712)	2,553	17,265
<u>Other financing uses:</u>			
Refund of prior year receipts	-	(364)	(364)
Excess of revenues over (under) expenditures and other financing uses	(14,712)	2,189	16,901
Fund balance at beginning of year	14,712	14,712	-
Fund balance at end of year	\$ -	\$ 16,901	\$ 16,901

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Title VI Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 13,364	\$ 13,364	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	11,839	13,364	(1,525)
Excess of revenues over expenditures	1,525	-	(1,525)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,525	\$ -	\$ (1,525)

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Drug-Free Schools Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,037	\$ 10,037	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	6,400	6,470	(70)
Fringe benefits	1,031	981	50
Purchased services	2,164	1,917	247
Materials and supplies	303	423	(120)
Total regular	9,898	9,791	107
Support services:			
Pupil transportation:			
Salaries and wages	600	630	(30)
Fringe benefits	93	91	2
Total pupil transportation	693	721	(28)
Total expenditures	10,591	10,512	79
Excess of revenues under expenditures	(554)	(475)	79
<u>Other financing uses:</u>			
Refund of prior year receipts	-	(79)	(79)
Excess of revenues under expenditures and other financing uses	(554)	(554)	-
Fund balance at beginning of year	554	554	-
Fund balance at end of year	\$ -	\$ -	\$ -

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - EHA Preschool Grant Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 9,061	\$ 9,061	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and supplies	1,001	923	78
Capital outlay - new	4,210	4,239	(29)
Capital outlay - replacement	540	540	-
Total special	<u>5,751</u>	<u>5,702</u>	<u>49</u>
Support services:			
Pupils:			
Purchased services	<u>3,310</u>	<u>3,310</u>	<u>-</u>
Total expenditures	<u>9,061</u>	<u>9,012</u>	<u>49</u>
Excess of revenues over expenditures	-	49	49
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 49</u>	<u>\$ 49</u>

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Telecommunications Act Grant Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 3,975	\$ 2,503	\$ (1,472)
<u>Expenditures:</u>			
Current:			
Operation and maintenance of plant:			
Purchased services	2,503	2,503	-
Excess of revenues over expenditures	1,472	-	(1,472)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,472	\$ -	\$ (1,472)

Highland Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 21,468	\$ 21,468	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	21,468	16,995	4,473
Support services:			
Central:			
Purchased services	4,086	4,086	-
Total expenditures	25,554	21,081	4,473
Excess of revenues over (under) expenditures	(4,086)	387	4,473
Fund balance at beginning of year	4,086	4,086	-
Fund balance at end of year	\$ -	\$ 4,473	\$ 4,473

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements are presented here.

CAPITAL PROJECTS FUNDS

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

Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Building

To account for receipts and expenditures related to all special bond funds in the district. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

SchoolNet

To account for monies received that are used to help the school district obtain computers and related educational technology equipment and or the necessary infrastructure for educational technology.

Highland Local School District
Combining Balance Sheet
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Permanent Improvement	Building	SchoolNet	Total All Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 304,727	\$ 4,866	\$ 41,785	\$ 351,378
Receivables:				
Taxes	335,981	-	-	335,981
Total assets	<u>\$ 640,708</u>	<u>\$ 4,866</u>	<u>\$ 41,785</u>	<u>\$ 687,359</u>
 <u>Liabilities and fund equity:</u>				
<u>Liabilities:</u>				
Deferred revenue	\$ 318,519	\$ -	\$ -	\$ 318,519
Total liabilities	<u>318,519</u>	<u>-</u>	<u>-</u>	<u>318,519</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	19,086	-	3,313	22,399
Reserved for property taxes	17,462	-	-	17,462
Unreserved, undesignated	285,641	4,866	38,472	328,979
Total fund equity	<u>322,189</u>	<u>4,866</u>	<u>41,785</u>	<u>368,840</u>
Total liabilities and fund equity	<u>\$ 640,708</u>	<u>\$ 4,866</u>	<u>\$ 41,785</u>	<u>\$ 687,359</u>

Highland Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Permanent Improvement	Building	SchoolNet	Total All Funds
<u>Revenues:</u>				
Taxes	\$ 317,925	\$ -	\$ -	\$ 317,925
Intergovernmental	42,537	-	36,890	79,427
Interest	1,520	-	-	1,520
Miscellaneous	62,832	-	-	62,832
Total revenues	<u>424,814</u>	<u>-</u>	<u>36,890</u>	<u>461,704</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	39,633	39,633
Support services:				
Administration	557	-	-	557
Fiscal	4,680	-	-	4,680
Operation and maintenance of plant	760,438	-	-	760,438
Pupil transportation	19,045	-	-	19,045
Total expenditures	<u>784,720</u>	<u>-</u>	<u>39,633</u>	<u>824,353</u>
Excess of revenues under expenditures	<u>(359,906)</u>	<u>-</u>	<u>(2,743)</u>	<u>(362,649)</u>
<u>Other financing sources:</u>				
Operating transfers in	<u>144,653</u>	<u>-</u>	<u>-</u>	<u>144,653</u>
Excess of revenues and other financing sources under expenditures	(215,253)	-	(2,743)	(217,996)
Fund balance at beginning of year	<u>537,442</u>	<u>4,866</u>	<u>44,528</u>	<u>586,836</u>
Fund balances at end of year	<u>\$ 322,189</u>	<u>\$ 4,866</u>	<u>\$ 41,785</u>	<u>\$ 368,840</u>

Highland Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 317,050	\$ 323,910	\$ 6,860
Intergovernmental	41,886	42,537	651
Interest	1,500	1,520	20
Miscellaneous	63,000	62,832	(168)
Total revenues	<u>423,436</u>	<u>430,799</u>	<u>7,363</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Administration:			
Other	558	557	1
Fiscal:			
Other	4,691	4,680	11
Operation and maintenance of plant:			
Purchased services	798,405	702,747	95,658
Materials and supplies	3,000	2,070	930
Capital outlay - new	71,004	69,983	1,021
Capital outlay - replacement	9,200	9,124	76
Total operation and maintenance of plant	<u>881,609</u>	<u>783,924</u>	<u>97,685</u>
Pupil transportation:			
Capital outlay - new	19,100	19,045	55
Total expenditures	<u>905,958</u>	<u>808,206</u>	<u>97,752</u>
Excess of revenues under expenditures	<u>(482,522)</u>	<u>(377,407)</u>	<u>105,115</u>
<u>Other financing sources:</u>			
Operating transfers in	144,653	144,653	-
Excess of revenues and other financing sources under expenditures	(337,869)	(232,754)	105,115
Fund balance at beginning of year	62,959	62,959	-
Prior year encumbrances appropriated	455,435	455,435	-
Fund balance at end of year	<u>\$ 180,525</u>	<u>\$ 285,640</u>	<u>\$ 105,115</u>

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Building Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance at beginning of year	4,866	4,866	-
Fund balance at end of year	\$ 4,866	\$ 4,866	\$ -

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - SchoolNet Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 36,890	\$ 36,890	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	44,528	42,946	1,582
Excess of revenues under expenditures	(7,638)	(6,056)	1,582
Fund balance at beginning of year	44,528	44,528	-
Fund balance at end of year	\$ 36,890	\$ 38,472	\$ 1,582

ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following are descriptions of each of the District's enterprise funds:

Food Service

To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District.

Latchkey

To account for income and expenses made in connection with goods and services provided by the School District.

Highland Local School District
Combining Balance Sheet
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Latchkey</u>	<u>Total All Funds</u>
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 80,578	\$ 12,580	\$ 42,949	\$ 136,107
Inventory held for resale	15,683	-	-	15,683
Materials and supplies Inventory	2,939	-	-	2,939
Total current assets	<u>99,200</u>	<u>12,580</u>	<u>42,949</u>	<u>154,729</u>
<u>Non-current assets:</u>				
Fixed assets (net, where applicable, of accumulated depreciation)	82,488	-	3,158	85,646
Total assets	<u>\$ 181,688</u>	<u>\$ 12,580</u>	<u>\$ 46,107</u>	<u>\$ 240,375</u>
<u>Liabilities and fund equity:</u>				
<u>Current liabilities:</u>				
Accrued wages	\$ 36,588	\$ -	\$ -	\$ 36,588
Intergovernmental payable	22,658	-	-	22,658
Deferred revenue	10,636	-	-	10,636
Total current liabilities	<u>69,882</u>	<u>-</u>	<u>-</u>	<u>69,882</u>
<u>Long-term liabilities:</u>				
Compensated absences payable	14,859	-	-	14,859
Total liabilities	<u>84,741</u>	<u>-</u>	<u>-</u>	<u>84,741</u>
<u>Fund equity:</u>				
Contributed capital	14,022	-	-	14,022
Retained earnings: Unreserved	82,925	12,580	46,107	141,612
Total liabilities and fund equity	<u>\$ 181,688</u>	<u>\$ 12,580</u>	<u>\$ 46,107</u>	<u>\$ 240,375</u>

Highland Local School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Latchkey</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>				
Tuition	\$ -	\$ -	\$ 60,430	\$ 60,430
Sales	502,079	-	-	502,079
Other operating revenues	-	55,036	15	55,051
Total operating revenues	<u>502,079</u>	<u>55,036</u>	<u>60,445</u>	<u>617,560</u>
<u>Operating expenses:</u>				
Salaries	268,277	-	38,378	306,655
Fringe benefits	30,507	-	6,010	36,517
Purchased services	5,742	-	96	5,838
Materials and supplies	29,861	54,023	5,642	89,526
Cost of sales	258,969	-	-	258,969
Depreciation	8,529	-	370	8,899
Total operating expenses	<u>601,885</u>	<u>54,023</u>	<u>50,496</u>	<u>706,404</u>
Operating income (loss)	<u>(99,806)</u>	<u>1,013</u>	<u>9,949</u>	<u>(88,844)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	47,906	-	-	47,906
Operating grants	39,743	-	-	39,743
Interest	1,098	-	-	1,098
Loss on disposal of fixed assets	(3,747)	-	-	(3,747)
Total non-operating revenues	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
Net income (loss)	<u>(14,806)</u>	<u>1,013</u>	<u>9,949</u>	<u>(3,844)</u>
Retained earnings at beginning of year	<u>97,731</u>	<u>11,567</u>	<u>36,158</u>	<u>145,456</u>
Retained earnings at end of year	<u>\$ 82,925</u>	<u>\$ 12,580</u>	<u>\$ 46,107</u>	<u>\$ 141,612</u>

Highland Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Food Service Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 488,028	\$ 502,079	\$ 14,051
Interest	756	1,098	342
Operating grants	49,094	39,743	(9,351)
Refund of prior year expense	896	-	(896)
Total revenues	<u>538,774</u>	<u>542,920</u>	<u>4,146</u>
<u>Expenses:</u>			
Salaries:			
Food service operations	<u>221,648</u>	<u>221,301</u>	<u>347</u>
Fringe benefits:			
Food service operations	<u>80,706</u>	<u>80,289</u>	<u>417</u>
Purchased services:			
Food service operations	<u>5,862</u>	<u>5,822</u>	<u>40</u>
Materials and supplies:			
Food service operations	<u>240,346</u>	<u>238,201</u>	<u>2,145</u>
Capital outlay:			
Capital outlay - new:			
Food service operations	<u>215</u>	<u>215</u>	<u>-</u>
Capital outlay - replacement:			
Food service operations	<u>1,599</u>	<u>1,522</u>	<u>77</u>
Total capital outlay	<u>1,814</u>	<u>1,737</u>	<u>77</u>
Total expenses	<u>550,376</u>	<u>547,350</u>	<u>3,026</u>
Excess of revenues under expenses	(11,602)	(4,430)	7,172
Fund equity at beginning of year	82,549	82,549	-
Prior year encumbrances appropriated	<u>2,379</u>	<u>2,379</u>	<u>-</u>
Fund equity at end of year	<u>\$ 73,326</u>	<u>\$ 80,498</u>	<u>\$ 7,172</u>

Highland Local School District

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Other revenues	\$ 51,860	\$ 55,036	\$ 3,176
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	56,567	54,023	2,544
Excess of revenues over (under) expenses	(4,707)	1,013	5,720
Fund equity at beginning of year	11,567	11,567	-
Fund equity at end of year	\$ 6,860	\$ 12,580	\$ 5,720

Highland Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Latchkey Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 59,352	\$ 60,430	\$ 1,078
Other revenues	-	15	15
Total revenues	<u>59,352</u>	<u>60,445</u>	<u>1,093</u>
<u>Expenses:</u>			
Salaries:			
Community services	<u>40,153</u>	<u>38,536</u>	<u>1,617</u>
Fringe benefits:			
Community services	<u>6,443</u>	<u>6,010</u>	<u>433</u>
Purchased services:			
Community services	<u>142</u>	<u>96</u>	<u>46</u>
Materials and supplies:			
Community services	<u>5,984</u>	<u>5,324</u>	<u>660</u>
Capital outlay:			
Capital outlay - new:			
Community services	<u>524</u>	<u>513</u>	<u>11</u>
Total expenses	<u>53,246</u>	<u>50,479</u>	<u>2,767</u>
Excess of revenues over expenses	6,106	9,966	3,860
Fund equity at beginning of year	32,788	32,788	-
Prior year encumbrances appropriated	<u>195</u>	<u>195</u>	<u>-</u>
Fund equity at end of year	<u>\$ 39,089</u>	<u>\$ 42,949</u>	<u>\$ 3,860</u>

Highland Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended June 30, 2000

	Food Service	Uniform School Supplies	Latchkey	Total All Funds
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 502,079	\$ -	\$ 60,430	\$ 562,509
Cash received from other operating sources	-	55,036	15	55,051
Cash payments to suppliers for goods and services	(244,361)	(54,023)	(5,933)	(304,317)
Cash payments to employees for services	(221,301)	-	(38,536)	(259,837)
Cash payments for employee benefits	(80,289)	-	(6,010)	(86,299)
Net cash provided by (used for) operating activities	<u>(43,872)</u>	<u>1,013</u>	<u>9,966</u>	<u>(32,893)</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	39,743	-	-	39,743
Net cash provided by noncapital financing activities	<u>39,743</u>	<u>-</u>	<u>-</u>	<u>39,743</u>
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(1,319)	-	-	(1,319)
Net cash used for capital financing activities	<u>(1,319)</u>	<u>-</u>	<u>-</u>	<u>(1,319)</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	1,098	-	-	1,098
Net cash provided by investing activities	<u>1,098</u>	<u>-</u>	<u>-</u>	<u>1,098</u>
Net increase (decrease) in cash and cash equivalents	(4,350)	1,013	9,966	6,629
Cash and cash equivalents at beginning of year	84,928	11,567	32,983	129,478
Cash and cash equivalents at end of year	<u>\$ 80,578</u>	<u>\$ 12,580</u>	<u>\$ 42,949</u>	<u>\$ 136,107</u>
<u>Reconciliation of operating income (loss) to net cash provided by operating activities:</u>				
Operating income (loss)	\$ (99,806)	\$ 1,013	\$ 9,949	\$ (88,844)
<u>Adjustments to reconcile operating income to net cash provided by operating activities:</u>				
Depreciation	8,529	-	370	8,899
Federal donated commodities	47,906	-	-	47,906
<u>Change in assets and liabilities:</u>				
<u>(Increase) decrease in assets:</u>				
Inventory	9,149	-	-	9,149
<u>Increase (decrease) in liabilities:</u>				
Accounts payable	-	-	(195)	(195)
Accrued wages	4,098	-	-	4,098
Compensated absences payable	(2,495)	-	-	(2,495)
Intergovernmental payable	(4,409)	-	(158)	(4,567)
Deferred revenue	(6,844)	-	-	(6,844)
Total adjustments	<u>55,934</u>	<u>-</u>	<u>17</u>	<u>55,951</u>
Net cash provided by (used for) operating activities	<u>\$ (43,872)</u>	<u>\$ 1,013</u>	<u>\$ 9,966</u>	<u>\$ (32,893)</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one fund of the District to other funds of the District on a cost reimbursement basis. The title of the fund indicates the type of service provided. The internal service funds are:

Rotary

To account for income and expenses made in connection with goods and services provided by the District. Some activities using this fund are curricular in nature.

Self Insurance

To account for the cost of medical benefits provided to the District's employees.

Highland Local School District
Combining Balance Sheet
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	<u>Rotary</u>	<u>Self Insurance</u>	<u>Total All Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 12,374	\$ 1,749,723	\$ 1,762,097
Cash and cash equivalents in segregated accounts	-	257,316	257,316
Receivables:			
Accounts	-	18,731	18,731
Total assets	<u>\$ 12,374</u>	<u>\$ 2,025,770</u>	<u>\$ 2,038,144</u>
 <u>Liabilities and fund equity:</u>			
<u>Current liabilities:</u>			
Accounts payable	\$ 79	\$ -	\$ 79
Claims payable	-	109,596	109,596
Total liabilities	<u>79</u>	<u>109,596</u>	<u>109,675</u>
 <u>Fund equity:</u>			
Retained earnings:			
Unreserved	12,295	1,916,174	1,928,469
Total liabilities and fund equity	<u>\$ 12,374</u>	<u>\$ 2,025,770</u>	<u>\$ 2,038,144</u>

Highland Local School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	<u>Rotary</u>	<u>Self Insurance</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>			
Charges for services	\$ -	\$ 1,350,428	\$ 1,350,428
Other operating revenues	31,243	18,731	49,974
Total operating revenues	<u>31,243</u>	<u>1,369,159</u>	<u>1,400,402</u>
<u>Operating expenses:</u>			
Purchased services	1,250	182,034	183,284
Materials and supplies	26,591	-	26,591
Claims	-	1,117,733	1,117,733
Total operating expenses	<u>27,841</u>	<u>1,299,767</u>	<u>1,327,608</u>
Operating income	<u>3,402</u>	<u>69,392</u>	<u>72,794</u>
<u>Non-operating revenues:</u>			
Interest	-	33,771	33,771
Net income	3,402	103,163	106,565
Retained earnings at beginning of year	8,893	1,813,011	1,821,904
Retained earnings at end of year	<u>\$ 12,295</u>	<u>\$ 1,916,174</u>	<u>\$ 1,928,469</u>

Highland Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Rotary Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Other revenues	\$ 28,645	\$ 31,156	\$ 2,511
<u>Expenses:</u>			
Purchased services:			
Extracurricular activities	1,250	1,250	-
Materials and supplies:			
Extracurricular activities	26,512	26,512	-
Total expenses	27,762	27,762	-
Excess of revenues over expenses	883	3,481	2,598
Fund equity at beginning of year	8,876	8,876	-
Fund equity at end of year	\$ 9,759	\$ 12,357	\$ 2,598

Highland Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual -Self-Insurance Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 1,350,000	\$ 1,350,428	\$ 428
Interest	24,538	33,771	9,233
Total revenues	<u>1,374,538</u>	<u>1,384,199</u>	<u>9,661</u>
<u>Expenses:</u>			
Purchased services:			
Central support services	<u>182,112</u>	<u>182,034</u>	<u>78</u>
Other:			
Central support services	<u>1,109,669</u>	<u>1,107,206</u>	<u>2,463</u>
Total expenses	<u>1,291,781</u>	<u>1,289,240</u>	<u>2,541</u>
Excess of revenues over expenses	<u>82,757</u>	<u>94,959</u>	<u>12,202</u>
Fund equity at beginning of year	1,912,080	1,912,080	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,994,837</u>	<u>\$ 2,007,039</u>	<u>\$ 12,202</u>

Highland Local School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2000

	Rotary	Self Insurance	Total All Funds
<u>Cash flows from operating activities:</u>			
Cash received from other operating sources	\$ 31,243	\$ -	\$ 31,243
Cash received from quasi-external transactions with other funds	-	1,350,428	1,350,428
Cash payments to suppliers for goods and services	(27,762)	(182,034)	(209,796)
Cash payments for claims	-	(1,107,206)	(1,107,206)
Net cash provided by operating activities	<u>3,481</u>	<u>61,188</u>	<u>64,669</u>
<u>Cash flows from investing activities:</u>			
Interest on investments	-	33,771	33,771
Net cash provided by investing activities	<u>-</u>	<u>33,771</u>	<u>33,771</u>
Net increase in cash and cash equivalents	3,481	94,959	98,440
Cash and cash equivalents at beginning of year	8,893	1,912,080	1,920,973
Cash and cash equivalents at end of year	<u>\$ 12,374</u>	<u>\$ 2,007,039</u>	<u>\$ 2,019,413</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>			
Operating income	\$ 3,402	\$ 69,392	\$ 72,794
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in assets:			
Accounts receivable	-	(18,731)	(18,731)
Increase (decrease) in liabilities:			
Accounts payable	79	-	79
Claims payable	-	10,527	10,527
Total adjustments	<u>79</u>	<u>(8,204)</u>	<u>(8,125)</u>
Net cash provided by operating activities	<u>\$ 3,481</u>	<u>\$ 61,188</u>	<u>\$ 64,669</u>

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the District in a trustee capacity. Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments and/or other funds.

EXPENDABLE TRUST

Special Trust

To account for assets held by the District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community.

NONEXPENDABLE TRUST

Endowment

To account for money, securities or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

AGENCY

Student Managed Activity

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

Highland Local School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 2000

	<u>Expendable Trust Fund</u>	<u>Nonexpendable Trust Fund</u>	<u>Agency Fund</u>	
	<u>Special Trust</u>	<u>Endowment</u>	<u>Student Managed Activity</u>	<u>Totals</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 16,544	\$ 58,130	\$ 61,637	\$ 136,311
 <u>Liabilities and fund equity:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ 123	\$ 123
Intergovernmental payable	-	-	20	20
Due to students	-	-	61,494	61,494
Total liabilities	-	-	61,637	61,637
 <u>Fund equity:</u>				
Fund balance:				
Reserved for endowment	-	56,464	-	56,464
Unreserved, undesignated	16,544	1,666	-	18,210
Total fund equity and other credits	16,544	58,130	-	74,674
Total liabilities and fund equity	\$ 16,544	\$ 58,130	\$ 61,637	\$ 136,311

Highland Local School District

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual - Special Trust Fund

For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 977	\$ 1,157	\$ 180
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	977	1,157	180
Fund balance at beginning of year	15,386	15,386	-
Fund balance at end of year	\$ 16,363	\$ 16,543	\$ 180

Highland Local School District

**Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Endowment Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 3,387	\$ 4,266	\$ 879
<u>Expenses:</u>			
Other:			
Support Pupils	2,600	2,600	-
Excess of revenues over expenses	787	1,666	879
Fund equity at beginning of year	56,464	56,464	-
Fund equity at end of year	<u>\$ 57,251</u>	<u>\$ 58,130</u>	<u>\$ 879</u>

Highland Local School District
Statement of Changes in Assets and Liabilities
Student Managed Activity Agency Fund
For the Fiscal Year Ended June 30, 2000

	Beginning Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2000</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 69,829	\$ -	\$ 8,192	\$ 61,637
<u>Liabilities:</u>				
Accounts payable	\$ 138	\$ 123	\$ 138	\$ 123
Intergovernmental	-	20	-	20
Due to students	69,691	138	8,335	61,494
Total liabilities	<u>\$ 69,829</u>	<u>\$ 281</u>	<u>\$ 8,473</u>	<u>\$ 61,637</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets is a balanced group of accounts used to establish control and accountability for the costs of all real property and movable equipment owned by the School Board. The investment in General Fixed Assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

Highland Local School District
Schedule of General Fixed Assets by Source
As of June 30, 2000

General Fixed Assets:

Land and Land Improvements	\$ 4,879,705
Buildings	6,027,306
Furniture, Fixtures and Equipment	4,259,461
Vehicles	<u>2,007,360</u>
Total General Fixed Assets	<u>\$ 17,173,832</u>

Investment in General Fixed Assets

by Source:

General Fund	\$ 15,912,948
Special Revenue Funds	143,612
Capital Project Funds	1,071,482
Other Funds	<u>45,790</u>
Total General Fixed Assets	<u>\$ 17,173,832</u>

Highland Local School District
Schedule of General Fixed Assets by Function and Activity
As of June 30, 2000

Function	Land and Land Improvements	Buildings	Furniture, Fixtures, and Equipment	Vehicles	Total
Instruction:					
Regular	\$ 4,712,510	\$ 5,273,545	\$ 2,992,203	\$ 1,078,692	\$ 14,056,950
Special	-	-	23,568	-	23,568
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupils	-	-	12,062	-	12,062
Instructional staff	-	-	527,899	-	527,899
Board of Education	-	-	589	-	589
Administrative	-	-	27,906	-	27,906
Fiscal	-	-	7,416	-	7,416
Business	-	-	44,424	-	44,424
Operation of maintenance of plant	43,841	283,062	343,855	82,847	753,605
Pupil transportation	-	-	53,104	845,821	898,925
Central	-	-	19,981	-	19,981
Operation of non-instructional services					
Extracurricular activities	-	-	143,464	-	143,464
Capital outlay	123,354	532,486	1,203	-	657,043
Total General Fixed Assets	<u>\$ 4,879,705</u>	<u>\$ 6,089,093</u>	<u>\$ 4,197,674</u>	<u>\$ 2,007,360</u>	<u>\$ 17,173,832</u>

Highland Local School District
Schedule of Changes in General Fixed Assets by Function
As of June 30, 2000

Function	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Instruction:				
Regular	\$ 14,121,925	\$ 91,733	\$ 156,708	\$ 14,056,950
Special	16,285	7,283	-	23,568
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupils	10,310	1,752	-	12,062
Instructional staff	530,241	68,459	70,801	527,899
Board of Education	589	-	-	589
Administration	24,978	2,928	-	27,906
Fiscal	6,191	1,225	-	7,416
Business	33,926	10,498	-	44,424
Operation of maintenance of plant	330,351	425,568	2,314	753,605
Pupil transportation	702,779	210,727	14,581	898,925
Central	7,863	12,118	-	19,981
Extracurricular activities	117,981	25,483	-	143,464
Capital outlay	533,469	123,574	-	657,043
Total General Fixed Assets	<u>\$ 16,436,888</u>	<u>\$ 981,348</u>	<u>\$ 244,404</u>	<u>\$ 17,173,832</u>

Note - Additions and deletions include adjustments and reclassifications among functions.



The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development • The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process •

STATISTICAL SECTION

Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well

The Highland Local School District is committed to the highest academic and behavioral expectations. Our mission is to guarantee each learner reaches maximum potential, by providing, in partnership with the community, a quality, progressive, educational program in a safe and dynamic, life-long learning environment.

being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family unit is the foundation of society • All people have inherent value • Respect and caring about one another are essential for quality of life • Safety and security are essential for the well being of society • Learning is a life long process • Success is a result of hard work and high expectations • Coping with change is an essential aspect of life • Honesty, fairness and personal responsibility are cornerstones in human development The family



Highland Local School District

General Governmental Revenues by Source and Expenditures by Function Last Ten Fiscal Years (1)

	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997
<u>Revenues:</u>				
Taxes	\$ 11,223,255	\$ 10,043,853	\$ 9,041,436	\$ 8,435,516
Intergovernmental	4,666,518	4,752,187	4,166,741	4,284,951
Interest	492,076	358,319	350,176	347,174
Tuition and fees	75,626	158,087	176,871	355,390
Extracurricular activities	128,882	122,745	111,345	94,816
Contributions and donations	-	18,307	-	-
Rentals	-	880	-	-
Miscellaneous	172,855	119,266	118,625	29,949
Total revenues	<u>\$ 16,759,212</u>	<u>\$ 15,573,644</u>	<u>\$ 13,965,194</u>	<u>\$ 13,547,796</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 6,631,821	\$ 6,526,825	\$ 6,077,644	\$ 5,707,087
Special	1,583,534	1,561,221	1,475,902	1,300,891
Vocational	182,228	171,863	158,581	163,814
Adult/continuing	-	-	-	-
Other	27,121	41,533	23,278	23,696
Support services:				
Pupils	632,375	636,563	714,424	672,101
Instructional staff	838,410	675,836	678,152	777,892
Board of education	13,288	12,271	14,900	19,713
Administration	1,251,719	1,290,845	1,262,690	1,233,351
Fiscal	490,630	405,446	378,076	386,746
Business	43,599	60,813	51,382	30,227
Operation and maintenance of plant	2,019,991	1,275,532	1,462,949	1,266,195
Pupil transportation	1,002,971	805,837	906,518	854,209
Central	134,642	84,531	34,356	46,620
Operation of non-instructional services	122	-	1,270	-
Extracurricular activities	526,941	473,288	425,364	377,187
Capital outlay	149,955	158,147	430,507	151,150
Debt service:				
Principal retirement	137,887	138,820	707,372	235,459
Interest and fiscal charges	11,008	18,861	58,859	72,111
Total expenditures	<u>\$ 15,678,242</u>	<u>\$ 14,338,232</u>	<u>\$ 14,862,224</u>	<u>\$ 13,318,449</u>

Source: 1991-2000 School District Audit Reports

Note: General Governmental includes all governmental fund types.

(1) 1996-2000 were reported on a GAAP basis

1991-1995 were reported on a cash basis

Fiscal Year Ended June 30, 1996	Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994	Fiscal Year Ended June 30, 1993	Fiscal Year Ended June 30, 1992	Fiscal Year Ended June 30, 1991
\$ 8,115,953	\$ 7,795,368	\$ 7,140,832	\$ 6,224,233	\$ 5,512,331	\$ 5,176,686
4,540,713	-	-	-	-	-
266,325	173,079	75,079	55,175	96,059	167,029
286,036	235,734	78,504	74,791	79,953	53,535
78,454	69,942	58,723	54,074	76,937	142,048
-	-	-	-	-	-
-	-	-	-	-	-
30,792	46,869	10,023	18,412	11,665	8,948
<u>\$ 13,318,273</u>	<u>\$ 8,320,992</u>	<u>\$ 7,363,161</u>	<u>\$ 6,426,685</u>	<u>\$ 5,776,945</u>	<u>\$ 5,548,246</u>
\$ 5,405,845	\$ 4,919,088	\$ 4,549,105	\$ 4,483,068	\$ 4,406,946	\$ 4,081,737
1,215,687	1,088,014	874,031	797,640	802,341	763,084
181,080	176,354	156,166	132,458	93,728	83,369
-	-	-	-	-	-
29,064	17,753	6,173	9,768	22,268	14,062
664,306	551,869	442,107	418,620	376,539	316,235
528,043	479,198	402,695	389,469	349,238	354,167
12,083	11,261	13,387	13,653	14,363	13,757
1,101,231	985,932	988,419	935,667	903,721	860,429
313,572	321,997	296,635	282,971	242,263	230,180
28,277	33,999	32,279	30,009	19,559	18,594
1,211,117	1,494,339	1,223,126	903,883	919,269	1,421,063
687,974	763,416	699,849	653,715	758,416	712,679
45,056	50,198	38,125	24,294	15,196	26,739
426	4,574	-	-	-	-
350,573	304,040	289,779	239,482	216,213	300,329
101,238	31,730	74,263	15,534	382	-
234,898	250,573	261,127	279,665	290,748	214,360
90,140					
<u>\$ 12,200,610</u>	<u>\$ 11,484,335</u>	<u>\$ 10,347,266</u>	<u>\$ 9,609,896</u>	<u>\$ 9,431,190</u>	<u>\$ 9,410,784</u>

Highland Local School District

**Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)
Last Ten Calendar Years**

Year (2)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	Delinquent Taxes Receivable
1999	\$ 12,515,672	\$ 11,954,285	95.51%	\$ 325,333	\$ 12,279,618	98.11%	\$ 236,054
1998	10,220,956	9,772,905	95.62%	240,411	10,013,316	97.97%	207,640
1997	9,862,623	9,406,783	95.38%	284,692	9,691,475	98.26%	171,148
1996	9,467,576	9,030,672	95.39%	325,486	9,356,158	98.82%	111,418
1995	9,068,950	8,755,693	96.55%	250,727	9,006,420	99.31%	62,530
1994	8,409,812	7,962,434	94.68%	221,161	8,183,595	97.31%	226,217
1993	7,890,707	7,432,343	94.19%	138,102	7,570,445	95.94%	320,262
1992	6,796,247	6,013,223	88.48%	186,649	6,199,872	91.22%	596,375
1991	6,459,249	5,725,647	88.64%	110,316	5,835,963	90.35%	623,286
1990	6,032,558	5,563,450	92.22%	159,275	5,722,725	94.86%	309,833

Source: Medina County Auditor & Highland Local School District - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Highland Local School District

**Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years**

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2000	\$ 333,887,290	\$ 953,963,686	\$ 15,446,030	\$ 17,552,307	\$ 14,886,057	\$ 59,544,228	\$ 364,219,377	\$ 1,031,060,221
1999	314,432,590	898,378,829	16,966,630	19,280,261	12,843,740	51,374,960	344,242,960	969,034,050
1998	291,896,800	833,990,857	16,437,240	18,678,682	9,995,510	39,982,040	318,329,550	892,651,579
1997	276,276,820	789,362,343	17,684,610	20,096,148	10,677,000	42,708,000	304,638,430	852,166,491
1996	266,244,040	760,697,257	17,688,120	20,100,136	9,567,270	38,269,080	293,499,430	819,066,474
1995	199,446,970	569,848,486	19,691,670	22,376,898	8,017,625	32,070,500	227,156,265	624,295,883
1994	178,188,800	509,110,857	19,749,520	22,442,636	5,973,062	23,892,248	203,911,382	555,445,742
1993	175,533,370	501,523,914	19,461,400	22,115,227	6,222,928	24,891,712	201,217,698	548,530,854
1992	155,312,000	443,748,571	18,084,880	20,551,000	6,314,468	25,257,872	179,711,348	489,557,443
1991	148,465,120	424,186,057	15,412,250	17,513,920	5,853,272	23,413,088	169,730,642	465,113,066

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

(1) Real estate value is assessed at 35% of actual value.

(2) Public utility personal is assessed at 88% of actual value, prior to 1991 it was assessed at 100% of actual value.

(3) Tangible personal property is assessed at 25% of actual value.

Highland Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Calendar Years

Collection Year		School Levy	County Levy	Township	Vocational Education	Wadsworth City	Other	Medina County Library	Total
2000	Brunswick Hills	65.38	8.20	12.60	3.05	-	1.75	1.25	92.23
	Granger Twp.	65.38	8.20	2.60	3.05	-	1.75	1.25	82.23
	Hinckley Twp.	65.38	8.20	11.05	3.05	-	2.80	1.25	91.73
	Medina Twp.	65.38	8.20	5.60	3.05	-	1.75	1.25	85.23
	Montville Twp.	65.38	8.20	10.95	3.05	-	1.75	1.25	90.58
	Sharon Twp.	65.38	8.20	8.40	3.05	-	1.75	1.25	88.03
	Wadsworth City	65.38	8.20	-	3.05	5.80	1.75	1.25	85.43
1999	Brunswick Hills	64.18	7.92	7.60	3.05	-	1.75	1.25	85.75
	Granger Twp.	64.18	7.92	2.60	3.05	-	1.75	1.25	80.75
	Hinckley Twp.	64.18	7.92	11.05	3.05	-	2.80	1.25	90.25
	Medina Twp.	64.18	7.92	5.60	3.05	-	1.75	1.25	83.75
	Montville Twp.	64.18	7.92	10.95	3.05	-	1.75	1.25	89.10
	Sharon Twp.	64.18	7.92	8.40	3.05	-	1.75	1.25	86.55
	Wadsworth City	64.18	7.92	-	3.05	5.80	1.75	1.25	83.95
1998	Brunswick Hills	58.68	7.95	7.60	3.05	-	1.75	1.25	80.28
	Granger Twp.	58.68	7.95	2.60	3.05	-	1.75	1.25	75.28
	Hinckley Twp.	58.68	7.95	11.05	3.05	-	2.80	1.25	84.78
	Medina Twp.	58.68	7.95	5.60	3.05	-	1.75	1.25	78.28
	Montville Twp.	58.68	7.95	10.95	3.05	-	1.75	1.25	83.63
	Sharon Twp.	58.68	7.95	8.40	3.05	-	1.75	1.25	81.08
	Wadsworth City	58.68	7.95	-	3.05	5.80	1.75	1.25	78.48
1997	Brunswick Hills	59.28	7.97	7.60	3.05	-	1.75	1.25	80.90
	Granger Twp.	59.28	7.97	2.60	3.05	-	1.75	1.25	75.90
	Hinckley Twp.	59.28	7.97	11.05	3.05	-	2.80	1.25	85.40
	Medina Twp.	59.28	7.97	5.60	3.05	-	1.75	1.25	78.90
	Montville Twp.	59.28	7.97	9.45	3.05	-	1.75	1.25	82.75
	Sharon Twp.	59.28	7.97	8.40	3.05	-	1.75	1.25	81.70
	Wadsworth City	59.28	7.97	-	3.05	5.80	1.75	1.25	79.10
1996	Brunswick Hills	59.28	7.98	7.60	3.05	-	1.75	1.25	80.91
	Granger Twp.	59.28	7.98	2.60	3.05	-	1.75	1.25	75.91
	Hinckley Twp.	59.28	7.98	11.05	3.05	-	2.80	1.25	85.41
	Medina Twp.	59.28	7.98	5.60	3.05	-	1.75	1.25	78.91
	Montville Twp.	59.28	7.98	10.45	3.05	-	1.75	1.25	83.76
	Sharon Twp.	59.28	7.98	8.40	3.05	-	1.75	1.25	81.71
	Wadsworth City	59.28	7.98	-	3.05	5.80	1.75	1.25	79.11
1995	Brunswick Hills	59.97	8.09	7.60	3.05	-	1.75	1.25	81.71
	Granger Twp.	59.97	8.09	2.60	3.05	-	1.75	1.25	76.71
	Hinckley Twp.	59.97	8.09	11.05	3.05	-	2.80	1.25	86.21
	Medina Twp.	59.97	8.09	5.60	3.05	-	1.75	1.25	79.71
	Montville Twp.	59.97	8.09	10.45	3.05	-	1.75	1.25	84.56
	Sharon Twp.	59.97	8.09	8.40	3.05	-	1.75	1.25	82.51
	Wadsworth City	59.97	8.09	-	3.05	5.80	1.75	1.25	79.91
1994	Brunswick Hills	58.24	8.10	7.10	3.05	-	1.75	1.25	79.49
	Granger Twp.	58.24	8.10	2.60	3.05	-	1.75	1.25	74.99
	Hinckley Twp.	58.24	8.10	11.05	3.05	-	2.80	1.25	84.49
	Medina Twp.	58.24	8.10	5.60	3.05	-	1.75	1.25	77.99
	Montville Twp.	58.24	8.10	10.45	3.05	-	1.75	1.25	82.84
	Sharon Twp.	58.24	8.10	8.40	3.05	-	1.75	1.25	80.79
	Wadsworth City	58.24	8.10	-	3.05	5.80	1.75	1.25	78.19

Highland Local School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Calendar Years

Collection Year	School Levy	County Levy	Township	Vocational Education	Wadsworth City	Other	Medina County Library	Total
1993	Brunswick Hills	57.54	8.12	7.10	3.05	-	1.25	78.81
	Granger Twp.	57.54	8.12	2.60	3.05	-	1.25	74.31
	Hinckley Twp.	57.54	8.12	11.05	3.05	-	2.80	83.81
	Medina Twp.	57.54	8.12	5.60	3.05	-	1.75	77.31
	Montville Twp.	57.54	8.12	9.15	3.05	-	1.75	80.86
	Sharon Twp.	57.54	8.12	8.40	3.05	-	1.75	80.11
	Wadsworth City	57.54	8.12	-	3.05	5.80	1.75	77.51
1992	Brunswick Hills	51.63	8.20	4.60	3.05	-	1.25	69.48
	Granger Twp.	51.63	8.20	2.60	3.05	-	1.25	67.48
	Hinckley Twp.	51.63	8.20	12.05	3.05	-	2.30	77.98
	Medina Twp.	51.63	8.20	5.60	3.05	-	1.25	70.48
	Montville Twp.	51.63	8.20	10.15	3.05	-	1.25	75.03
	Sharon Twp.	51.63	8.20	8.40	3.05	-	1.25	73.28
	Wadsworth City	51.63	8.20	-	3.05	5.80	1.25	70.68
1991	Brunswick Hills	52.17	8.27	6.60	2.75	-	1.25	71.79
	Granger Twp.	52.17	8.27	2.60	2.75	-	1.25	67.79
	Hinckley Twp.	52.17	8.27	10.05	2.75	-	2.30	76.29
	Medina Twp.	52.17	8.27	5.60	2.75	-	1.25	70.79
	Montville Twp.	52.17	8.27	9.15	2.75	-	1.25	74.34
	Sharon Twp.	52.17	8.27	8.40	2.75	-	1.25	73.59
	Wadsworth City	52.17	8.27	-	2.75	5.80	1.25	70.99

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

Highland Local School District

Computation of Legal Debt Margin

June 30, 2000

Assessed Valuation (2000)	<u>\$ 364,219,377</u>
Bonded Debt Limit - 9% of Assessed Value (1)	32,779,744
Outstanding debt:	
School Bus Acquisition Bonds	130,000
Less: Amount available in debt service fund	<u>-</u>
Total outstanding debt	<u>\$ 130,000</u>
Amount of debt applicable to debt limit	130,000
Voted Debt Margin	<u>\$ 32,649,744</u>
Bonded Debt Limit - .10% of Assessed Value (1)	364,219
Outstanding debt:	
School Bus Acquisition Bonds	130,000
Less: Amount available in debt service fund	<u>-</u>
Total outstanding debt	<u>\$ 130,000</u>
Less exemptions:	
School Bus Acquisition Bonds	<u>130,000</u>
	<u>130,000</u>
Amount of debt applicable to debt limit	-
Unvoted Debt Margin	<u>\$ 364,219</u>

Source: Medina County Auditor and School District financial records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

Highland Local School District

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)/(3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2000	\$ 130,000	\$ 364,219,377	19,722	0.04%	\$6.59
1999	260,000	344,242,960	19,722	0.08%	13.18
1998	390,000	318,329,550	19,722	0.12%	19.77
1997	1,089,200	304,638,430	19,722	0.36%	55.23
1996	1,317,100	293,499,430	19,722	0.45%	66.78
1995	1,545,000	227,156,265	19,722	0.68%	78.34
1994	1,284,500	203,911,382	19,722	0.63%	65.13
1993	1,468,000	201,217,698	19,722	0.73%	74.43
1992	1,651,500	179,711,348	19,722	0.92%	83.74
1991	1,835,000	169,730,642	19,722	1.08%	93.04

Source: Medina County Population Estimates for Cities, Villages and Townships

(1) No debt is applicable to enterprise funds.

(2) Population data for 1990 through 1999 was assumed to be the same as the 1990 census as interim data was not available.

(3) Population estimates for Brunswick Hills Twp., Granger Twp., Hinckley Twp., Montville Twp. and Sharon Twp. were used to compile Highland Local Schools population.

Highland Local School District

Ratio of Annual Debt Service Expenditures for

General Obligation Bonded Debt to Total Governmental Expenditures

Last Ten Fiscal Years

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2000	\$ 130,000	\$ 10,725	\$ 140,725	\$ 15,678,242	0.90%
1999	130,000	17,875	147,875	14,338,232	1.03%
1998	699,200	57,219	756,419	14,862,224	5.09%
1997	227,900	69,865	297,765	13,318,449	2.24%
1996	227,900	87,332	315,232	12,200,610	2.58%
1995	183,500	67,073	250,573	11,484,335	2.18%
1994	183,500	77,627	261,127	10,347,266	2.52%
1993	183,500	96,165	279,665	9,609,896	2.91%
1992	183,500	107,248	290,748	9,431,190	3.08%
1991	183,500	30,860	214,360	9,410,784	2.28%

Source: School District records and Audit Reports

Highland Local School District

Demographic Statistics

<u>Selected Population Characteristic</u>	<u>1990</u>	<u>1980</u>
<u>Population</u>	16,875	14,793
<u>Age Distribution</u>		
Median	36	n/a
< 17 Years	4,463	n/a
18-64 Years	10,825	n/a
65+ Years	1,587	n/a
<u>Race</u>		
White	16,721	n/a
Black	40	n/a
Other	114	n/a

Source: Medina Chamber of Commerce

Used only significant townships: Granger Twp., Hinckley Twp., Medina Twp., Sharon Twp.

1980 Census information not available

Highland Local School District
Property Values, Bank Deposits and Construction
Last Ten Calendar Years

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits</u>	<u>Value of New Construction</u>
2000	\$ 364,219,377	\$ 129,769,000	\$ 425,300
1999	344,242,960	159,232,558	355,850
1998	318,329,550	618,560,551	354,200
1997	304,638,430	97,862,101	272,800
1996	293,499,430	873,151,487	258,800
1995	227,156,265	811,794,038	302,700
1994	203,911,382	726,886,234	294,086
1993	201,217,698	801,579,645	198,250
1992	179,711,348	775,068,420	141,600
1991	169,730,642	695,978,570	115,300

Sources:

Total Assessed Value - Medina County Auditor
Financial Institution Deposits - Cleveland Federal Reserve Board
Value of New Construction - Highland Local School District

Highland Local School District

Principal Taxpayers

Top Taxpayers	Assessed Valuations					Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility	Total
Ohio Edison Company	\$ -	\$ -	\$ 7,761,750	\$ 7,761,750	2.13%	\$ -	\$ -	\$ 31,047,000	\$ 31,047,000
GTE North Inc.	-	-	2,007,470	2,007,470	0.55%	-	-	8,029,880	8,029,880
Columbia Gas of Ohio	-	-	1,988,780	1,988,780	0.55%	-	-	7,955,120	7,955,120
A Schulman, Inc.	-	1,666,700	-	1,666,700	0.46%	-	1,893,977	-	1,893,977
Avalon RV Center, Inc.	-	1,439,530	-	1,439,530	0.40%	-	1,635,830	-	1,635,830
East Ohio Gas	-	-	1,175,050	1,175,050	0.32%	-	-	4,700,200	4,700,200
Cornelius Mihalca	1,012,000	-	-	1,012,000	0.28%	2,891,429	-	-	2,891,429
Atlantic Tool & Die Co.	482,940	1,009,540	-	1,492,480	0.41%	1,379,829	1,147,205	-	2,527,034
Partners in Plastic	-	1,002,640	-	1,002,640	0.28%	-	1,139,364	-	1,139,364
Sirtos Nicholas J. & Demetrak	959,120	-	-	959,120	0.26%	2,740,343	-	-	2,740,343
Total Top Ten Taxpayers	\$ 2,454,060	\$ 5,118,410	\$ 12,933,050	\$ 20,505,520	5.63%	\$ 7,011,601	\$ 5,816,376	\$ 51,732,200	\$ 64,560,177
Total All Assessed Valuations	333,887,290	14,886,057	15,446,030	364,219,377	100.00%				

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Sources: Highland Local School District

Highland Local School District

Computation of Direct and Overlapping Bonded Debt

June 30, 2000

	<u>Assessed Valuation</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Highland Local School District</u>
Highland Local School District	\$ 364,219,377	\$ 130,000	100.00%	\$ 130,000
Brunswick Hills Township	103,842,415	-	3.22%	-
Granger Township	107,028,355	-	96.13%	-
Hinckley Township	170,443,600	-	71.60%	-
Medina Township	225,667,248	-	71.08%	-
Montville Township	128,201,020	-	14.58%	-
Sharon Township	115,767,113	-	96.91%	-
Wadsworth City	319,755,480	-	0.02%	-
		<u>\$ 130,000</u>		<u>\$ 130,000</u>

Sources: Medina County Auditor & Local finance departments

No information available for Brunswick Hills Township or Sharon Township

(1) Includes all general obligation bonds and notes at December 31, 1998.

(2) Overlapping percentages are calculated based on overlapping valuation and total entity valuation.

Highland Local School District

Directory of School Facilities

June 30, 2000

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>
Highland High School	3880 Ridge Road Medina, OH 44256	Dr. Bruce Hulme	9-12
Highland Middle School	3940 Ridge Road Medina, OH 44256	Mr. Joe Wise	6-8
Hinckley Elementary School	1586 Center Road Hinckley, OH 44233	Mr. John Giles	K-5
Sharon Elementary School	6335 Ridge Road P.O. Box 179 Sharon Center, OH 44274	Mrs. Constance Marzullo	K-5

Source: Highland Local School District records

Highland Local School District

Miscellaneous Statistics

Last Ten Fiscal Years (1)

	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>
Fall Enrollment	2,380	2,340	2,223	2,197
Average Teacher Salary	39,976	47,468	46,317	44,020
Percent of Teachers With No Degree	0.00	0.00	0.00	0.00
Percent of Teachers With Bachelor Degree	33.30	33.48	26.79	26.67
Percent of Teachers With Masters Degree	29.30	28.39	32.59	33.33
Average Teacher Experience (yrs.)	14.00	14.90	15.80	15.40
Pupil Attendance Rate	96.30	96.31	95.86	95.97
Graduation Rate	93.10	93.14	86.59	90.73
Percent of College Preparatory Graduates	97.50	97.55	86.45	81.75

Source: Ohio Department of Education and School District records

(1) Information not available for 2000

<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>	<u>Fiscal Year Ended June 30, 1991</u>
2,111	2,075	2,002	1,959	1,893
39,881	37,505	35,756	35,756	34,389
0.00	0.00	0.00	0.00	0.00
25.91	26.39	48.46	49.35	34.91
35.91	32.87	23.55	22.73	30.66
15.00	14.50	15.50	15.00	15.00
95.60	95.86	95.79	95.79	95.59
95.74	90.20	91.50	89.87	85.55
85.93	84.78	79.29	86.62	58.78



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HIGHLAND LOCAL SCHOOL DISTRICT

MEDINA 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 25, 2001**