

**INDEPENDENCE LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**INDEPENDENCE LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**Independence Local School District
Cuyahoga County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2000**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Receipts	Federal Non-Cash Receipts	Federal Expenditures	Federal Non-Cash Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through State Department of Education:						
Technology Literacy Challenge Fund	84.318	TF-31 1999	\$0	\$0	\$136,419	\$0
Technology Literacy Challenge Fund	84.318	TF-32 2000	100,000	0	100,000	0
Technology Literacy Challenge Fund	84.318	TF-33 2000	62,500	0	62,357	0
Technology Literacy Challenge Fund	84.318	TF-34 2000	62,500	0	2,237	0
Total Technology Literacy Challenge Fund			225,000	0	301,013	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 99	0	0	4,295	0
Title I Grants to Local Educational Agencies	84.010	C1-S1 00	41,958	0	39,193	0
Total Title I			41,958	0	43,488	0
Innovative Education Program Strategies	84.298	C2-S1 1999	0	0	1,175	0
Innovative Education Program Strategies	84.298	C2-S1 2000	6,973	0	2,469	0
Total Innovative Education Program Strategies			6,973	0	3,644	0
Eisenhower Professional Development	84.281	MS-S1 1998	0	0	321	0
Eisenhower Professional Development	84.281	MS-S1 1999	0	0	600	0
Eisenhower Professional Development	84.281	MS-S1 2000	744	0	724	0
Total Eisenhower Professional Development			744	0	1,645	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1 1999	3,423	0	3,555	0
Safe and Drug-Free Schools and Communities	84.186	DR-S1 2000	4,119	0	3,097	0
Total Safe and Drug-Free Schools and Communities			7,542	0	6,652	0
Class Size Reduction	84.340	CR SI 2000	6,419	0	5,310	0
Total U.S. Department of Education			288,636	0	361,752	0
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through State Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550	N/A	0	9,516	0	10,247
National School Lunch Program	10.555	04PU 2000	19,659	0	19,659	0
Total - U.S. Department of Agriculture - Nutrition Cluster			19,659	9,516	19,659	10,247
Total Federal Financial Assistance			\$308,295	\$9,516	\$381,411	\$10,247

The accompanying notes are an integral part
of the Schedule of Federal Award Expenditures.

**INDEPENDENCE LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the Districts federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - NATIONAL SCHOOL LUNCH

Federal monies received by the District for these programs are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A - Not applicable

CFDA - Catalog of Federal Domestic Assistance



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OFFICE OF THE AUDITOR

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

Board of Education
Independence Local School District
Cuyahoga County
7733 Stone Road
Independence, Ohio 44131

We have audited the financial statements of the Independence Local School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000, in which we noted the District restated the General Fixed Assets Account Group, Enterprise Fund Fixed Assets and Enterprise Fund Equity (Contributed Capital). We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 15, 2000.

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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 15, 2000.

Independence Local School District
Cuyahoga County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping loop at the end.

Jim Petro
Auditor of State

December 15, 2000



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OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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

Board of Education
Independence Local School District
Cuyahoga County
7733 Stone Road
Independence, Ohio 44131

Compliance

We have audited the compliance of the Independence Local School District, Cuyahoga County, (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 internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

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. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District, in a separate letter dated December 15, 2000.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the Independence Local School District, Cuyahoga County, as of and for the year ended June 30, 2000, and have issued our report thereon dated December 15, 2000 in which we noted the District restated the General Fixed Assets Account Group, Enterprise Fund Fixed Assets and Enterprise Fund Equity (Contributed Capital). 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 federal awards expenditures 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 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

**INDEPENDENCE LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS
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(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 reported material 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):	Technology Literacy Challenge Fund/84.318
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

INDEPENDENCE LOCAL SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
(Continued)

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

Finding Number	
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None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

INDEPENDENCE LOCAL SCHOOL DISTRICT

Comprehensive Annual Financial Report

for the

Fiscal Year Ended June 30, 2000

Prepared by the Treasurer's Office

**Allen D. Sluka
Treasurer**

**7733 Stone Road
Independence, Ohio 44131**

Independence Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2000

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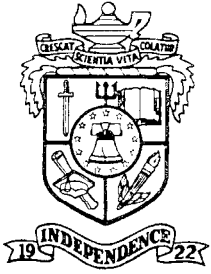
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INDEPENDENCE LOCAL SCHOOLS

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December 15, 2000

David J. Laurenzi
Superintendent
(216) 642-5850

Board of Education Members and
Residents of the Independence Local School District:

Allen D. Sluka
Treasurer
(216) 642-5854

Richard T. McDermott
Director of
Curriculum
& Instruction
(216) 642-5852

We are pleased to submit to you the third Comprehensive Annual Financial Report (CAFR) of the Independence Local School District. This report provides full disclosure of the financial operation of the School District for the fiscal year ended June 30, 2000. This CAFR includes an opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles as applicable to government entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide taxpayers of the Independence Local School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Independence Public Library, major taxpayers, financial rating services, and other interested parties.

Richard J. Wherley
Technology
Coordinator
(216) 642-5884

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

1. The Introductory Section contains a Table of Contents, Letter of Transmittal, Board of Education and Appointed Officials, an Organizational Chart of the School District, and Certificate of Achievement for Excellence in Financial Reporting
2. The Financial Section begins with the Independent Accountants' Report and includes the General Purpose Financial Statements and Notes to the General Purpose Financial Statements which provide an overview of the School District's financial position and operating results, the Combining, Individual Fund and Account Group Statements and Schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data, financial trends, and the fiscal capacity of the Independence Local School District.

Al Yano
Service Manager
(216) 642-5853

The School District

Independence Local School District is located eight miles south of Cleveland, Ohio, where Interstate 77 intersects with Interstate 480 in the midst of a rapidly expanding community. The first school in Independence started in 1826. During 1839-40, 53 students were enrolled in the schools. By 1850, there were 11 schools in Independence with an enrollment of 611 students. At that time, the Independence Township covered an area of 36 square miles. Time has eroded those 36 square miles to the present 9.45 square miles that comprise the School District today. The present Middle School opened in September 1923 for grade 1-12 with the first graduating class in 1926. The 1950's and 1960's saw rapid growth of school population and the School District opened the current Primary School in 1956. In September of 1961, the present High School opened with a capacity of 600 students. In 1964, additions to the High School, Middle School and alterations to the Primary School were completed. These three buildings make up the current School District.

Independence Local School District is one of the 612 school districts in the State of Ohio and one of the 33 school districts in Cuyahoga County. The District provides education to 989 students in grades K-12, and preschool education to eight handicapped/non-handicapped students.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in Division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services authorized and mandated by State and/or Federal agencies.

Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. Excluded from the reporting entity because they are fiscally independent of the District are the City of Independence, the Parent Teacher Association, the Booster Clubs and the St. Michael Parochial School. The Lakeshore Northeast Computer Association and the Ohio Schools Council are reported as jointly governed organizations. The District also participates in the Ohio School Boards Association's Compensation Group Rating Program, an insurance purchasing pool, the electricity-purchasing program, and the prepaid natural gas program.

Economic Condition and Outlook

Over the past decade, Independence has experienced significant business development, especially on its portion of the Rockside Road Corridor. Independence is second only to Cleveland as a center for business in Northeast Ohio, and has become headquarters to many of the region's leading job providers. The architecture of Rockside Road is steadily getting more daring and includes the work of many top architects and designers. The three-mile stretch of commercial property has more than 4 million square feet of commercial property attracting more than 25,000 white-collar workers daily to these corporate centers. Office vacancy rates continue to be the lowest in Northeast Ohio. This business quarter is commanding the highest lease rates and has more than one half of the largest suburban commercial properties in Cleveland calling Independence home. The City of Independence has one of the lowest tax rates in Cuyahoga County. Independence is ideally situated between Cleveland and Akron, providing a convenient satellite location for businesses throughout Northeast Ohio.

Of the District's General Fund operations, 60% of the General Fund revenue is received from real estate taxes on residential, commercial, and industrial properties and another 21% are received from tangible personal property taxpayers. Approximately 14% are received from various forms of State aid, with the balance representing interest earnings and other miscellaneous revenues.

In July 1994, the Perry County Common Pleas Court of Ohio declared that the State Ohio's system of funding elementary and secondary public schools was unconstitutional. The State of Ohio appealed the decision, which was overturned in a split opinion by the 5th District Court of Appeals. The case was then appealed to the Ohio Supreme Court with the decision being upheld. The legislature was then ordered by the Court to devise a new structure to fund public education in the state by March 1998. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature 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 in February 1999, determined that they are not a sufficiently responsive to the constitutional issues previously raised. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. 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[ing] 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 continued the case at least until June 15, 2001.

Major Initiatives

Based on the latest report card, the District is in the process of creating a Continuous Improvement Plan (CIP). Components of the plan will include 12 separate requirements as mandated by the legislature of the State of Ohio. The CIP is designed to narrow the district's focus from potentially many unmet indicators to a few reasonable, key strategies that are likely to make the greatest difference in students' achievement.

Furthermore, the District continues to follow its following mission statement "Building on the educational foundation started at home and incorporating the ongoing partnership among home, school and community, the mission of the Independence Public Schools is to provide the resources, safe learning climate, professional guidance and comprehensive instruction program which will enable all students to achieve success according to their ability, to enrich and influence their future lives, and be positive, contributing members of society."

Lastly, the district is in the fifth year of a five-year cycle of its K-12 North Central Accreditation (NCA) process.

Financial Information

Internal Accounting and Budgetary Control

The 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 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 District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, a permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on the final assessed values and tax rates, which is usually within three months after the start of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by a building or department administrator, the Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriation, are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year to date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, a blanket bond covers all employees and a separate higher limit bond covers certain individuals in policy-making roles.

The basis of accounting and the various funds and account groups utilized by the District are fully described in Note 2 of the General Purpose Financial Statements. Additional information on the District's budgetary accounting can also be found in Note 2.

General Government Functions

The following schedule presents a summary of all general fund revenues for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year revenues.

<u>Revenues</u>	<u>1999 Amount</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Taxes	\$ 8,569,210	\$ 7,315,897	80.55%	\$(1,253,313)	(14.60)%
Tuition	4,440	4,540	.04	100	2.25
Intergovernmental	1,397,890	1,501,468	16.53	103,578	7.41
Earnings on Investments	78,731	213,126	2.35	134,395	170.70
Classroom Materials/Fees	11,815	13,000	.14	1,185	10.03
Miscellaneous	51,845	35,256	.39	(16,589)	(32.00)
Total Revenues	\$ <u>10,113,931</u>	\$ <u>9,083,287</u>	100.00%	\$ <u>(1,030,644)</u>	(10.19)%

Taxes – represents the largest revenue that constitutes 81% of total revenues in 2000. The decrease in taxes is from the private sale of delinquent property taxes during the last fiscal year that was a one-time occurrence.

Intergovernmental – this increase was from a change in the State of Ohio’s funding for special education.

Earnings on Investments -the School District sold land that allowed it to invest larger dollar amounts of principal.

Miscellaneous -- this decrease was caused by decrease in rental of school facilities.

The following schedule presents a summary of all general fund expenditures for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage for increases and decreases in relation to the prior year expenditures:

<u>Expenditures</u>	<u>1999 Amount</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Current:					
Instruction	\$ 4,983,086	\$ 5,529,404	57.32%	\$ 546,318	10.96%
Support Services:					
Pupils	452,600	484,823	5.03	32,223	7.12
Instructional Staff	510,152	534,275	5.54	24,123	4.73
Board of Education	121,747	126,442	1.31	4,695	3.86
Administration	689,902	703,042	7.29	13,140	1.90
Fiscal Services	327,074	353,711	3.67	26,637	8.14
Business	130,973	151,652	1.57	20,679	15.79
Operation & Maintenance of Plant	900,720	870,150	9.02	(30,570)	(3.39)
Pupil Transportation	499,391	574,462	5.95	75,071	15.03
Extracurricular Activities	308,840	313,542	3.25	4,702	1.52
Capital Outlay	57,104	5,513	.05	(51,591)	(90.35)
Total Expenditures	\$ <u>8,981,589</u>	\$ <u>9,647,016</u>	100.00%	\$ <u>665,427</u>	7.40%

Instruction – the increase in instruction costs is the result of increased enrollment, general wage increases, health care cost increases and early retirement payments.

Support Services

Pupils – the increase is due to increases in general wages, health care costs and pupil purchase service costs.

Fiscal Services – the increase in fiscal expenditures is the result of an increase in the County Auditor and Treasurer fees along with a general wage increase and health care costs for the treasurer’s office staff.

Business – the increase is the result of higher copying costs, outside printing needs, and postage/ mailing costs.

Pupil Transportation – the increase is the result of additional bus runs, field trips, aging busses, higher maintenance demands, cost of fuel and general wage increases.

Capital Outlay – the decrease is from using the permanent improvement fund for any major capital outlay purchases of equipment.

General Fund Balance

The fund balance of the General Fund increased from prior year \$1,499,762 to \$2,831,430 as a result from the sale of real property owned.

Special Revenue Funds

The Special Revenue funds are classified as governmental fund types and represent those funds that account for revenues from specific sources and are restricted to expenditures for restricted purposes.

Capital Projects Funds

The Capital Projects funds are also classified as governmental fund types and represent those funds that account for financial resources used for the acquisition or construction of major capital facilities.

Enterprise Funds

Food Service and Uniform School Supplies are classified as enterprise operations as they resemble those activities found in private industry. Management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. None of these operations is viewed by the District as being able to operate without general fund support.

Fiduciary Funds

The District carries two agency funds, which were created by unused assets that are held by the District in a trustee capacity.

Cash Management

The Board has a cash management program, which consists of expediting the receipt of revenues and prudently depositing cash, as well as investing available cash balances. Both budgetary and payroll warrants are covered on a "just in time" basis through special clearing accounts set up by the depository. Cash not currently needed to cover warrants is maintained in the District's investment accounts. The total amount of the governmental fund's interest earned was \$224,369 for the year ending June 30, 2000, with \$213,126 being credited directly to the General Fund.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. During fiscal year 2000, the District invested primarily in Ohio's State Treasury Asset Reserve (STAR Ohio).

Risk Management

All employees of the District are covered by a blanket bond while certain positions in decision/policy making roles are covered by separate higher bond coverage.

The District contracts for general liability with Nationwide Insurance. The limits of coverage are \$2,000,000 per occurrence and \$5,000,000 in the aggregate.

The District also maintains insurance coverage on all vehicles, buildings and equipment.

Independent Audit

State statute requires the District to be audited annually by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2000. The opinion appears at the beginning of the financial section of this report.

Pursuant to state statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Independence Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 1999. This was the second year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

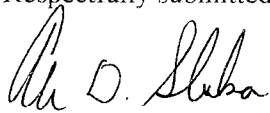
The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support of the School Treasurer's Office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Appreciation must also be given to the Office of the Auditor of State-Cleveland Region who gave their valuable advice and assistance in the preparation of this CAFR.

A special thank you must be given to Joyce Saris, Assistant Treasurer, and MaryAnn Wright, Payroll Coordinator, who have made significant contributions to this year's School District CAFR.

The Board of Education's commitment to excellence to the School District in general, and support for this project in particular, are sincerely appreciated.

Respectfully submitted,



Allen D. Sluka
Treasurer



David J. Laurenzi
Superintendent of Schools

Independence Local School District

*Board of Education and Appointed Officials
June 30, 2000*

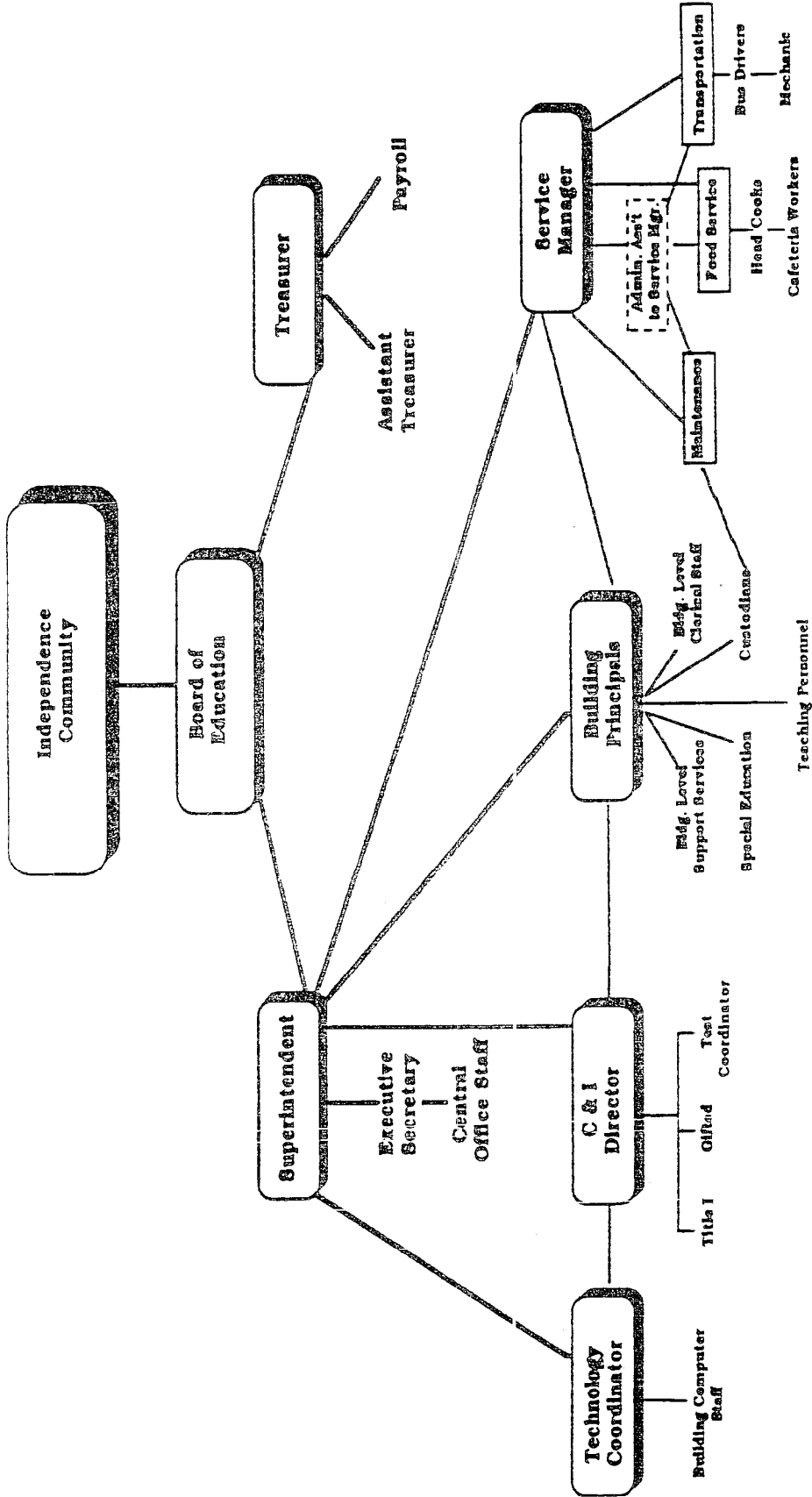
Board of Education

Russell G. Fortlage	President
Marsha Nall	Vice-President
Karen Olejarski	Member
Richard Velotta	Member
Thomas Vondriska	Member

Appointed Officials

David J. Laurenzi	Superintendent
Allen D. Sluka	Treasurer
Richard T. McDermott	Director of Curriculum and Instruction
Cary D. Willgren	High School Principal
Edward A. Vittardi	Middle School Principal
Judith A. Schulz	Primary School Principal
Richard J. Wherley	Technology Coordinator
Albert A. Yano	Service Manager

INDEPENDENCE LOCAL SCHOOL DISTRICT - ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Independence Local
School District, Ohio

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

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



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

Financial Section



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Independence Local School District
Cuyahoga County
7733 Stone Road
Independence, Ohio 44131

We have audited the accompanying general-purpose financial statements of the Independence Local School District, Cuyahoga 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 Independence Local School District, Cuyahoga County, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As described in Note 3 to the general-purpose financial statements, the District restated the General Fixed Assets Account Group and Enterprise Fund Equity (Contributed Capital) due to the restatement of Enterprise Fund Fixed Assets.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

Jim Petro
Auditor of State

December 15, 2000

General Purpose Financial Statements

Independence Local School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets and Other Debits			
Assets:			
Cash and Cash Equivalents	\$ 3,348,053	\$ 142,825	\$ 202,059
Receivables			
Taxes	8,529,958	-	353,539
Accounts	10,428	-	-
Interfund Receivable	2,000	-	-
Prepaid Items	19,079	-	-
Inventories	5,000	-	-
Restricted Cash and Cash Equivalents	208,000	-	-
Fixed Assets (Net, where applicable of Accumulated Depreciation)	-	-	-
Other Debits:			
Amount to be provided	-	-	-
Total Assets and Other Debits	\$ 12,122,518	\$ 142,825	\$ 555,598
Liabilities, Fund Equity and Other Credits			
Liabilities:			
Accounts Payable	63,433	8,688	141,598
Accrued Wages/Benefits Payable	980,111	16,846	-
Compensated Absences Payable	46,497	-	-
Contracts Payable	-	-	-
Due to Students	-	-	-
Interfund Payable	-	-	-
Deferred Revenue	8,201,047	-	340,901
Undistributed Monies	-	-	-
Total Liabilities	<u>9,291,088</u>	<u>25,534</u>	<u>482,499</u>
Fund Equity and Other Credits:			
Investments in General Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings (deficit):			
Unreserved	-	-	-
Fund Balances (deficit)			
Reserved for Taxes	328,911	-	12,638
Reserved for Encumbrances	39,027	16,320	1,315,712
Reserved for Inventory	5,000	-	-
Reserved for Budget Stabilization	208,000	-	-
Unreserved, Undesignated	2,250,492	100,971	(1,255,251)
Total Fund Equity (deficit) and Other Credits	<u>2,831,430</u>	<u>117,291</u>	<u>73,099</u>
Total Liabilities, Fund Equity (deficit), and Other Credits	\$ 12,122,518	\$ 142,825	\$ 555,598

See Notes to the General Purpose Financial Statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long- Term Obligations	
Enterprise	Agency			
\$ 5,521	\$ 74,966	\$ -	\$ -	\$ 3,773,424
-	-	-	-	8,883,497
-	-	-	-	10,428
-	-	-	-	2,000
-	-	-	-	19,079
1,948	-	-	-	6,948
-	-	-	-	208,000
51,859	-	7,221,485	-	7,273,344
-	-	-	1,283,917	1,283,917
<u>\$ 59,328</u>	<u>\$ 74,966</u>	<u>\$ 7,221,485</u>	<u>\$ 1,283,917</u>	<u>\$ 21,460,637</u>
-	-	-	-	213,719
19,063	-	-	-	1,016,020
21,459	-	-	1,283,917	1,351,873
-	-	-	-	-
-	74,394	-	-	74,394
2,000	-	-	-	2,000
868	-	-	-	8,542,816
-	572	-	-	572
<u>43,390</u>	<u>74,966</u>	<u>-</u>	<u>1,283,917</u>	<u>11,201,394</u>
-	-	7,221,485	-	7,221,485
51,859	-	-	-	51,859
(35,921)	-	-	-	(35,921)
-	-	-	-	341,549
-	-	-	-	1,371,059
-	-	-	-	5,000
-	-	-	-	208,000
-	-	-	-	1,096,212
<u>15,938</u>	<u>-</u>	<u>7,221,485</u>	<u>-</u>	<u>10,259,243</u>
<u>\$ 59,328</u>	<u>\$ 74,966</u>	<u>\$ 7,221,485</u>	<u>\$ 1,283,917</u>	<u>\$ 21,460,637</u>

Independence Local School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances-All Governmental Fund Types*
Fiscal Year Ended June 30, 2000

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues:				
Taxes	\$ 7,315,897	\$ -	\$ 339,881	\$ 7,655,778
Tuition	4,540	-	-	4,540
Intergovernmental	1,501,468	516,596	127,775	2,145,839
Earnings on Investments	213,126	3,505	7,738	224,369
Extracurricular Activities	-	35,443	-	35,443
Donations and Gifts	-	-	-	-
Classroom Materials / Fees	13,000	1,629	-	14,629
Miscellaneous	35,256	58,900	2,150	96,306
Total Revenues	9,083,287	616,073	477,544	10,176,904
Expenditures:				
Current:				
Instruction				
Regular	4,463,196	17,344	2,525	4,483,065
Special	492,945	57,310	-	550,255
Other	573,263	-	-	573,263
Support Services				
Pupils	484,823	4,134	-	488,957
Instructional Staff	534,275	131,364	-	665,639
Board of Education	126,442	-	-	126,442
Administration	703,042	-	-	703,042
Fiscal	353,711	-	-	353,711
Business	151,652	30,657	-	182,309
Operation and Maintenance of Plant	870,150	13,144	153,656	1,036,950
Pupil Transportation	574,462	-	-	574,462
Facilities Acquisition and Construction	-	-	205,569	205,569
Central	-	5,000	-	5,000
Operation of Non-Instructional Services	-	196,930	-	196,930
Extracurricular Activities	313,542	54,042	-	367,584
Capital Outlay	5,513	180,544	890,366	1,076,423
Total Expenditures	9,647,016	690,469	1,252,116	11,589,601
Excess of Revenues Over (Under) Expenditures	(563,728)	(74,396)	(774,572)	(1,412,696)
Other Financing Sources (Uses):				
Other Financing Sources	2,605,898	-	-	2,605,898
Other Financing Uses	(46)	-	-	(46)
Operating Transfers In	-	1,371	653,600	654,971
Operating Transfers Out	(710,471)	-	-	(710,471)
Total Other Financing Sources (Uses)	1,895,381	1,371	653,600	2,550,352

Independence Local School District
*Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances-All Governmental Fund Types(Cont'd)*
Fiscal Year Ended June 30, 2000

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	1,331,653	(73,025)	(120,972)	1,137,656
Fund Balance (Deficit) at Beginning of Year	1,499,762	190,316	194,071	1,884,149
Increase/(Decrease) in Reserve for Inventory	15	-	-	15
Fund Balances at End of Year	\$ 2,831,430	\$ 117,291	\$ 73,099	\$ 3,021,820

See Notes to the General Purpose Financial Statements

Independence Local School District
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances-Budget and Actual(Budget Basis)
All Governmental Fund Types
Fiscal Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 7,936,000	\$ 8,098,096	\$ 162,096	\$ -	\$ -	\$ -
Tuition	4,000	5,145	1,145	-	-	-
Intergovernmental	1,284,679	1,501,468	216,789	516,526	516,596	70
Earnings on Investments	92,000	213,126	121,126	3,800	3,505	(295)
Extracurricular Activities	-	-	-	29,700	35,443	5,743
Donations and Gifts	-	-	-	25,000	16,242	(8,758)
Classroom Materials / Fees	11,500	13,000	1,500	1,500	1,629	129
Miscellaneous	35,000	46,635	11,635	26,000	42,557	16,557
Total Revenues	9,363,179	9,877,470	514,291	602,526	615,972	13,446
Expenditures:						
Current:						
Instruction						
Regular	4,460,060	4,437,325	22,735	25,240	20,234	5,006
Special	505,905	498,400	7,505	70,549	56,111	14,438
Other	587,578	576,829	10,749	-	-	-
Support Services						
Pupils	498,996	486,586	12,410	4,188	4,134	54
Instructional Staff	561,732	547,075	14,657	379,601	322,827	56,774
Board of Education	137,275	126,750	10,525	-	-	-
Administration	711,358	700,833	10,525	-	-	-
Fiscal	360,150	351,388	8,762	-	-	-
Business	160,423	159,729	694	35,600	32,031	3,569
Operation and Maintenance of Plant	906,000	879,454	26,546	20,331	16,629	3,702
Pupil Transportation	599,128	581,958	17,170	-	-	-
Central	-	-	-	5,000	5,000	-
Operation of Non-Instructional Services	-	-	-	204,898	194,346	10,552
Extracurricular Activities	323,155	313,542	9,613	62,196	60,880	1,316
Facilities Acquisition and Construction	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	9,811,760	9,659,869	151,891	807,603	712,192	95,411
Excess of Revenues Over (Under) Expenditures	(448,581)	217,601	666,182	(205,077)	(96,220)	108,857
Other Financing Sources (Uses):						
Other Financing Sources	2,605,000	2,605,898	898	-	100	100
Other Financing Uses	(500)	(46)	454	-	-	-
Advances In	-	8,000	8,000	-	-	-
Advances Out	-	(2,000)	(2,000)	-	-	-
Operating Transfers In	-	-	-	8,417	1,371	(7,046)
Operating Transfers Out	(2,065,000)	(710,371)	1,354,629	-	-	-
Total Other Financing Sources (Uses)	539,500	1,901,481	1,361,981	8,417	1,471	(6,946)
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	90,919	2,119,082	2,028,163	(196,660)	(94,749)	101,911
Fund Balances (Deficit) at Beginning of Year	1,283,035	1,283,035	-	120,000	120,000	-
Prior Year Encumbrances Appropriated	50,360	50,360	-	93,013	93,013	-
Fund Balances (Deficit) at End of Year	\$ 1,424,314	\$ 3,452,477	\$ 2,028,163	\$ 16,353	\$ 118,264	\$ 101,911

See Notes to the General Purpose Financial Statements

Independence Local School District
*Combined Statement of Revenues, Expenditures and Changes
in Fund Balances-Budget and Actual(Budget Basis)*
All Governmental Fund Types
Fiscal Year Ended June 30, 2000

Capital Project Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 336,148	\$ 362,781	\$ 26,633	\$ 8,272,148	\$ 8,460,877	\$ 188,729
-	-	-	4,000	5,145	1,145
132,000	130,800	(1,200)	1,933,205	2,148,864	215,659
5,000	7,739	2,739	100,800	224,370	123,570
-	-	-	29,700	35,443	5,743
-	-	-	25,000	16,242	(8,758)
-	-	-	13,000	14,629	1,629
-	2,150	2,150	61,000	91,342	30,342
<u>473,148</u>	<u>503,470</u>	<u>30,322</u>	<u>10,438,853</u>	<u>10,996,912</u>	<u>558,059</u>
114,163	61,800	52,363	4,599,463	4,519,359	80,104
-	-	-	576,454	554,511	21,943
-	-	-	587,578	576,829	10,749
-	-	-	503,184	490,720	12,464
-	-	-	941,333	869,902	71,431
-	-	-	137,275	126,750	10,525
-	-	-	711,358	700,833	10,525
-	-	-	360,150	351,388	8,762
-	-	-	196,023	191,760	4,263
165,600	156,554	9,046	1,091,931	1,052,637	39,294
66,120	66,049	71	665,248	648,007	17,241
-	-	-	5,000	5,000	-
-	-	-	204,898	194,346	10,552
-	-	-	385,351	374,422	10,929
305,520	211,554	93,966	305,520	211,554	93,966
2,093,001	2,091,370	1,631	2,093,001	2,091,370	1,631
<u>2,744,404</u>	<u>2,587,327</u>	<u>157,077</u>	<u>13,363,767</u>	<u>12,959,388</u>	<u>404,379</u>
(2,271,256)	(2,083,857)	187,399	(2,924,914)	(1,962,476)	962,438
-	-	-	2,605,000	2,605,998	998
-	-	-	(500)	(46)	454
-	-	-	-	8,000	8,000
(7,700)	(8,100)	(400)	(7,700)	(10,100)	(2,400)
2,400,000	653,600	(1,746,400)	2,408,417	654,971	(1,753,446)
-	-	-	(2,065,000)	(710,371)	1,354,629
<u>2,392,300</u>	<u>645,500</u>	<u>(1,746,800)</u>	<u>2,940,217</u>	<u>2,548,452</u>	<u>(391,765)</u>
121,044	(1,438,357)	(1,559,401)	15,303	585,976	570,673
61,983	61,983	-	1,465,018	1,465,018	-
120,782	120,782	-	264,155	264,155	-
<u>\$ 303,809</u>	<u>\$ (1,255,592)</u>	<u>\$ (1,559,401)</u>	<u>\$ 1,744,476</u>	<u>\$ 2,315,149</u>	<u>\$ 570,673</u>

Independence Local School District
*Combined Statement of Revenues, Expenses and
Changes in Retained Earnings/Fund Equity - Proprietary Fund Type*
Fiscal Year Ended June 30, 2000

	Proprietary Fund Type Enterprise
Operating Revenues:	
Sales	\$ 180,062
Other	58
Total Operating Revenues	180,120
Operating Expenses:	
Salaries	109,584
Fringe Benefits	25,554
Purchased Services	3,710
Materials and Supplies	119,404
Cost of Sales	9,516
Total Operating Expenses	267,768
Operating Income (Loss)	(87,648)
Non-Operating Revenues (Expenses)	
Operating Grants	20,068
Government Donated Commodities	9,516
Total Non-Operating Revenues (Expenses)	29,584
Transfers from Other Funds	55,500
Net Income (Loss)	(2,564)
Retained Earning (Deficit) at Beginning of Year	(33,357)
Retained Earnings (Deficit) at End of Year	(35,921)
Contributed Capital Beginning of Year	54,540
Depreciation on Fixed Assets Acquired by Contributed Capital	(9,781)
Contributed Capital at End of Year	51,859
Total Fund Equity (Deficit) at End of Year	\$ 15,938

See Notes to General Purpose Financial Statements

Independence Local School District
Combined Statement of Cash Flows
Proprietary Fund Type
Fiscal Year Ended June 30, 2000

	<u>Proprietary Fund Type Enterprise</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash flows from operating activities	
Cash received from sales	\$ 180,120
Cash paid to employees	(133,366)
Cash paid to suppliers	<u>(123,068)</u>
Net cash provided by operating activities	<u>(76,314)</u>
Cash flows from noncapital financing activities	
Transfer from general fund	55,500
Subsidy from federal government	20,068
Advance In from General Fund	<u>2,000</u>
Net cash provided by noncapital activities	<u>77,568</u>
Net increase (decrease) in cash and cash equivalents	1,254
Cash and cash equivalents, July 1	<u>4,267</u>
Cash and cash equivalents, June 30	<u><u>\$ 5,521</u></u>
Reconciliation of Operating (Loss) to Net Cash Provided for Operating Activities	
Operating income (loss)	<u>\$ (87,648)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Government Donated Commodities Used	9,516
(Decrease) in accrued wages/benefits payable	(1,788)
Increase in compensated absences payable	3,560
Decrease in inventories	46
Total adjustments	<u>11,334</u>
Net cash provided by operating activities	<u><u>\$ (76,314)</u></u>
Noncash Investing, Capital and Financing Activities	
Government Donated Commodities Received	\$ 10,247

See Notes to the General Purpose Financial Statements

Independence Local School District
Combined Statement of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Budget Basis) - Proprietary Fund Type
Fiscal Year Ended June 30, 2000

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Food Services	\$ 179,700	\$ 167,631	\$ (12,069)
Classroom Materials and Fees	14,300	12,431	(1,869)
Miscellaneous	-	58	58
Total Operating Revenues	194,000	180,120	(13,880)
Operating Expenses:			
Salaries and Wages	108,700	106,913	1,787
Fringe Benefits	28,355	26,453	1,902
Purchased Services	3,700	3,710	(10)
Materials and Supplies	125,000	119,358	5,642
Total Operating Expenses	265,755	256,434	9,321
(Deficiency) of Operating Revenues Over (Under) Operating Expenses	(71,755)	(76,314)	(4,559)
Non-Operating Revenues			
Federal and State Grants	12,800	20,068	7,268
Total Non-Operating Revenues	12,800	20,068	7,268
(Deficiency) of Revenues Over (Under) Expenses	(58,955)	(56,246)	2,709
Other Financing Sources (Uses):			
Operating Transfers In	55,500	55,500	-
Advances In	-	2,000	2,000
Total Other Financing Sources (Uses):	55,500	57,500	2,000
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	(3,455)	1,254	4,709
Fund Equity at Beginning of Year	4,267	4,267	-
Fund Equity at End of Year	\$ 812	\$ 5,521	\$ 4,709

See Notes to the General Purpose Financial Statements

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Note 1 - Description of the School District and Reporting Entity

Independence 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 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. This Board of Education controls the School District's four instructional/support facilities staffed by 80 non certified, and 83 certificated full time teaching personnel who provide services to 997 students and other community members.

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 Independence Local School District, this includes general operations, food service, preschool and student related activities of the School District. The following activity is also included within the reporting entity:

Parochial School Within the School District boundaries, St. Michael's School is operated through the Cleveland Catholic Diocese. Current state legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these state monies by the School District is reflected in a special revenue fund for financial reporting purposes.

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 the budget, the issuance of debt or the levying of taxes for the organization. The School District does not have any component units.

The School District is associated with the Lake Northeast Ohio Computer Association and the Ohio School's Council which are defined as Jointly Governed Organizations. These organizations are presented in Note 16 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The School District also applies Financial Accounting Standards Board (FASB) 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 more significant of the District's accounting policies are described below.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

A. Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report 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 that are 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) 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 Special revenue funds are used to account for the proceeds of specific revenue source (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

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).

Proprietary Fund Type

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 is the School District's proprietary fund type:

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.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

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. There are two types of fiduciary funds, trust and agency. The School District has no trust funds. The School District's 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 obligations 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 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 funds.

B. 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 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.

All proprietary 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 fund type 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 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 student fees.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

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. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary fund type utilize the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. 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.

C. Budgetary Process

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

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 Cuyahoga County Budget Commission for rate determination.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

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 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 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 appropriations or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. 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 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. 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 proprietary 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.

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pooled bank account is presented as "cash and cash equivalents" and "restricted cash and cash equivalents" on the balance sheet.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

During fiscal year 2000, investments were limited to STAROhio and overnight repurchase agreements.

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 deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2000.

Under existing Ohio statutes, the Board of Education may, by resolution, identify the funds to receive an allocation of interest earnings. During fiscal year 2000, the general fund, permanent improvement funds, certain special revenue funds, and agency funds received interest allocations. Interest revenue reported on the general purpose financial statements totaled \$224,369.

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 original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. During fiscal year 2000, all investments of the School District and of the fiscal agents had a maturity of three months or less.

E. 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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. 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 five hundred dollars. The School District does not possess any infrastructure.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

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 and depreciated over the remaining useful lives of the related fixed assets, as applicable. Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of either fifteen or twenty years.

G. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements and shared revenues, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. 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
School Bus Purchase Program

Special Revenue Funds

Teacher Development
Education Management Information System
SchoolNet Professional Development
Safe Schools Helpline

Capital Project Fund

SchoolNet Plus

Non-Reimbursable Grants

Special Revenue Funds

Auxiliary Services
Title II Eisenhower
Title I
Title VI
Title VI-R
Title IV Drug Free
Telecommunications Act
Technology Literacy Challenge

Reimbursable Grants

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately 14% of the School District's governmental fund revenues during the 2000 fiscal year.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

H. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed 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 vested payment method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is calculated using current leave balances, current wage rates, and current policy limitations on the amount of payment. The School District considers it probable that all employees of the District will receive termination benefits.

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, compensated absences are expensed and reported as a fund liability.

I. Contributed Capital

Contributed capital represents resources from other funds provided to the enterprise funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is closed to contributed capital at year end.

J. 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 and special termination benefits are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and 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.

L. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. As of June 30, 2000, the School District has set-aside \$208,000 in this reserve.

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

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.

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. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for taxes, encumbrances, inventory, and budget stabilization.

O. 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 – Restatement of General Fixed Assets, Enterprise Fund Fixed Assets and Fund Equity (Contributed Capital) Beginning Balances

	Balance (Previously Reported)	(Overstated) Understated	Restated June 30, 1999
General Fixed Assets			
Land and Improvements	\$ 249,076	\$ 185,900	\$ 434,976
Buildings	3,025,041	(40,419)	2,984,474
Vehicles	644,444	54,405	698,849
Furniture and Equipment	2,193,758	31,742	2,225,500
Total General Fixed Assets	<u>\$ 6,112,319</u>	<u>\$ 231,628</u>	<u>\$ 6,343,799</u>
Enterprise Fund			
Furniture and Equipment	<u>\$ 86,247</u>	<u>\$ 77,603</u>	<u>\$ 163,850</u>
Enterprise Fund Equity (Contributed Capital) as Previously Reported			\$ 16,668
Understated Fund Equity (Contributed Capital)			<u>37,872</u>
Restated June 30, 1999			<u>\$ 54,540</u>

Net (Loss) for the Enterprise Fund Type as reported June 30, 1999 was (\$6,934), it should have been (\$12,067) which is a difference of (\$5,133). \$39,731 of the assets that are restated are fully depreciated.

At the beginning of Fiscal Year 2000, the Independence Local School District through an independent appraisal company had an inventory conducted of its fixed assets. As a result of this inventory and in accordance with Generally Accepted Accounting Principles, the General Fixed Assets, Enterprise Fund's Fixed Assets and Enterprise Fund's Fund Equity (Contributed Capital) beginning balances have been restated to reflect the revised fixed asset inventory of the District. A previous fixed asset inventory of the District was last conducted in Fiscal Year 1994.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Note 4 - Accountability

Fund Deficits

Fund balances/retained earnings at June 30, 2000, included the following individual fund deficits:

	Deficit
	Fund Balance
	<u>Retained Earnings</u>
Title I Special Revenue Fund	\$ 2,336
Title VI Special Revenue Fund	48
Title VI-R Special Revenue Fund	26
Food Service Enterprise Fund	34,231
Uniform School Supplies Enterprise Fund	1,690

The deficit in the Title I, Title VI and Title VI-R Special Revenue Funds are the result of timing differences in receiving federal funds for these grants.

The deficit in the Food Service and Uniform School Supplies Enterprise Funds are the result of accumulated losses due to accrued liabilities. The School District is analyzing each fund's operations to determine appropriate steps to alleviate the deficit.

The following budget line items had expenditures plus encumbrances in excess of total appropriation contrary to Ohio Revised Code Sections 5705.41(B) and (D):

<u>Fund-Function-Object</u>	<u>Total</u> <u>Appropriations</u>	<u>Expenditures/</u> <u>Encumbrances</u>	<u>Variance</u>
General - Instructional Staff-Capital Outlay	0	2,261	(2,261)
General - Administration-Other	9,500	11,016	(1,516)
General - Business-Materials/Supplies	10,500	14,006	(3,506)
EMIS - Central-Salary and Wages	4,475	4,477	(2)
SchoolNet Plus - Instruction-Fringe Benefits	0	3	(3)
Food Service - Purchased Services	3,700	3,710	(10)

Note 5 - 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 (Budget Basis), All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), the Proprietary Fund Type 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:

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Unrecorded cash, which consists of unrecorded interest, is not reported by the School District on the operating statements (budget basis), but is reported on the GAAP basis operating statements.

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

Excess of Revenues and Other Financing Sources,
 Over (Under) Expenditures and Other Financing Uses
 All Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
GAAP Basis	\$1,331,653	\$ (73,025)	\$ (120,972)
Net Adjustments for Revenue Accrual	802,183	0	25,926
Net Adjustments for Expenditure Accruals	88,822	2,832	114,340
Adjustment for Encumbrances	<u>(103,576)</u>	<u>(24,556)</u>	<u>(1,457,651)</u>
Budget Basis	<u>\$ 2,119,082</u>	<u>\$(94,749)</u>	<u>\$ (1,438,357)</u>

Net Income (Loss)/ Excess of Revenues Over (Under) Expenses
 Proprietary Fund Type

	<u>Enterprise</u>
GAAP Basis	\$ (2,564)
Revenue Accruals	(7,516)
Expense Accruals	11,334
Adjustment for Encumbrances	-
Budget Basis	<u>\$ 1,254</u>

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Note 6 - 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 monies 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 monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligations or security issued by the United States Treasury, or any other obligation guaranteed as to the principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality; including but not limited to Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal securities shall be direct issuances of federal government agencies and instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in the amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand At fiscal year end, the School District had \$200 in undeposited cash on hand which is included on the balance sheet of the School District as part of "cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits At year-end, the carrying amount of the School District's deposits were \$482,776 and the bank balance was \$641,093. Of the total bank balance:

1. \$205,131 was covered by federal depository insurance; and
2. \$435,962 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money has been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC

Investments The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year-end. 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, which 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. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category <u>3</u>	Carrying Value	Fair Value
Sweep/Repurchase Agreement	\$ 294,324	\$ 294,324	\$ 294,324
Investment in State Treasurer's Investment Pool		3,204,124	3,204,124
Total Investments	<u>\$ 294,324</u>	<u>\$3,498,448</u>	<u>\$3,498,448</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Government Entities That Use Proprietary Fund Accounting."

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

A reconciliation between the classifications of cash and cash equivalents, and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$ 3,981,424	\$ -
Investments which are part of a cash management pool	(3,204,124)	3,204,124
Sweep/Repurchase Agreement	(294,324)	294,324
Cash on Hand	(200)	0
GASB Statement 3	\$ 482,776	\$ 3,498,448

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. 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.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second - Half Collections		2000 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$ 345,177,050	81.12	\$ 354,627,200	81.70
Public Utility Personal	30,688,820	7.21	26,070,840	6.00
Tangible Personal Property	49,644,275	11.67	53,400,026	12.30
Total	\$ 425,510,145	100.00	\$ 434,098,066	100.00
Tax rate per \$1,000 of assessed valuation	\$ 23.40		\$ 23.40	

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.

Independence Local School District
Notes to the General Purpose Financial Statements
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The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available 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 receivable 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, 2000 was \$341,549 and is recognized as revenue. \$328,911 was available to the general fund and \$12,638 was available to the capital projects fund.

Note 8 - Receivables

Receivables at June 30, 2000, consisted of taxes, accounts (rent and miscellaneous), and intergovernmental grants. 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.

Note 9 - Fixed Assets

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

	Balance June 30, 1999 (Restated) (See Note 3)	Additions	Deletions	Balance June 30, 2000
Land and Improvements	\$ 434,976	\$ -	\$ 44,244	\$ 390,732
Buildings	2,984,474	91,595	-	3,076,069
Vehicles	698,849	53,719	-	752,568
Furniture and Equipment	2,225,500	279,558	-	2,505,058
Construction in Progress	-	497,058	-	497,058
Total General Fixed Assets	\$ 6,343,799	\$ 921,930	\$ 44,244	\$ 7,221,485

A summary of changes in the enterprise funds' fixed assets are as follows:

	Balance June 30, 1999 (Restated) (See Note 3)	Additions	Deletions	Balance June 30, 2000
Furniture and Equipment	\$ 163,850	\$ 7,100	\$ -	\$ 170,950
Accumulated Depreciation	(109,310)	(9,781)	-	(119,091)
Net Fixed Assets	\$ 54,540	\$ (2,681)	\$ -	\$ 51,859

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

Note 10 – Contractual Commitments

As of June 30, 2000, the Independence Local School District had the following contractual commitments outstanding:

Contractor	Contract Amount	Amount Paid	Amount Outstanding
Seitz Builders	\$ 1,373,060	\$ 205,384	\$ 1,167,676
Fortney & Weygandt	354,354	128,808	225,546
The K Company	75,200	-	75,200
Lesko Associates, Inc.	180,962	162,866	18,096
Total	<u>\$ 1,983,576</u>	<u>\$ 497,058</u>	<u>\$ 1,486,518</u>

Note 11 - Risk Management

Property and Liability The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For Fiscal Year 2000, the School District contracted with Crum & Forster for property and general liability insurance. There is a \$1,000 deductible with a one hundred percent blanket, all risk policy. Crum & Forster Insurance covers the boiler and machinery with a \$1,000 deductible and a \$30,000,000 limit.

Professional liability is protected by The Nationwide Insurance Company with a \$2,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible. Vehicles are covered by Nationwide Insurance and hold a \$250 deductible for comprehensive and collision. Automobile liability has a \$3,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

Workers' Compensation For fiscal year 2000, the School District participated in the Ohio School Board Associations' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school district that can meet the GRP's selection criteria. The firm of GatesMcDonald provided administrative, cost control and actuarial services to the GRP.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

The Independence Local School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the Independence Local School District is required to contribute 14 percent. For fiscal year 2000, 5.5 percent was the portion used to fund pension obligations. The contribution rates are not determined actuarially but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The School District's contributions to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$310,345, \$297,366, and \$264,349, respectively, which represents 100 percent for these years. The School District pays fund pension obligations when incurred.

B. State Teachers Retirement System

The Independence Local School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The 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 Independence Local School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$1,048,566, \$1,033,850 and \$996,844, respectively, which represents 100 percent for these years. The School District pays fund pension obligations when incurred.

C. Social Security System

Effective July 1, 1991, employees not otherwise covered by the School Employees Retirement System (SERS) or the State Teachers Retirement System of Ohio (STRS) have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2000, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

Note 13 - Postemployment Benefits

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). 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 both Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

For the State Teachers Retirement System, all benefits 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 State Teachers Retirement System funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the health care reserve fund. For the School District, this amount equaled \$448,786 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,783 million at June 30, 1999 (latest information available). For the year ended June 30, 1999, net health care costs by the State Teachers Retirement System were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For the School Employees Retirement System, coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For fiscal year 2000, employer contributions to fund health care benefits were 6.3 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including surcharge, equaled \$189,310 during the 2000 fiscal year.

The surcharge added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the 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, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants who are currently receiving health care benefits.

Note 14 – Long-Term Obligations

A. Schedule of General Long-Term Obligations Account Group

The changes in the District's long-term obligations during the fiscal year ended June 30, 2000 consist of the following:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2000</u>
Compensated Absences	\$ 1,232,236	\$ 110,259	\$ 58,578	\$ 1,283,917

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

B. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators, who are not on a twelve month contract, do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to the number of annual work days per contract. Upon retirement, payment is made for 35 percent of the total sick leave accumulation up to a maximum accumulation of 75 days for teachers and administrators and 68 days for classified employees. Compensated absences will be paid from the fund from which each person is paid.

C. Legal Debt Margin

The School Districts does not carry any long-term debt. However, the School District's overall debt margin was \$39,068,826 with an unvoted debt margin of \$434,098.

Note 15 - Other Employee Benefits

Health Care Benefits

For the period July 1, 1999 through June 30, 2000, the School District elected to provide employee medical/surgical benefits through Medical Mutual of Ohio's Super Med Plus health care program. The School District paid \$374.49 for family coverage or \$137.09 for single coverage per month, which represents the entire premium required. The premium was paid by the fund that paid the salary for the employee.

The School District also provides the following health care benefits: dental care at a cost of \$57.97 per month per employee on a composite basis, prescription drug coverage at a cost of \$85.79 per month per employee on a composite basis and vision care at a cost of \$16.58 for family coverage, \$6.08 for single coverage each month per employee.

Note 16 - Jointly Governed Organizations

Lakeshore Northeast Ohio Computer Association The Lakeshore Northeast Ohio Computer Association(LNOCA) is a jointly governed computer service bureau owned and operated by eleven school districts. The primary function of LNOCA is to provide data services to the eleven school districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance, student tracking, pupil scheduling, attendance and grade reporting. The Board of Directors consists of the superintendents from each participating school district. The degree of control exercised by any participating school district is limited to its representation on the board. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based on a per pupil charge dependent upon the data services used. All revenues are generated from charges for services and State funding. Independence Local School District paid \$11,886 to LNOCA during fiscal year 2000. Financial information can be obtained by contacting the Treasurer of the Fiscal Agent at LNOCA, 5700 West Canal Road, Valley View, Ohio 44125.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Ohio Schools Council The Ohio Schools Council (OSC), formerly the Greater Cleveland Schools Council, is a jointly governed organization among eighty-three School Districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to member districts. Each district supports the OSC by paying a one-time fee of \$500 and an annual participation fee. The OSC's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Albert Vasek, Executive Secretary/Treasurer, Ohio Schools Council at Rockside Square, Building 2, 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electricity purchasing program, which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight-year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

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

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

Note 17 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides an amount of monetary support to the School District. For the fiscal year ended June 30, 2000, the School District received \$20,262 in school foundation support for the general fund.

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature 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. The State has appealed the decision made by the court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant[ing] 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 continued 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.

Note 18 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. 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.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$167,689	\$ 12,431	\$180,120
Operating Expenses	253,308	14,460	267,768
Operating Loss	(85,619)	(2,029)	(87,648)
Operating Grants	20,068	-	20,068
Donated Commodities	9,516	-	9,516
Operating Transfers In	55,500	-	55,500
Operating Transfers Out	-	-	-
Net Loss	(535)	(2,029)	(2,564)
Fixed Asset Additions	7,100	-	7,100
Total Assets	59,018	310	59,328
Net Working Capital	(12,772)	(1,690)	(14,462)
Total Equity	17,628	(1,690)	15,938
Encumbrances, June 30, 2000	-	-	-

Independence Local School District
Notes to the General Purpose Financial Statements
 June 30, 2000

Note 19 - Changes in Contributed Capital

Changes in contributed capital in the enterprise funds for the fiscal year ended June 30, 2000, are summarized by source as follows:

	<u>Food Service</u>
Contributed Capital-July 1, 1999 (Restated) (See Note 3)	\$ 54,540
Current Contributions:	
Other Funds	7,100
Donations	0
	<u>7,100</u>
Total Contributions	7,100
Depreciation	(9,781)
Contributed Capital-June 30, 2000	<u>\$ 51,859</u>

Note 20 – House Bill 412 Set-Aside Requirements

The School District is required by State statute to annually set-aside in the General Fund a statutory formula amount of 3% of previous years operating revenues for the purchase of textbooks and other instructional materials and for acquisition and construction of capital improvements. Formula amounts not spent by year-end or offsets by similarly restricted resources received during the year must be held in a cash balance at year-end and carried forward to be used for the same purpose in future years.

In addition, the School District is also required to set-aside in the General Fund a statutory formula amount should operating revenues increase greater than 3% from the previous year for budget stabilization reserve. This reserve can be used only after receiving approval from the State Superintendent of Public Instruction.

The following cash basis schedule shows the required year-end set-aside amounts along with the applicable offsets and qualifying disbursements for Textbooks, Capital Acquisition, and Budget Stabilization:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999	\$ (99,979)	\$ -	\$ 129,500	\$ 29,521
Current Year Set-aside Requirement	235,700	235,700	78,500	549,500
Current Year Offsets	(227,022)	(173,928)	-	(400,320)
Qualifying Disbursements	-	(62,402)	-	(62,402)
Total	<u>\$ (91,301)</u>	<u>\$ -</u>	<u>\$ 208,000</u>	<u>\$(116,299)</u>
Cash Balance Carried Forward to FY 2000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,000</u>	
Amount restricted for Budget Stabilization				<u>208,000</u>
Total Restricted Assets				<u>\$ 208,000</u>

Independence Local School District
Notes to the General Purpose Financial Statements
June 30, 2000

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, extra amounts may only be used to reduce the set-aside requirements of the Textbooks/Instructional Materials in future years.

Note 20 - Interfund Receivables/Payables

At June 30, 2000, the uniform school supplies enterprise fund had an inter-fund payable in the amount of \$2,000. The general fund had an inter-fund receivable of \$2,000.

Note 21 - Contingencies

Grants

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

Litigation

The School District is not party to any legal proceedings.

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

General Fund

The general fund in the operating fund of the District and is used to account for all financial resources except those required to be accounted for in other funds.

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$7,936,000	\$8,098,096	\$162,096
Tuition	4,000	5,145	1,145
Intergovernmental	1,284,679	1,501,468	216,789
Earnings on Investments	92,000	213,126	121,126
Classroom Materials and Fees	11,500	13,000	1,500
Miscellaneous	35,000	46,635	11,635
Total Revenues	9,363,179	9,877,470	514,291
Expenditures			
Current			
Instruction:			
Regular:			
Salaries and Wages	3,310,000	3,306,039	3,961
Fringe Benefits	1,001,530	987,835	13,695
Purchased Services	14,092	12,908	1,184
Materials and Supplies	132,938	129,328	3,610
Other	1,500	1,215	285
Total Regular Instruction	4,460,060	4,437,325	22,735
Special			
Salaries and Wages	123,500	121,760	1,740
Fringe Benefits	30,155	27,462	2,693
Purchased Services	340,200	339,681	519
Materials and Supplies	5,350	2,975	2,375
Total Special Instruction	505,905	498,400	7,505
Other:			
Purchased Services	587,578	576,829	10,749
Total Other	587,578	576,829	10,749
Total Instruction	5,553,543	5,512,554	40,989
Supporting Services:			
Pupils:			
Salaries and Wages	259,700	257,616	2,084
Fringe Benefits	77,000	72,203	4,797
Purchased Services	147,549	143,603	3,946
Materials and Supplies	14,747	13,164	1,583
Total Pupils	498,996	486,586	12,410

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	349,700	348,457	1,243
Fringe Benefits	131,090	123,614	7,476
Purchased Services	45,975	40,352	5,623
Materials and Supplies	33,467	32,282	1,185
Capital Outlay	-	2,261	(2,261)
Other	1,500	109	1,391
Total Instructional Staff	561,732	547,075	14,657
Board of Education:			
Salaries and Wages	10,000	6,720	3,280
Fringe Benefits	1,500	964	536
Purchased Services	110,000	105,897	4,103
Materials and Supplies	4,076	3,067	1,009
Other	11,699	10,102	1,597
Total Board of Education	137,275	126,750	10,525
Administration:			
Salaries and Wages	504,700	500,680	4,020
Fringe Benefits	177,530	170,547	6,983
Purchased Services	7,900	6,920	980
Materials and Supplies	11,728	11,670	58
Other	9,500	11,016	(1,516)
Total Administration	711,358	700,833	10,525
Fiscal Services:			
Salaries and Wages	148,000	147,029	971
Fringe Benefits	51,900	48,716	3,184
Purchased Services	3,750	2,025	1,725
Materials and Supplies	4,500	3,732	768
Other	152,000	149,886	2,114
Total Fiscal Services	360,150	351,388	8,762
Business:			
Purchased Services	149,923	145,723	4,200
Materials and Supplies	10,500	14,006	(3,506)
Total Business	160,423	159,729	694

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Salaries and Wages	378,200	375,120	3,080
Fringe Benefits	113,575	106,758	6,817
Purchased Services	337,330	321,746	15,584
Materials and Supplies	75,795	75,099	696
Total Operation and Maintenance of Plant	<u>906,000</u>	<u>879,454</u>	<u>26,546</u>
Pupil Transportation:			
Salaries and Wages	313,500	306,619	6,881
Fringe Benefits	67,400	67,000	400
Purchased Services	134,178	130,056	4,122
Materials and Supplies	69,150	63,480	5,670
Capital Outlay	14,900	14,803	97
Total Pupil Transportation	<u>599,128</u>	<u>581,958</u>	<u>17,170</u>
Total Supporting Services	<u>3,935,062</u>	<u>3,833,773</u>	<u>101,289</u>
Extracurricular Activities			
Academic and Subject Oriented			
Salaries and Wages	53,300	53,265	35
Fringe Benefits	8,350	8,259	91
Other	2,000	1,437	563
Total Academic and Subject Oriented	<u>63,650</u>	<u>62,961</u>	<u>689</u>
Sports Oriented			
Salaries and Wages	214,500	213,789	711
Fringe Benefits	35,000	32,416	2,584
Purchased Services	8,705	3,082	5,623
Materials and Supplies	1,300	1,294	6
Total Sports Oriented	<u>259,505</u>	<u>250,581</u>	<u>8,924</u>
Total Extracurricular Activities	<u>323,155</u>	<u>313,542</u>	<u>9,613</u>
Total Expenditures	<u>9,811,760</u>	<u>9,659,869</u>	<u>151,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(448,581)	217,601	666,182

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources			
Refund Of Prior Year Expenditures	5,000	5,898	898
Other Financing Sources	2,600,000	2,600,000	-
Refund Of Prior Year Receipts	(500)	(46)	454
Advances In	-	8,000	8,000
Advances Out	-	(2,000)	(2,000)
Operating Transfers Out	(2,065,000)	(710,371)	1,354,629
Total Other Financing Sources (Uses)	<u>539,500</u>	<u>1,901,481</u>	<u>1,361,981</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	90,919	2,119,082	2,028,163
Fund Balance - Beginning of Year	1,283,035	1,283,035	-
Prior Year Encumbrances Appropriated	<u>50,360</u>	<u>50,360</u>	-
Fund Balance - End of Year	<u><u>\$ 1,424,314</u></u>	<u><u>\$ 3,452,477</u></u>	<u><u>\$ 2,028,163</u></u>

Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

The **Public School Support Fund** accounts for proceeds of local fund raising at the building level.

The **Other Grants Fund** accounts for mini-grants received from miscellaneous sources which are designated for a specific purpose.

The **District Managed Activities Fund** accounts for adult supervised student activities. This fund accounts for all costs (excluding supplemental coaching and advising contract) of extra curricular athletic and music programs of the District.

The **Auxiliary Services Fund** accounts for educational programs run by the District with state funds on behalf of District students attending the one non-public school within the boundaries of the District.

The **Teacher Development Fund** accounts for state funds spent on teacher in-service and training.

The **Education Management Information System Fund (EMIS)** accounts for state funds provided for hardware and software development and other costs associated with the requirements of the management information system.

The **SchoolNet Professional Development Fund** accounts for state funds provided for supporting novice and practitioner goals and/or the District's technology plan.

The **Safe Schools Helpline Fund** accounts for state funds provided for supporting a school helpline for students and parents of the school district.

The **Title II Eisenhower Fund** accounts for federal funds used to strengthen instruction in science and mathematics.

The **Title I Fund** accounts for federal funds used to meet the needs of educationally deprived children.

The **Title VI Fund** accounts for federal funds given to the state for use to meet state determined educational needs.

The **Title VI-R Fund** accounts for federal funds given to the state to provide intervention and the ability to reduce teacher-to-student ratio in selected primary grades in math and reading by the hiring of a part-time teacher.

Special Revenue Funds (Cont'd)

The **Title IV Drug Free Fund** accounts for federal funds, which supports drug abuse education and prevention programs.

The **Telecommunications Act Fund** accounts for a federal grant that is paid directly to the telecommunications service provider.

The **Technology Literacy Challenge Fund** accounts for federal money used for technology purchases (both hardware and software), professional development and infrastructure enhancements to schoolnet wiring.

Independence Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2000

	Public School Support	Other Grants	District Managed Activities	Auxiliary Services	Teacher Development	Education Management Information System
Assets:						
Cash and Cash Equivalents	\$ 11,667	\$ 10,269	\$ 23,206	\$ 11,412	\$ 8,045	\$ -
Receivables						
Intergovernmental	-	-	-	-	-	-
Total Assets	\$ 11,667	\$ 10,269	\$ 23,206	\$ 11,412	\$ 8,045	\$ -
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 1,140	\$ 298	\$ -
Accrued Wages/Benefits Payable	-	-	-	6,789	-	-
Total Liabilities	-	-	-	7,929	298	-
Fund Equity:						
Reserved for encumbrances	373	246	5,506	132	-	-
Unreserved, Undesignated	11,294	10,023	17,700	3,351	7,747	-
Total Fund Equity	11,667	10,269	23,206	3,483	7,747	-
Total Liabilities and Fund Equity	\$ 11,667	\$ 10,269	\$ 23,206	\$ 11,412	\$ 8,045	\$ -

School Net Professional Development	Safe Schools Helpline	Title II Eisenhower	Title I	Title VI	Title VI-R	Title IV Drug Free	Telecomm Act	Technology Literacy Challenge	Totals
\$ 2,600	\$ 38	\$ 592	\$ 2,765	\$ 2,396	\$ 1,109	\$ 1,022	\$ 7,298	\$ 60,406	\$ 142,825
-	-	-	-	-	-	-	-	-	-
\$ 2,600	\$ 38	\$ 592	\$ 2,765	\$ 2,396	\$ 1,109	\$ 1,022	\$ 7,298	\$ 60,406	\$ 142,825
\$ 1,600	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,430	\$ 8,688
-	-	-	5,101	2,444	1,135	-	-	1,377	16,846
1,600	-	220	5,101	2,444	1,135	-	-	6,807	25,534
-	-	21	21	-	-	659	3,485	5,877	16,320
1,000	38	351	(2,357)	(48)	(26)	363	3,813	47,722	100,971
1,000	38	372	(2,336)	(48)	(26)	1,022	7,298	53,599	117,291
\$ 2,600	\$ 38	\$ 592	\$ 2,765	\$ 2,396	\$ 1,109	\$ 1,022	\$ 7,298	\$ 60,406	\$ 142,825

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

	Public School Support	Other Grants	District Managed Activities	Auxiliary Services	Teacher Development	Education Management Information System
Revenues:						
Intergovernmental	\$ -	\$ 9,398	\$ -	\$ 190,912	\$ 5,370	\$ 5,000
Earnings on Investments	-	-	1,280	2,225	-	-
Extracurricular Activities	-	-	35,443	-	-	-
Classroom Materials / Fees	-	-	1,629	-	-	-
Miscellaneous	32,372	70	26,458	-	-	-
Total Revenues	<u>32,372</u>	<u>9,468</u>	<u>64,810</u>	<u>193,137</u>	<u>5,370</u>	<u>5,000</u>
Expenditures:						
Current:						
Instruction						
Regular	-	414	-	-	-	-
Special	-	1,668	-	-	-	-
Support Services						
Pupils	-	-	-	-	-	-
Instructional Staff	-	-	-	-	7,559	-
Business	30,657	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-
Central	-	-	-	-	-	5,000
Operation of Non-Instructional Services	-	-	-	194,822	-	-
Extracurricular Activities	-	-	54,042	-	-	-
Capital Outlay	-	1,000	-	-	-	-
Total Expenditures	<u>30,657</u>	<u>3,082</u>	<u>54,042</u>	<u>194,822</u>	<u>7,559</u>	<u>5,000</u>
Excess of Revenues Over (Under) Expenditures	1,715	6,386	10,768	(1,685)	(2,189)	-
<u>Other Financing Sources:</u>						
Operating Transfers In	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	1,715	6,386	10,768	(1,685)	(2,189)	-
Fund Balance (Deficit) at Beginning of Year	<u>9,952</u>	<u>3,883</u>	<u>12,438</u>	<u>5,168</u>	<u>9,936</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 11,667</u>	<u>\$ 10,269</u>	<u>\$ 23,206</u>	<u>\$ 3,483</u>	<u>\$ 7,747</u>	<u>\$ -</u>

SchoolNet Professional Development	Safe Schools Helpline	Title II Eisenhower	Title I	Title VI	Title VI-R	Title IV Drug Free	Telecomm Act	Technology Literacy Challenge	Totals
\$ 3,000	\$ 1,060	\$ 744	\$ 41,958	\$ 6,973	\$ 6,419	\$ 7,542	\$ 13,220	\$ 225,000	\$ 516,596
-	-	-	-	-	-	-	-	-	3,505
-	-	-	-	-	-	-	-	-	35,443
-	-	-	-	-	-	-	-	-	1,629
-	-	-	-	-	-	-	-	-	58,900
<u>3,000</u>	<u>1,060</u>	<u>744</u>	<u>41,958</u>	<u>6,973</u>	<u>6,419</u>	<u>7,542</u>	<u>13,220</u>	<u>225,000</u>	<u>616,073</u>
-	-	1,669	-	-	-	1,759	-	13,502	17,344
-	-	-	43,109	6,088	6,445	-	-	-	57,310
-	1,022	-	-	-	-	3,112	-	-	4,134
2,000	-	-	-	-	-	1,091	-	120,714	131,364
-	-	-	-	-	-	-	-	-	30,657
-	-	-	-	-	-	-	13,144	-	13,144
-	-	-	-	-	-	-	-	-	5,000
-	-	-	-	2,108	-	-	-	-	196,930
-	-	-	-	-	-	-	-	-	54,042
-	-	-	-	-	-	-	-	179,544	180,544
<u>2,000</u>	<u>1,022</u>	<u>1,669</u>	<u>43,109</u>	<u>8,196</u>	<u>6,445</u>	<u>5,962</u>	<u>13,144</u>	<u>313,760</u>	<u>690,469</u>
1,000	38	(925)	(1,151)	(1,223)	(26)	1,580	76	(88,760)	(74,396)
-	-	-	1,371	-	-	-	-	-	1,371
1,000	38	(925)	220	(1,223)	(26)	1,580	76	(88,760)	(73,025)
-	-	1,297	(2,556)	1,175	-	(558)	7,222	142,359	190,316
<u>\$ 1,000</u>	<u>\$ 38</u>	<u>\$ 372</u>	<u>\$ (2,336)</u>	<u>\$ (48)</u>	<u>\$ (26)</u>	<u>\$ 1,022</u>	<u>\$ 7,298</u>	<u>\$ 53,599</u>	<u>\$ 117,291</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Public School Support Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Miscellaneous	\$ 25,000	\$ 32,372	\$ 7,372
Total Revenues	<u>25,000</u>	<u>32,372</u>	<u>7,372</u>
Expenditures			
Current			
Supporting Services:			
Business:			
Other	35,600	32,031	3,569
Total Business	<u>35,600</u>	<u>32,031</u>	<u>3,569</u>
Total Supporting Services	<u>35,600</u>	<u>32,031</u>	<u>3,569</u>
Total Expenditures	<u>35,600</u>	<u>32,031</u>	<u>3,569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,600)	341	10,941
Fund Balance - Beginning of Year	10,857	10,857	-
Prior Year Encumbrances Appropriated	<u>95</u>	<u>95</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 352</u>	<u>\$ 11,293</u>	<u>\$ 10,941</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Other Grants Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 8,675	\$ 9,398	\$ 723
Total Revenues	<u>8,675</u>	<u>9,398</u>	<u>723</u>
Expenditures			
Current			
Instruction:			
Regular:			
Materials and Supplies	3,100	413	2,687
Capital Outlay	1,247	1,246	1
Other	-	-	-
Total Regular Instruction	<u>4,347</u>	<u>1,659</u>	<u>2,688</u>
Special			
Purchased Services	1,972	1,470	502
Materials and Supplies	200	198	2
Total Special Instruction	<u>2,172</u>	<u>1,668</u>	<u>504</u>
Total Instruction	<u>6,519</u>	<u>3,327</u>	<u>3,192</u>
Total Expenditures	<u>6,519</u>	<u>3,327</u>	<u>3,192</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,156	6,071	3,915
Other Financing Sources			
Other Financing Sources	-	70	70
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	2,156	6,141	3,985
Fund Balance - Beginning of Year	3,882	3,882	-
Fund Balance - End of Year	<u>\$ 6,038</u>	<u>\$ 10,023</u>	<u>\$ 3,985</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - District Managed Activities Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Earnings on Investments	\$ 800	\$ 1,280	\$ 480
Extracurricular Activities	29,700	35,443	5,743
Donations and Gifts	25,000	16,242	(8,758)
Classroom Materials and Fees	1,500	1,629	129
Miscellaneous	1,000	10,185	9,185
Total Revenues	<u>58,000</u>	<u>64,779</u>	<u>6,779</u>
Expenditures			
Current			
Extracurricular Activities			
Sports Oriented			
Purchased Services	26,030	25,868	162
Materials and Supplies	28,832	28,445	387
Other	7,334	6,567	767
Total Sports Oriented	<u>62,196</u>	<u>60,880</u>	<u>1,316</u>
Total Extracurricular Activities	<u>62,196</u>	<u>60,880</u>	<u>1,316</u>
Total Expenditures	<u>62,196</u>	<u>60,880</u>	<u>1,316</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,196)	3,899	8,095
Other Financing Sources			
Other Financing Sources	-	30	30
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	(4,196)	3,929	8,125
Fund Balance - Beginning of Year	9,574	9,574	-
Prior Year Encumbrances Appropriated	4,196	4,196	-
Fund Balance - End of Year	<u>\$ 9,574</u>	<u>\$ 17,699</u>	<u>\$ 8,125</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Auxiliary Services Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 190,248	\$ 190,912	\$ 664
Earnings on Investments	3,000	2,225	(775)
Total Revenues	<u>193,248</u>	<u>193,137</u>	<u>(111)</u>
Expenditures			
Current			
Operation of Non-Instructional Services			
Community Services			
Salaries and Wages	32,983	28,247	4,736
Fringe Benefits	5,372	4,924	448
Purchased Services	65,000	62,027	2,973
Materials and Supplies	91,435	89,404	2,031
Other	8,000	7,636	364
Total Community Services	<u>202,790</u>	<u>192,238</u>	<u>10,552</u>
Total Operation of Non-Instructional Services	<u>202,790</u>	<u>192,238</u>	<u>10,552</u>
Total Expenditures	<u>202,790</u>	<u>192,238</u>	<u>10,552</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,542)	899	10,441
Fund Balance - Beginning of Year	66	66	-
Prior Year Encumbrances Appropriated	<u>9,542</u>	<u>9,542</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 66</u>	<u>\$ 10,507</u>	<u>\$ 10,441</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Teacher Development Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 5,370	\$ 5,370	\$ -
Total Revenues	<u>5,370</u>	<u>5,370</u>	<u>-</u>
Expenditures			
Current			
Supporting Services:			
Instructional Staff:			
Salaries and Wages	1,064	1,062	2
Fringe Benefits	186	144	42
Purchased Services	13,842	6,353	7,489
Total Instructional Staff	<u>15,092</u>	<u>7,559</u>	<u>7,533</u>
Total Supporting Services	<u>15,092</u>	<u>7,559</u>	<u>7,533</u>
Total Expenditures	<u>15,092</u>	<u>7,559</u>	<u>7,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,722)	(2,189)	7,533
Fund Balance - Beginning of Year	9,722	9,722	-
Prior Year Encumbrances Appropriated	<u>212</u>	<u>212</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 212</u>	<u>\$ 7,745</u>	<u>\$ 7,533</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - EMIS Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 5,000	\$ 5,000	\$ -
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures			
Current			
Central:			
Salaries and Wages	4,475	4,477	(2)
Fringe Benefits	<u>525</u>	<u>523</u>	<u>2</u>
Total Central	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Supporting Services	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Schoolnet Prof Dev Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 2,000	\$ 3,000	\$ 1,000
Total Revenues	<u>2,000</u>	<u>3,000</u>	<u>1,000</u>
Expenditures			
Current			
Supporting Services			
Instructional Staff			
Purchased Services	2,000	2,000	-
Total Instructional Staff	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Supporting Services	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,000	1,000
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Safe School Helpline Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 1,023	\$ 1,060	\$ 37
Total Revenues	<u>1,023</u>	<u>1,060</u>	<u>37</u>
Expenditures			
Current			
Supporting Services			
Pupils			
Purchased Services	<u>1,023</u>	<u>1,022</u>	<u>1</u>
Total Pupil	<u>1,023</u>	<u>1,022</u>	<u>1</u>
Total Supporting Services	<u>1,023</u>	<u>1,022</u>	<u>1</u>
Total Expenditures	<u>1,023</u>	<u>1,022</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	38	38
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 38</u></u>	<u><u>\$ 38</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title II Eisenhower Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 2,480	\$ 744	\$ (1,736)
Total Revenues	<u>2,480</u>	<u>744</u>	<u>(1,736)</u>
Expenditures			
Current			
Instruction:			
Regular:			
Purchased Services	2,478	831	1,647
Materials and Supplies	1,495	1,134	361
Total Regular Instruction	<u>3,973</u>	<u>1,965</u>	<u>2,008</u>
Total Instruction	<u>3,973</u>	<u>1,965</u>	<u>2,008</u>
Total Expenditures	<u>3,973</u>	<u>1,965</u>	<u>2,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,493)	(1,221)	272
Fund Balance - Beginning of Year	528	528	-
Prior Year Encumbrances Appropriated	<u>965</u>	<u>965</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 272</u>	<u>\$ 272</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title I Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 42,576	\$ 41,958	\$ (618)
Total Revenues	<u>42,576</u>	<u>41,958</u>	<u>(618)</u>
Expenditures			
Current			
Special			
Salaries and Wages	48,102	39,351	8,751
Fringe Benefits	<u>7,816</u>	<u>6,137</u>	<u>1,679</u>
Total Special Instruction	<u>55,918</u>	<u>45,488</u>	<u>10,430</u>
Total Instruction	<u>55,918</u>	<u>45,488</u>	<u>10,430</u>
Total Expenditures	<u>55,918</u>	<u>45,488</u>	<u>10,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,342)	(3,530)	9,812
Other Financing Sources			
Operating Transfers In	8,417	1,371	(7,046)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	(4,925)	(2,159)	2,766
Fund Balance - Beginning of Year	<u>4,925</u>	<u>4,925</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 2,766</u>	<u>\$ 2,766</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VI Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 6,973	\$ 6,973	\$ -
Total Revenues	<u>6,973</u>	<u>6,973</u>	<u>-</u>
Expenditures			
Current			
Instruction:			
Special			
Salaries and Wages	5,184	3,154	2,030
Fringe Benefits	856	490	366
Total Special Instruction	<u>6,040</u>	<u>3,644</u>	<u>2,396</u>
Total Instruction	<u>6,040</u>	<u>3,644</u>	<u>2,396</u>
Operation of Non-Instructional Services			
Community Services			
Capital Outlay	2,108	2,108	-
Total Community Services	<u>2,108</u>	<u>2,108</u>	<u>-</u>
Total Operation of Non-Instructional Services	<u>2,108</u>	<u>2,108</u>	<u>-</u>
Total Expenditures	<u>8,148</u>	<u>5,752</u>	<u>2,396</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,175)	1,221	2,396
Fund Balance - Beginning of Year	1,175	1,175	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 2,396</u></u>	<u><u>\$ 2,396</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VI R Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$6,419	\$6,419	\$ -
Total Revenues	<u>6,419</u>	<u>6,419</u>	<u>-</u>
Expenditures			
Current			
Instruction:			
Special			
Salaries and Wages	5,580	4,600	980
Fringe Benefits	839	711	128
Total Special Instruction	<u>6,419</u>	<u>5,311</u>	<u>1,108</u>
Total Instruction	<u>6,419</u>	<u>5,311</u>	<u>1,108</u>
Total Expenditures	<u>6,419</u>	<u>5,311</u>	<u>1,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,108	1,108
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,108</u></u>	<u><u>\$ 1,108</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title IV Drug Free Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 7,542	\$ 7,542	\$ -
Total Revenues	<u>7,542</u>	<u>7,542</u>	<u>-</u>
Expenditures			
Current			
Instruction:			
Regular:			
Materials and Supplies	3,418	3,108	310
Total Regular Instruction	<u>3,418</u>	<u>3,108</u>	<u>310</u>
Total Instruction	<u>3,418</u>	<u>3,108</u>	<u>310</u>
Supporting Services:			
Pupils:			
Purchased Services	3,165	3,112	53
Total Pupils	<u>3,165</u>	<u>3,112</u>	<u>53</u>
Instructional Staff:			
Purchased Services	1,091	1,091	-
Total Instructional Staff	<u>1,091</u>	<u>1,091</u>	<u>-</u>
Total Supporting Services	<u>4,256</u>	<u>4,203</u>	<u>53</u>
Total Expenditures	<u>7,674</u>	<u>7,311</u>	<u>363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132)	231	363
Fund Balance - Beginning of Year	(3,423)	(3,423)	-
Prior Year Encumbrances Appropriated	<u>3,555</u>	<u>3,555</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 363</u>	<u>\$ 363</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Telecommunications Act Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 13,220	\$ 13,220	\$ -
Total Revenues	<u>13,220</u>	<u>13,220</u>	<u>-</u>
Expenditures			
Current			
Operation and Maintenance of Plant Services			
Purchased Services	<u>20,331</u>	<u>16,629</u>	<u>3,702</u>
Total Supporting Services	<u>20,331</u>	<u>16,629</u>	<u>3,702</u>
Total Expenditures	<u>20,331</u>	<u>16,629</u>	<u>3,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,111)	(3,409)	3,702
Fund Balance - Beginning of Year	7,222	7,222	-
Fund Balance - End of Year	<u>\$ 111</u>	<u>\$ 3,813</u>	<u>\$ 3,702</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Technology Literacy Challenge Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 225,000	\$ 225,000	\$ -
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Expenditures			
Current			
Instruction:			
Regular:			
Salaries and Wages	1,597	1,597	-
Fringe Benefits	11,905	11,905	-
Total Regular Instruction	<u>13,502</u>	<u>13,502</u>	<u>-</u>
Total Instruction	<u>13,502</u>	<u>13,502</u>	<u>-</u>
Supporting Services			
Instructional Staff:			
Salaries and Wages	34,334	31,835	2,499
Fringe Benefits	31,434	16,715	14,719
Purchased Services	38,915	21,947	16,968
Materials and Supplies	58,408	53,218	5,190
Capital Outlay	198,327	188,462	9,865
Total Instructional Staff	<u>361,418</u>	<u>312,177</u>	<u>49,241</u>
Total Supporting Services	<u>361,418</u>	<u>312,177</u>	<u>49,241</u>
Total Expenditures	<u>374,920</u>	<u>325,679</u>	<u>49,241</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(149,920)	(100,679)	49,241
Fund Balance - Beginning of Year	75,472	75,472	-
Prior Year Encumbrances Appropriated	<u>74,448</u>	<u>74,448</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 49,241</u>	<u>\$ 49,241</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - All Special Revenue Funds(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 516,526	\$ 516,596	\$ 70
Earnings on Investments	3,800	3,505	(295)
Extracurricular Activities	29,700	35,443	5,743
Donations and Gifts	25,000	16,242	(8,758)
Classroom Materials and Fees	1,500	1,629	129
Miscellaneous	26,000	42,557	16,557
Total Revenues	<u>602,526</u>	<u>615,972</u>	<u>13,446</u>
Expenditures			
Current			
Instruction:			
Regular:			
Salaries and Wages	1,597	1,597	-
Fringe Benefits	11,905	11,905	-
Purchased Services	2,478	831	1,647
Materials and Supplies	8,013	4,655	3,358
Capital Outlay	1,247	1,246	1
Other	-	-	-
Total Regular Instruction	<u>25,240</u>	<u>20,234</u>	<u>5,006</u>
Special			
Salaries and Wages	58,866	47,105	11,761
Fringe Benefits	9,511	7,338	2,173
Purchased Services	1,972	1,470	502
Materials and Supplies	200	198	2
Total Special Instruction	<u>70,549</u>	<u>56,111</u>	<u>14,438</u>
Total Instruction	<u>95,789</u>	<u>76,345</u>	<u>19,444</u>
Supporting Services:			
Pupils:			
Purchased Services	4,188	4,134	54
Total Pupils	<u>4,188</u>	<u>4,134</u>	<u>54</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - All Special Revenue Funds(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	35,398	32,897	2,501
Fringe Benefits	31,620	16,859	14,761
Purchased Services	55,848	31,391	24,457
Materials and Supplies	58,408	53,218	5,190
Capital Outlay	198,327	188,462	9,865
Other	-	-	-
Total Instructional Staff	379,601	322,827	56,774
Business:			
Other	35,600	32,031	3,569
Total Business	35,600	32,031	3,569
Operation and Maintenance of Plant Services			
Purchased Services	20,331	16,629	3,702
Total Operation and Maintenance of Plant Services	20,331	16,629	3,702
Central			
Salaries and Wages	4,475	4,477	(2)
Fringe Benefits	525	523	2
Total Central	5,000	5,000	-
Total Supporting Services	444,720	380,621	64,099
Operation of Non-Instructional Services			
Community Services			
Salaries and Wages	32,983	28,247	4,736
Fringe Benefits	5,372	4,924	448
Purchased Services	65,000	62,027	2,973
Materials and Supplies	91,435	89,404	2,031
Capital Outlay	2,108	2,108	-
Other	8,000	7,636	364
Total Community Services	204,898	194,346	10,552
Total Operation of Non-Instructional Services	204,898	194,346	10,552

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - All Special Revenue Funds(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Extracurricular Activities			
Sports Oriented			
Purchased Services	26,030	25,868	162
Materials and Supplies	28,832	28,445	387
Other	7,334	6,567	767
Total Sports Oriented	<u>62,196</u>	<u>60,880</u>	<u>1,316</u>
Total Extracurricular Activities	<u>62,196</u>	<u>60,880</u>	<u>1,316</u>
 Total Expenditures	 <u>807,603</u>	 <u>712,192</u>	 <u>95,411</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (205,077)	 (96,220)	 108,857
 Other Financing Sources			
Other Financing Sources	-	100	100
Operating Transfers In	8,417	1,371	(7,046)
Total Other Financing Sources (Uses)	<u>8,417</u>	<u>1,471</u>	<u>(6,946)</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	 (196,660)	 (94,749)	 101,911
 Fund Balance - Beginning of Year	 120,000	 120,000	 -
 Prior Year Encumbrances Appropriated	 <u>93,013</u>	 <u>93,013</u>	 <u>-</u>
 Fund Balance - End of Year	 <u><u>\$ 16,353</u></u>	 <u><u>\$ 118,264</u></u>	 <u><u>\$ 101,911</u></u>

Capital Project Funds

Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The **Permanent Improvement Fund** accounts for revenues generated by a 1.25 mill five-year permanent improvement levy approved in May 1997 for taxes collected and distributed 1998 through 2002. Funds are used for the acquisition, construction, or improvement of capital facilities.

The **Classroom Facilities Fund** accounts for monies received and expended in connection with contracts entered into by the school district and the Ohio Department of Education for the building and equipping of classroom facilities.

The **SchoolNet Plus Fund** accounts for moneys received from the State of Ohio for wiring of classrooms, computer workstations and related technologies.

Independence Local School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2000

	Permanent Improvement	Classroom Facilities	SchoolNet Plus	Totals
Assets:				
Cash and Cash Equivalents	\$ 201,185	\$ -	\$ 874	\$ 202,059
Receivables				
Taxes	353,539	-	-	353,539
Intergovernmental	-	-	-	-
Total Assets	\$ 554,724	\$ -	\$ 874	\$ 555,598
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 141,598	\$ -	\$ -	\$ 141,598
Accrued Wages/Benefits Payable	-	-	-	-
Compensated Absences payable	-	-	-	-
Contracts payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Interfund Payables	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred revenue	340,901	-	-	340,901
Total Liabilities	482,499	-	-	482,499
Fund Equity:				
Fund Balances:				
Reserved for taxes	12,638	-	-	12,638
Reserved for encumbrances	1,315,712	-	-	1,315,712
Unreserved, Undesignated	(1,256,125)	-	874	(1,255,251)
Total Fund Equity	72,225	-	874	73,099
Total Liabilities and Fund Equity	\$ 554,724	\$ -	\$ 874	\$ 555,598

Independence Local School District
*Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances-All Capital Project Funds
 Fiscal Year Ended June 30, 2000*

	Permanent Improvement	Classroom Facilities	SchoolNet Plus	Totals
Revenues:				
Taxes	\$ 339,881	\$ -	\$ -	\$ 339,881
Intergovernmental	30,760	97,015	-	127,775
Earnings on Investments	7,738	-	-	7,738
Miscellaneous	2,150	-	-	2,150
Total Revenues	<u>380,529</u>	<u>97,015</u>	<u>-</u>	<u>477,544</u>
Expenditures:				
Current:				
Instruction				
Regular	2,452	-	73	2,525
Support Services				
Operation and Maintenance of Plant	153,656	-	-	153,656
Facilities Acquisition and Construction	200,049	5,520	-	205,569
Capital Outlay	798,771	91,595	-	890,366
Total Expenditures	<u>1,154,928</u>	<u>97,115</u>	<u>73</u>	<u>1,252,116</u>
Excess of Revenues Over (Under) Expenditures	(774,399)	(100)	(73)	(774,572)
Other Financing Sources (Uses):				
Operating Transfers In	653,500	100	-	653,600
Total Other Financing Sources (Uses)	<u>653,500</u>	<u>100</u>	<u>-</u>	<u>653,600</u>
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses				
	(120,899)	-	(73)	(120,972)
Fund Balance (Deficit) at Beginning of Year	193,124	-	947	194,071
Fund Balance (Deficit) at End of Year	<u><u>\$ 72,225</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 874</u></u>	<u><u>\$ 73,099</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Permanent Improvement Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 336,148	\$ 362,781	\$ 26,633
Intergovernmental	32,000	30,760	(1,240)
Earnings on Investments	5,000	7,739	2,739
Other Miscellaneous Revenues	-	2,150	2,150
Total Revenues	<u>373,148</u>	<u>403,430</u>	<u>30,282</u>
Expenditures			
Current			
Instruction:			
Regular:			
Materials and Supplies	113,216	61,727	51,489
Capital Outlay	134,871	134,575	296
Total Regular Instruction	<u>248,087</u>	<u>196,302</u>	<u>51,785</u>
Total Instruction	<u>248,087</u>	<u>196,302</u>	<u>51,785</u>
Support Services:			
Instructional Staff:			
Capital Outlay	11,100	11,016	84
Total Instructional Staff	<u>11,100</u>	<u>11,016</u>	<u>84</u>
Administration			
Capital Outlay	1,500	1,319	181
Total Administration	<u>1,500</u>	<u>1,319</u>	<u>181</u>
Operation and Maintenance of Plant:			
Purchased Services	165,600	156,554	9,046
Capital Outlay	42,675	42,234	441
Total Operation and Maintenance of Plant	<u>208,275</u>	<u>198,788</u>	<u>9,487</u>
Pupil Transportation:			
Capital Outlay	66,120	66,049	71
Total Pupil Transportation	<u>66,120</u>	<u>66,049</u>	<u>71</u>
Total Supporting Services	<u>286,995</u>	<u>277,172</u>	<u>9,823</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Permanent Improvement Fund(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Facilities Acquisition and Construction Services			
Building Improvement			
Purchased Services	300,000	206,034	93,966
Capital Outlay	1,811,000	1,810,631	369
Total Building Improvement	<u>2,111,000</u>	<u>2,016,665</u>	<u>94,335</u>
Total Expenditures	<u>2,646,082</u>	<u>2,490,139</u>	<u>155,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,272,934)	(2,086,709)	186,225
Other Financing Sources			
Operating Transfers In	2,400,000	653,500	(1,746,500)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	127,066	(1,433,209)	(1,560,275)
Fund Balance - Beginning of Year	60,961	60,961	-
Prior Year Encumbrances Appropriated	115,782	115,782	-
Fund Balance - End of Year	<u>\$ 303,809</u>	<u>\$ (1,256,466)</u>	<u>\$ (1,560,275)</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Classroom Facilities Fund
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 100,000	\$ 100,040	\$ 40
Total Revenues	<u>100,000</u>	<u>100,040</u>	<u>40</u>
Expenditures			
Current			
Facilities Acquisition and Construction Services			
Architecture and Engineering			
Purchased Services	\$ 5,520	\$ 5,520	\$ -
Capital Outlay	91,855	91,595	260
Total Architecture and Engineering	<u>97,375</u>	<u>97,115</u>	<u>260</u>
Total Expenditures	<u>97,375</u>	<u>97,115</u>	<u>260</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,625	2,925	300
Other Financing Sources			
Operating Transfers-In	-	100	100
Advances Out	(7,700)	(8,100)	(400)
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(7,700)</u>	<u>(8,000)</u>	<u>(300)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	(5,075)	(5,075)	-
Fund Balance - Beginning of Year	75	75	-
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - SchoolNet Plus Fund
Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
Current			
Instruction:			
Regular:			
Fringe Benefits	-	3	(3)
Materials and Supplies	947	70	877
Total Regular Instruction	<u>947</u>	<u>73</u>	<u>874</u>
Total Expenditures	<u>947</u>	<u>73</u>	<u>874</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	 (947)	 (73)	 874
 Fund Balance - Beginning of Year	 947	 947	 -
 Fund Balance - End of Year	 <u><u>\$ -</u></u>	 <u><u>\$ 874</u></u>	 <u><u>\$ 874</u></u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - All Capital Project Funds(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 336,148	\$ 362,781	\$ 26,633
Intergovernmental	132,000	130,800	(1,200)
Earnings on Investments	5,000	7,739	2,739
Other Miscellaneous Revenues	-	2,150	2,150
Total Revenues	<u>473,148</u>	<u>503,470</u>	<u>30,322</u>
Expenditures			
Current			
Instruction:			
Regular:			
Salaries and Wages	-	-	-
Fringe Benefits	-	3	(3)
Purchased Services	-	-	-
Materials and Supplies	114,163	61,797	52,366
Capital Outlay	134,871	134,575	296
Total Regular Instruction	<u>249,034</u>	<u>196,375</u>	<u>52,659</u>
Total Instruction	<u>249,034</u>	<u>196,375</u>	<u>52,659</u>
Support Services:			
Instructional Staff:			
Capital Outlay	11,100	11,016	84
Total Instructional Staff	<u>11,100</u>	<u>11,016</u>	<u>84</u>
Administration			
Capital Outlay	1,500	1,319	181
Total Administration	<u>1,500</u>	<u>1,319</u>	<u>181</u>
Operation and Maintenance of Plant:			
Purchased Services	165,600	156,554	9,046
Capital Outlay	42,675	42,234	441
Total Operation and Maintenance of Plant	<u>208,275</u>	<u>198,788</u>	<u>9,487</u>
Pupil Transportation:			
Other	66,120	66,049	71
Total Pupil Transportation	<u>66,120</u>	<u>66,049</u>	<u>71</u>
Total Supporting Services	<u>286,995</u>	<u>277,172</u>	<u>9,823</u>

Independence Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - All Capital Project Funds(Cont'd)
Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Facilities Acquisition and Construction Services			
Architecture and Engineering			
Purchased Services	5,520	5,520	-
Total Architecture and Engineering	<u>5,520</u>	<u>5,520</u>	<u>-</u>
Building Improvement			
Purchased Services	300,000	206,034	93,966
Capital Outlay	1,902,855	1,902,226	629
Total Building Improvement	<u>2,202,855</u>	<u>2,108,260</u>	<u>94,595</u>
Total Facilities Acquisition and Construction Services	<u>2,208,375</u>	<u>2,113,780</u>	<u>94,595</u>
Total Expenditures	<u>2,744,404</u>	<u>2,587,327</u>	<u>157,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,271,256)	(2,083,857)	187,399
Other Financing Sources			
Operating Transfers In	2,400,000	653,600	(1,746,400)
Advances Out	(7,700)	(8,100)	(400)
Total Other Financing Sources (Uses)	<u>2,392,300</u>	<u>645,500</u>	<u>(1,746,800)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	121,044	(1,438,357)	(1,559,401)
Fund Balance - Beginning of Year	61,983	61,983	-
Prior Year Encumbrances Appropriated	<u>120,782</u>	<u>120,782</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 303,809</u>	<u>\$ (1,255,592)</u>	<u>\$ (1,559,401)</u>

Enterprise Funds

Enterprise funds are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses, including depreciation) of providing goods or services be financed or recovered primarily through the user's charges, or where the District has decided that the periodic determination of revenues earned, expenses incurred and/or net income is appropriated for management control and accountability.

The **Food Service Fund** accounts for the operation of lunchroom service which provides hot lunches for all three of the District's school buildings.

The **Uniform School Supplies Fund** accounts for the purchase and sale of school supplies to students.

Independence Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2000

	Food Service	Uniform School Supplies	Totals
Assets:			
Cash and Cash Equivalents	\$ 5,211	\$ 310	\$ 5,521
Inventories	1,948	-	1,948
Fixed Assets (Net, where applicable of Accumulated Depreciation)	<u>51,859</u>	<u>-</u>	<u>51,859</u>
Total Assets	<u>\$ 59,018</u>	<u>\$ 310</u>	<u>\$ 59,328</u>
Liabilities and Fund Equity			
Liabilities:			
Accrued Wages/Benefits Payable	\$ 19,063	\$ -	\$ 19,063
Compensated Absences Payable	21,459	-	21,459
Interfund Payables	-	2,000	2,000
Deferred revenue	<u>868</u>	<u>-</u>	<u>868</u>
Total Liabilities	<u>41,390</u>	<u>2,000</u>	<u>43,390</u>
Fund Equity:			
Contributed Capital	51,859	-	51,859
Retained Earning (Deficit):			
Unreserved	<u>(34,231)</u>	<u>(1,690)</u>	<u>(35,921)</u>
Total Fund Equity	<u>17,628</u>	<u>(1,690)</u>	<u>15,938</u>
Total Liabilities and Fund Equity	<u>\$ 59,018</u>	<u>\$ 310</u>	<u>\$ 59,328</u>

Independence Local School District
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Equity-All Enterprise Funds
Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supplies	Totals
Operating Revenues:			
Sales	\$ 167,631	\$ 12,431	\$ 180,062
Other	58	-	58
Total Operating Revenues	<u>167,689</u>	<u>12,431</u>	<u>180,120</u>
Operating Expenses:			
Salaries	109,584	-	109,584
Fringe Benefits	25,554	-	25,554
Purchased Services	3,710	-	3,710
Materials and Supplies	104,944	14,460	119,404
Cost of Sales	9,516	-	9,516
Total Operating Expenses	<u>253,308</u>	<u>14,460</u>	<u>267,768</u>
Operating Income (Loss)	(85,619)	(2,029)	(87,648)
Non-Operating Revenues (Expenses)			
Operating Grants	20,068	-	20,068
Government Donated Commodities	9,516	-	9,516
Total Non-Operating Revenues (Expenses)	<u>29,584</u>	<u>-</u>	<u>29,584</u>
Transfers from Other Funds	55,500	-	55,500
Net Income (Loss)	(535)	(2,029)	(2,564)
Retained Earning (Deficit) at Beginning of Year	<u>(33,696)</u>	<u>339</u>	<u>(33,357)</u>
Retained Earnings (Deficit) at End of Year	(34,231)	(1,690)	(35,921)
Contributed Capital Beginning of Year	54,540	-	54,540
Depreciation on Fixed Assets Acquired by Contributed Capital	(9,781)	-	(9,781)
Contributed Capital at End of Year	<u>51,859</u>	<u>-</u>	<u>51,859</u>
Total Fund Equity (Deficit) at End of Year	<u>\$ 17,628</u>	<u>\$ (1,690)</u>	<u>\$ 15,938</u>

Independence Local School District
Combining Statement of Cash Flows
All Enterprise Funds
Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supply	Total Enterprise
Increase (Decrease) in Cash and Cash Equivalents			
Cash flows from operating activities			
Cash received from sales	\$ 167,689	\$ 12,431	\$ 180,120
Cash paid to employees	(133,366)	-	(133,366)
Cash paid to suppliers	(108,608)	(14,460)	(123,068)
Net cash provided by (used for) operating activities	(74,285)	(2,029)	(76,314)
Cash flows from noncapital financing activities			
Transfer from general fund	55,500	-	55,500
Subsidy from federal government	20,068	-	20,068
Advance In from General Fund	-	2,000	2,000
Net cash provided by noncapital activities	75,568	2,000	77,568
Net increase (decrease) in cash and cash equivalents	1,283	(29)	1,254
Cash and cash equivalents, July 1	3,928	339	4,267
Cash and cash equivalents, June 30	\$ 5,211	\$ 310	\$ 5,521
 Reconciliation of Operating Income (Loss) to Net Cash Provided for Operating Activities			
Operating income (loss)	\$ (85,619)	\$ (2,029)	\$ (87,648)
Adjustments to reconcile operating Income (Loss) to Net Cash Provided by Operating Activities			
Government Donated Commodities Used	9,516	-	9,516
Increase (Decrease) in accrued wages/benefits payable	(1,788)	-	(1,788)
Increase (Decrease) in compensated absences payable	3,560	-	3,560
(Increase) Decrease in inventories	46	-	46
Total adjustments	11,334	-	11,334
Net cash provided by operating activities	\$ (74,285)	\$ (2,029)	\$ (76,314)

Independence Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Budget Basis) - Food Service Fund
Fiscal Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Food Services	\$ 179,700	\$ 167,631	\$ (12,069)
Miscellaneous	<u>-</u>	<u>58</u>	<u>58</u>
Total Operating Revenues	<u>179,700</u>	<u>167,689</u>	<u>(12,011)</u>
Operating Expenses:			
Salaries and Wages	108,700	106,913	1,787
Fringe Benefits	28,355	26,453	1,902
Purchased Services	3,700	3,710	(10)
Materials and Supplies	<u>110,400</u>	<u>104,898</u>	<u>5,502</u>
Total Operating Expenses	<u>251,155</u>	<u>241,974</u>	<u>9,181</u>
(Deficiency) of Operating Revenues Over (Under) Operating Expenses	(71,455)	(74,285)	(2,830)
Non-Operating Revenues			
Federal and State Grants	<u>12,800</u>	<u>20,068</u>	<u>7,268</u>
Total Non-Operating Revenues	<u>12,800</u>	<u>20,068</u>	<u>7,268</u>
(Deficiency) of Revenues Over (Under) Expenses	(58,655)	(54,217)	4,438
Other Financing Sources (Uses):			
Operating Transfers In	55,500	55,500	-
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	(3,155)	1,283	4,438
Fund Equity at Beginning of Year	<u>3,928</u>	<u>3,928</u>	<u>-</u>
Fund Equity at End of Year	<u>\$ 773</u>	<u>\$ 5,211</u>	<u>\$ 4,438</u>

Independence Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Budget Basis) - Uniform School Supplies Fund
Fiscal Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Classroom Materials and Fees	\$ 14,300	\$ 12,431	\$ (1,869)
Total Operating Revenues	<u>14,300</u>	<u>12,431</u>	<u>(1,869)</u>
Operating Expenses:			
Materials and Supplies	<u>14,600</u>	<u>14,460</u>	<u>140</u>
Total Operating Expenses	<u>14,600</u>	<u>14,460</u>	<u>140</u>
(Deficiency) of Operating Revenues Over (Under) Operating Expenses	(300)	(2,029)	(1,729)
Other Financing Sources (Uses):			
Advances In	-	2,000	2,000
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	(300)	(29)	271
Fund Equity at Beginning of Year	339	339	-
Fund Equity at End of Year	<u><u>\$ 39</u></u>	<u><u>\$ 310</u></u>	<u><u>\$ 271</u></u>

Independence Local School District
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Budget Basis) - All Enterprise Funds
Fiscal Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues:			
Food Services	\$ 179,700	\$ 167,631	\$ (12,069)
Classroom Materials and Fees	14,300	12,431	(1,869)
Miscellaneous	<u>0</u>	<u>58</u>	<u>58</u>
Total Operating Revenues	<u>194,000</u>	<u>180,120</u>	<u>(13,880)</u>
Operating Expenses:			
Salaries and Wages	108,700	106,913	1,787
Fringe Benefits	28,355	26,453	1,902
Purchased Services	3,700	3,710	(10)
Materials and Supplies	<u>125,000</u>	<u>119,358</u>	<u>5,642</u>
Total Operating Expenses	<u>265,755</u>	<u>256,434</u>	<u>9,321</u>
(Deficiency) of Operating Revenues Over (Under) Operating Expenses	(71,755)	(76,314)	(4,559)
Non-Operating Revenues			
Federal and State Grants	<u>12,800</u>	<u>20,068</u>	<u>7,268</u>
Total Non-Operating Revenues	<u>12,800</u>	<u>20,068</u>	<u>7,268</u>
(Deficiency) of Revenues Over (Under) Expenses	(58,955)	(56,246)	2,709
Other Financing Sources (Uses):			
Operating Transfers In	55,500	55,500	-
Advances In	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total Other Financing Sources (Uses):	55,500	57,500	2,000
Excess of Revenues and Other Financing Sources Over / (Under) Expenditures and Other Financing Uses	(3,455)	1,254	4,709
Fund Equity at Beginning of Year	<u>4,267</u>	<u>4,267</u>	<u>-</u>
Fund Equity at End of Year	<u><u>\$ 812</u></u>	<u><u>\$ 5,521</u></u>	<u><u>\$ 4,709</u></u>

Agency Funds

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

The **District Agency Fund** accounts for assets held by the school district as an agent for individuals, private organizations, other governmental units, and/or other funds.

The **Student Activity Fund** accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

Independence Local School District
Combining Balance Sheet
All Agency Funds
June 30, 2000

	District Agency	Student Activities	Totals
Assets:			
Cash and Cash Equivalents	\$ 572	\$ 74,394	\$ 74,966
Total Assets	\$ 572	\$ 74,394	\$ 74,966
Liabilities:			
Due to Students	\$ -	\$ 74,394	\$ 74,394
Interfund Payables	-	-	-
Deferred revenue	-	-	-
Undistributed Monies	572	-	572
Total Liabilities	\$ 572	\$ 74,394	\$ 74,966

Independence Local School District
Schedule of Changes in Assets and Liabilities
District Agency Fund
Fiscal Year Ended June 30, 2000

	Beginning Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2000</u>
Assets:				
Cash and Cash Equivalents	\$ 1,099	\$ -	\$ 527	\$ 572
Total Assets	\$ 1,099	\$ -	\$ 527	\$ 572
Liabilities:				
Undistributed Monies	\$ 1,099	\$ -	\$ 527	\$ 572
Total Liabilities	\$ 1,099	\$ -	\$ 527	\$ 572

Independence Local School District
Schedule of Changes in Assets and Liabilities
Student Activities Fund
Fiscal Year Ended June 30, 2000

	Beginning Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2000</u>
Assets:				
Cash and Cash Equivalents	\$ 60,908	\$ 214,048	\$ 200,562	\$ 74,394
Total Assets	<u>\$ 60,908</u>	<u>\$ 214,048</u>	<u>\$ 200,562</u>	<u>\$ 74,394</u>
Liabilities:				
Accounts Payable	\$ 864	\$ -	\$ 864	\$ -
Due to Students	60,044	214,048	199,698	74,394
Total Liabilities	<u>\$ 60,908</u>	<u>\$ 214,048</u>	<u>\$ 200,562</u>	<u>\$ 74,394</u>

General Fixed Assets Account Group

The general fixed asset account group is used to account for all land, land improvements, buildings, building improvements, furniture and equipment, and vehicles not used in the operations of the proprietary funds.

Independence Local School District
Schedule of General Fixed Assets
By Source
As of June 30, 2000

General Fixed Assets

Land and Improvements	\$ 390,732
Buildings	3,076,069
Furniture and Equipments	2,505,058
Vehicles	752,568
Construction in Progress	497,058
Total General Fixed Assets	<u><u>\$ 7,221,485</u></u>

Investment in General Fixed Assets From

Acquisitions Since July 1, 1999	
General Fund	\$ 4,523
Permanent Improvement Fund	681,474
State Grants	191,689
Acquisitions Prior to June 30, 1999	<u>6,343,799</u>
Total Investments in General Fixed Assets	<u><u>\$ 7,221,485</u></u>

Independence Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2000

	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
Instruction	\$ 331,899	\$ 2,709,807	\$ 1,648,734	\$ -	\$ 497,058	\$ 5,187,498
Supporting Services:						
Pupils	-	-	50,950	-	-	50,950
Instructional Staff	-	-	427,439	-	-	427,439
Administration	35,591	125,420	63,800	-	-	224,811
Fiscal	-	-	18,750	-	-	18,750
Operation and Maintenance of Plant	-	10,989	124,275	14,465	-	149,729
Pupil Transportation	23,242	58,063	40,400	738,103	-	859,808
Extracurricular Activities	-	80,195	115,400	-	-	195,595
Community Services	-	91,595	15,310	-	-	106,905
Total General Fixed Assets	\$ 390,732	\$ 3,076,069	\$ 2,505,058	\$ 752,568	\$ 497,058	\$ 7,221,485

Independence Local School District
Schedule of Changes in General Fixed Assets
By Function
Fiscal Year Ended June 30, 2000

	General Fixed Assets June 30, 1999 (Restated) See Note 3	Additions	Deletions	General Fixed Assets June 30, 2000
Instruction	\$ 4,666,301	\$ 565,441	\$ 44,244	\$ 5,187,498
Supporting Services:				
Pupils	50,950	-	-	50,950
Instructional Staff	219,850	207,589	-	427,439
Administration	224,811	-	-	224,811
Fiscal	18,750	-	-	18,750
Operation and Maintenance of Plant	148,579	1,150	-	149,729
Pupil Transportation	806,089	53,719	-	859,808
Extracurricular Activities	195,595	-	-	195,595
Community Services	12,874	94,031	-	106,905
Total General Fixed Assets	\$ 6,343,799	\$ 921,930	\$ 44,244	\$ 7,221,485

Statistical Section

Independence Local School District
General Fund Expenditures and Other Financing Uses By Function
Last Ten Fiscal Years (1)

	<u>FY 2000</u>	<u>FY 99</u>	<u>FY 98</u>	<u>FY 97</u>	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>
Instruction	\$5,529,404	\$4,983,086	\$4,649,993	\$4,438,133	\$4,882,216	\$4,141,927	\$3,718,290	\$3,809,966	\$3,822,490	\$3,354,994
Support Services										
Pupils	484,823	452,600	411,850	409,868	428,593	309,920	256,106	305,875	311,122	206,042
Insrtuctional Staff	534,275	510,152	521,529	508,684	529,084	411,107	332,541	291,145	364,572	271,989
Board of Education	126,442	121,747	174,972	170,053	157,225	192,140	150,109	122,096	185,821	148,252
Administrative	703,042	689,902	660,734	657,805	718,391	635,331	669,726	743,290	936,026	522,687
Fiscal Services	353,711	327,074	302,610	293,054	292,982	271,419	276,408	317,841	260,897	227,632
Business	151,652	130,973	136,208	131,479	125,953	100,381	67,795	66,949	44,902	36,777
Operation and Maintenance of Plant	870,150	900,720	838,722	786,629	897,377	873,737	833,340	857,826	728,545	692,020
Pupil Transportation	574,462	499,391	496,752	444,278	479,663	408,737	355,710	384,135	333,872	287,138
Extracurricular Activities	313,542	308,840	290,905	332,302	318,633	291,721	256,340	211,661	200,106	162,822
Capital Outlay	5,513	57,104	16,529	-	-	-	1,300	10,230	45,194	309,901
Other Financing Uses	710,517	48,116	40,000	47,011	72,071	488,629	163,286	138,078	158,193	105,603
Total	<u><u>\$10,357,533</u></u>	<u><u>\$9,029,705</u></u>	<u><u>\$8,540,804</u></u>	<u><u>\$8,219,296</u></u>	<u><u>\$8,902,188</u></u>	<u><u>\$8,125,049</u></u>	<u><u>\$7,080,951</u></u>	<u><u>\$7,259,092</u></u>	<u><u>\$7,391,740</u></u>	<u><u>\$6,325,857</u></u>

Source: School District financial records

(1) Fiscal Years 1996 - 2000 are reported on a GAAP basis, all other years are reported on the cash basis.

Independence Local School District
General Fund Revenues and Other Financing Sources By Source
Last Ten Fiscal Years (1)

	<u>FY 2000</u>	<u>FY 99</u>	<u>FY 98</u>	<u>FY 97</u>	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>	<u>FY 93</u>	<u>FY 92</u>	<u>FY 91</u>
Taxes	\$7,315,897	\$8,569,210	\$7,488,759	\$6,964,001	\$7,061,834	\$6,508,189	\$6,152,980	\$6,233,136	\$5,709,173	\$4,976,028
Tuition	4,540	4,440	-	-	-	147	190	145	1,056	1,438
Intergovernmental	1,501,468	1,397,890	1,104,237	1,082,240	1,063,857	753,774	737,035	750,533	630,460	615,212
Interest	213,126	78,731	78,243	55,823	70,627	85,519	59,757	66,478	147,499	229,974
Classroom Materials/Fees	13,000	11,815	11,503	2,465	2,605	2,270	2,481	1,483	2,631	2,562
Miscellaneous	35,256	51,845	111,225	10,546	33,675	78,873	30,124	24,825	21,384	19,749
Other Financing Sources	2,605,898	-	361,035	11,241	48,128	81,293	50,583	41,181	80,000	45,997
Total	<u><u>\$11,689,185</u></u>	<u><u>\$10,113,931</u></u>	<u><u>\$9,155,002</u></u>	<u><u>\$8,126,316</u></u>	<u><u>\$8,280,726</u></u>	<u><u>\$7,510,065</u></u>	<u><u>\$7,033,150</u></u>	<u><u>\$7,117,781</u></u>	<u><u>\$6,592,203</u></u>	<u><u>\$5,890,960</u></u>

Source: School District financial records

(1) Fiscal Years 1996 - 2000 are reported on a GAAP basis, all other years are reported on the cash basis.

Independence Local School District
Property Tax Levies and Collections Real and Tangible Personal Property (1)
Last Ten Calendar Years

<u>Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>% of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection as a Percent of Current Levy</u>
1999	\$9,211,180	\$479,580	\$9,690,760	\$9,027,952	98.01%	\$578,633	\$9,606,585	104.29%
1998	\$9,049,007	\$758,735	\$9,807,742	\$8,568,423	94.69%	\$421,079	\$8,989,502	99.34%
1997	8,489,440	829,183	9,318,623	8,080,313	95.18%	321,788	8,402,101	98.97%
1996	7,982,477	683,606	8,666,083	6,564,622	82.24%	217,453	6,782,075	84.96%
1995	7,891,816	464,093	8,355,909	5,804,547	73.55%	135,181	5,939,728	75.26%
1994	7,965,622	455,675	8,421,297	7,352,707	92.31%	124,674	7,477,381	93.87%
1993	7,406,745	413,453	7,820,198	6,915,367	93.37%	103,048	7,018,415	94.76%
1992	7,192,442	444,678	7,637,120	6,924,668	96.28%	226,714	7,151,382	99.43%
1991	6,970,143	373,733	7,343,876	6,413,727	92.02%	181,213	6,594,940	94.62%
1990	6,029,131	251,121	6,280,252	5,690,961	94.39%	97,949	5,788,910	96.02%

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through State and reported as Intergovernmental Revenue.
- (2) Represents the collection year. The 2000 information cannot be presented because all collections have not been made by June 30.

Independence Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2000	\$354,627,200	\$1,013,220,571	\$26,070,840	\$29,625,955	\$53,400,026	\$213,600,104	\$434,098,066	\$1,256,446,630	34.55%
1999	345,177,050	986,220,143	30,688,820	34,873,659	49,644,275	198,577,100	425,510,145	1,219,670,902	34.89%
1998	329,554,390	941,583,971	26,540,300	30,159,432	49,559,054	198,236,216	405,653,744	1,169,979,619	34.67%
1997	299,600,680	856,001,943	27,091,360	30,785,636	47,041,383	188,165,532	373,733,423	1,074,953,111	34.77%
1996	292,267,440	835,049,829	27,574,380	31,334,523	46,563,410	186,253,640	366,405,230	1,052,637,992	34.81%
1995	288,916,210	825,474,886	37,924,080	43,095,545	45,279,552	181,118,208	372,119,842	1,049,688,639	35.45%
1994	265,904,260	759,726,457	34,446,580	39,143,841	46,124,076	184,496,304	346,474,916	983,366,602	35.23%
1993	262,575,170	750,214,771	26,248,390	29,827,716	44,297,092	177,188,368	333,120,652	957,230,855	34.80%
1992	254,746,770	727,847,914	25,112,230	28,536,625	44,566,604	178,266,416	324,425,604	934,650,955	34.71%
1991	208,768,010	596,480,029	25,970,820	29,512,295	42,482,523	169,930,092	277,221,353	795,922,416	34.83%

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

Independence Local School District
Property Tax Rates - Direct and Overlapping Governments
Per \$1,000 of Assessed Valuations
Last Ten Calendar Years

Year	School Levy	County Levy	Library Levy	City Levy	Total Levy	Debt Service			Total
						Included in Total Levy			
						School	City	County	
2000	\$23.40	15.30	\$1.40	\$3.50	\$43.60	\$ -	\$1.30	\$0.85	\$2.15
1999	23.40	15.30	1.40	3.60	43.70	-	1.40	0.27	1.67
1998	23.40	15.30	1.40	3.60	43.70	-	1.40	0.72	2.12
1997	23.40	15.30	1.40	3.60	43.70	-	1.40	0.63	2.03
1996	23.40	15.30	1.40	3.60	43.70	-	1.40	0.87	2.27
1995	23.40	16.80	1.40	3.60	45.20	-	1.40	0.76	2.16
1994	23.40	16.80	1.00	3.60	44.80	-	1.40	0.68	2.08
1993	23.40	16.80	1.00	3.60	44.80	-	1.40	0.71	2.11
1992	23.40	16.80	1.00	3.60	44.80	-	1.40	0.80	2.20
1991	23.40	16.80	1.00	3.60	44.80	-	1.40	0.87	2.27

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

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

Fiscal Year	Net General Obligation Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net Debt PerCapita
2000	\$ -	\$434,098,066	6,800	0%	\$ -
1999	-	425,510,145	6,800	-	-
1998	-	405,653,744	6,800	-	-
1997	-	373,733,423	6,800	-	-
1996	-	366,405,230	6,800	-	-
1995	-	372,119,842	6,800	-	-
1994	-	346,474,916	6,800	-	-
1993	-	333,120,652	6,800	-	-
1992	-	324,425,604	6,800	-	-
1991	-	277,221,353	6,800	-	-

Source: Cuyahoga County Auditor and District Financial Records

(1) Population data for 1990 through 1999 is assumed to be the same as that of the 1990 census as no subsequent data is available. Estimate provided by the City of Independence.

Independence Local School District
Computation of Legal Debt Margin
June 30, 2000

Assessed Valuation	<u><u>\$434,098,066</u></u>
Debt Limit - 9% of Assessed Value (1)	\$39,068,826
Amount of Debt Applicable to Debt Limit	<u>0</u>
Voted Debt Margin	<u><u>\$39,068,826</u></u>
Debt Limit - 0.9% of Assessed Value (1)	\$3,906,883
Amount of Debt Applicable	<u>0</u>
Unvoted Energy Conservation Debt Margin	<u><u>\$3,906,883</u></u>
Debt Limit - 0.1% of Assessed Value (1)	\$434,098
Amount of Debt Applicable	<u>0</u>
All Other Unvoted Debt Margin	<u><u>\$434,098</u></u>

Source: Cuyahoga County Auditor and District Financial Records

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

Independence Local School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 1999

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Independence Local School District	\$ -	0.00%	\$ -
Independence City	3,635,000	100.00%	3,635,000
Cuyahoga County	141,004,636	1.58%	2,227,873
Regional Transit Authority	101,865,000	1.58%	<u>1,609,467</u>
Total			<u><u>\$ 7,472,340</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 1999 collection year.

Independence Local School District
*Ratio of Annual Debt Service Expenditures for
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years*

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Services to General Fund Expenditures (Percentages)
2000	\$ -	\$ -	\$ -	\$ 10,357,533	0%
1999	-	-	-	9,029,705	-
1998	-	-	-	8,540,804	-
1997	-	-	-	8,219,296	-
1996	-	-	-	8,902,188	-
1995	-	-	-	8,125,049	-
1994	-	-	-	7,080,951	-
1993	-	-	-	7,259,092	-
1992	-	-	-	7,391,740	-
1991	-	-	-	6,325,857	-

Source: District Financial Records

(1) Fiscal Years 1996 - 2000 are reported on a GAAP basis, all other years are reported on the cash basis.

Independence Local School District

Demographic Statistics

Last Ten Calendar Years

<u>Year</u>	<u>Cuyahoga County Population</u>	<u>Independence City Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>
2000	1,386,096	6,800	997	4.5%
1999	1,386,096	6,800	987	4.5%
1998	1,403,217	6,800	948	4.1%
1997	1,403,217	6,800	925	4.1%
1996	1,403,217	6,800	923	4.7%
1995	1,403,217	6,800	889	4.9%
1994	1,403,217	6,800	875	5.3%
1993	1,411,209	6,800	858	7.6%
1992	1,411,209	6,800	840	6.3%
1991	1,412,140	6,800	808	5.2%

Source: Information in this table was provided by the Cleveland Plain Dealer
and from District Records

(1) Represents Cuyahoga County

Independence Local School District
*Property Value, Financial Institution Deposits
and Building Permits
Last Ten Calendar Years*

Year	Property Value (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Building Permits Issued
1999	\$ 345,177,050	\$ 60,296,678	\$ 49,985,220
1998	329,554,390	58,904,596	59,492,417
1997	299,600,680	53,941,971	41,511,574
1996	292,267,440	27,068,211	36,608,880
1995	288,916,210	22,694,304	14,512,500
1994	265,904,260	20,885,453	11,240,690
1993	262,575,170	21,900,421	9,535,600
1992	254,746,770	19,379,280	7,302,120
1991	208,768,010	18,392,243	7,528,971
1990	194,993,480	19,188,641	13,175,581

Sources: Federal Reserve Bank of Cleveland, Cuyahoga County Auditor's Office
and the City of Independence Building Department

Independence Local School District

Principal Taxpayers

Real Estate Property Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total District Real Assessed Value</u>
1. Duke Realty Limited Partnership	\$ 18,289,230	5.16%
2. Summit Office Park Limited Partnership	21,368,550	6.03%
3. The Cleveland Clinic	12,642,190	3.56%
4. The Ceico Company	8,118,110	2.29%
5. Jagi Cleveland-Independence, LLC	6,660,150	1.88%
6. 6055 Properties	5,311,040	1.50%
7. Hub Valley Realty	5,200,250	1.47%
8. H-Cleveland, LLC	5,151,550	1.45%
9. Rockside Center Limited	3,797,500	1.07%
10. Ohio Motorists Association	<u>3,547,850</u>	<u>1.00%</u>
Total	<u><u>\$ 90,086,420</u></u>	<u><u>25.40%</u></u>
Total District Real Estate Assessed Value	<u><u>\$354,627,200</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 1999

Independence Local School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 1999

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total District Real Assessed Value</u>
1. L.D. Kichler Co.	\$ 2,748,630	5.15%
2. Snow Manufacturing Co.	1,775,340	3.32%
3. Efficient Die and Mold Inc.	1,602,230	3.00%
4. Avtron Manufacturing Inc.	1,589,030	2.98%
5. Consolidated Natural Gas	1,391,310	2.61%
6. Getters Corporation of America	1,353,700	2.54%
7. GTE Mobilnet Service Corp	1,345,770	2.52%
8. AGA Gas Inc.	1,209,470	2.26%
9. Ohio Motorists Association	1,137,810	2.13%
10. Janus American Group Inc.	<u>996,580</u>	<u>1.87%</u>
Total	<u>\$ 15,149,870</u>	<u>28.37%</u>
Total District Tangible Personal Property Assessed Value	<u>\$ 53,400,026</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 1999

Independence Local School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 1999

Name of Taxpayer	Assessed Value (1)	Percent of Total District Real Assessed Value
1. Cleveland Electric Illuminating Company	\$ 14,578,310	55.92%
2. Ohio Bell Telephone Company	5,318,220	20.40%
3. East Ohio Gas	4,087,680	15.68%
4. New Par	825,510	3.17%
5. GTE Mobile Net of Ohio	<u>299,330</u>	<u>1.15%</u>
Total	<u>\$ 25,109,050</u>	<u>96.31%</u>
Total District Public Utility Assessed Value	<u>\$ 26,070,840</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 1999

Independence Local School District

*Per Pupil Cost
Last Ten Fiscal Years*

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Student Enrollment</u>	<u>Per Pupil Cost</u>
2000	\$ 10,357,533	997	\$ 10,389
1999	9,029,705	987	\$ 9,149
1998	8,540,804	948	9,009
1997	8,219,296	925	8,886
1996	8,902,188	923	9,645
1995	8,125,049	889	9,140
1994	7,080,951	877	8,074
1993	7,259,092	858	8,460
1992	7,391,740	840	8,800
1991	6,325,857	808	7,829

Source: District Financial Records

(1) Fiscal Years 1996 - 2000 are reported on a GAAP basis, all other years are reported on the cash basis.

Independence Local School District
Certificated Staff Education and Experience
June 30, 2000

<u>Degree</u>	<u>Number of Teachers and Administrators</u>	<u>Percent of Total</u>
Bachelor's Degree	13	15.7%
Bachelor's Degree + 12 Hours	7	8.4%
Bachelor's Degree + 24 Hours	3	3.7%
Master's Degree	48	57.8%
Master's Degree + 18 Hours	7	8.4%
Master's Degree + 36 Hours	1	1.2%
Master's Degree + 54 Hours	2	2.4%
Ph. D.	<u>2</u>	<u>2.4%</u>
Total	<u>83</u>	<u>100.0%</u>

<u>Years of Experience</u>	<u>Number of Teachers and Administrators</u>	<u>Percent of Total</u>
0 -5	14	16.87%
6 -10	16	19.28%
11 - 15	20	24.10%
16 - 20	7	8.43%
21 -25	15	18.07%
26 and Over	<u>11</u>	<u>13.25%</u>
Total	<u>83</u>	<u>100.00%</u>

Source: District Records



STATE OF OHIO
OFFICE OF THE AUDITOR

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INDEPENDENCE LOCAL SCHOOL DISTRICT

CUYAHOGA 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 16, 2001**