



**NORDONIA HILLS CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**NORDONIA HILLS CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	1
Report of Independent Accountants on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3
Schedule of Receipts and Expenditures of Federal Awards .....	5
Notes to the Schedule of Receipts and Expenditures of Federal Awards .....	6
Schedule of Findings .....	7

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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

Nordonia Hills City School District  
Summit County  
9370 Olde Eight Road  
Northfield, Ohio 44067

To the Board of Education:

We have audited the general purpose financial statements of Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated January 25, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 25, 2002.

**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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 25, 2002.

Nordonia Hills City School District  
Summit County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

January 25, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

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

Nordonia Hills City School District  
Summit County  
9370 Olde Eight Road  
Northfield, Ohio 44067

To the Board of Education:

**Compliance**

We have audited the compliance of Nordonia Hills City School District, Summit 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 major federal program for the year ended June 30, 2001. 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 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 auditing standards generally accepted in the United States of America; 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, 2001.

**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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### **Schedule of Receipts and Expenditures of Federal Awards**

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated January 25, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

**Jim Petro**  
Auditor of State

January 25, 2002



**NORDONIA HILLS CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

<b>FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH OR GRANTOR'S NUMBER</b>	<b>RECEIPTS</b>	<b>NON-CASH RECEIPTS</b>	<b>EXPENDITURES</b>	<b>NON-CASH EXPENDITURES</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed through Ohio Dept of Education</i>						
<u>Special Education Cluster:</u>						
Special Education - Grants to States	84.027	0500476BSF00P 0500476BSF01P	\$ 286,767		\$ 35,665 237,102	
Total Special Education - Grants to States			<u>286,767</u>		<u>272,767</u>	
Special Education - Preschool Grants	84.173	050047PGS100P 050047PGS101P	20,425		8,964 10,428	
Total Special Education - Preschool Grants			<u>20,425</u>		<u>19,392</u>	
Total Special Education Cluster			307,192		292,159	
Title I Grants to Local Educational Agencies	84.010	050047C1S100 050047C1S101	66,662		15,017 52,472	
Total Title I Grants to Local Educational Agencies			<u>66,662</u>		<u>67,489</u>	
Innovative Education Program Strategies	84.298	050047C2S199 050047C2S100 050047C2S101	20,791		33 17,414 13,387	
Total Innovative Education Program Strategies			<u>20,791</u>		<u>30,834</u>	
Safe & Drug-Free Schools & Communities State Grants	84.186	050047DRS101	14,708		14,708	
Technology Literacy Challenge Fund Grants	84.318	050047 TF-31 99 050047 TF-31 99	0		6,633 62,500	
Total Technology Literacy Challenge Fund Grants			<u>0</u>		<u>69,133</u>	
Comprehensive School Reform Demonstration	84.332	050047 RF-S1 00 050047 RF-S1 01	33,800 108,959		105,936 155,850	
Total Comprehensive School Reform Demonstration			<u>142,759</u>		<u>261,786</u>	
Class Size Reduction	84.340	050047-CR-S1 00 050047-CR-S1 01	30,001		5,111 18,707	
Total Classroom Reduction Grant			<u>30,001</u>		<u>23,818</u>	
Eisenhower Professional Devevelopment Grant	84.281	050047MS-S101	9,288			
<i>Passed through Summit County Educational Service Center</i>						
Technology Innovation Challenge Grants	84.303	N/A-9198			3,405	
	84.303	N/A-9199			2,000	
	84.303	N/A-9299			8,852	
	84.303	N/A-9000			17,167	
	84.303	N/A-9001	2,343		11,713	
Total Technology Innovation Challenge Grants			<u>2,343</u>		<u>43,137</u>	
<b>Total U.S. Department of Education</b>			<b>593,744</b>		<b>803,064</b>	
<b>U.S. Department of Agriculture</b>						
<i>Passed through Ohio Dept of Education</i>						
<u>Child Nutrition Cluster:</u>						
National School Breakfast	10.553	050047-05-PU-00	5,269		5,269	
National School Lunch	10.555	050047-03-PU-00	87,161		87,161	
Food Distribution	10.550	N/A		\$ 30,372		\$ 27,576
<b>Total U.S. Department of Agriculture - Child Nutrition Cluster</b>			<u>92,430</u>	<u>30,372</u>	<u>92,430</u>	<u>27,576</u>
<b>Totals</b>			<u>\$ 686,174</u>	<u>\$ 30,372</u>	<u>\$ 895,494</u>	<u>\$ 27,576</u>

See accompanying Notes to the Schedule of Receipts and Expenditures of Federal Awards.

**NORDONIA HILLS CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.

**NORDONIA HILLS CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

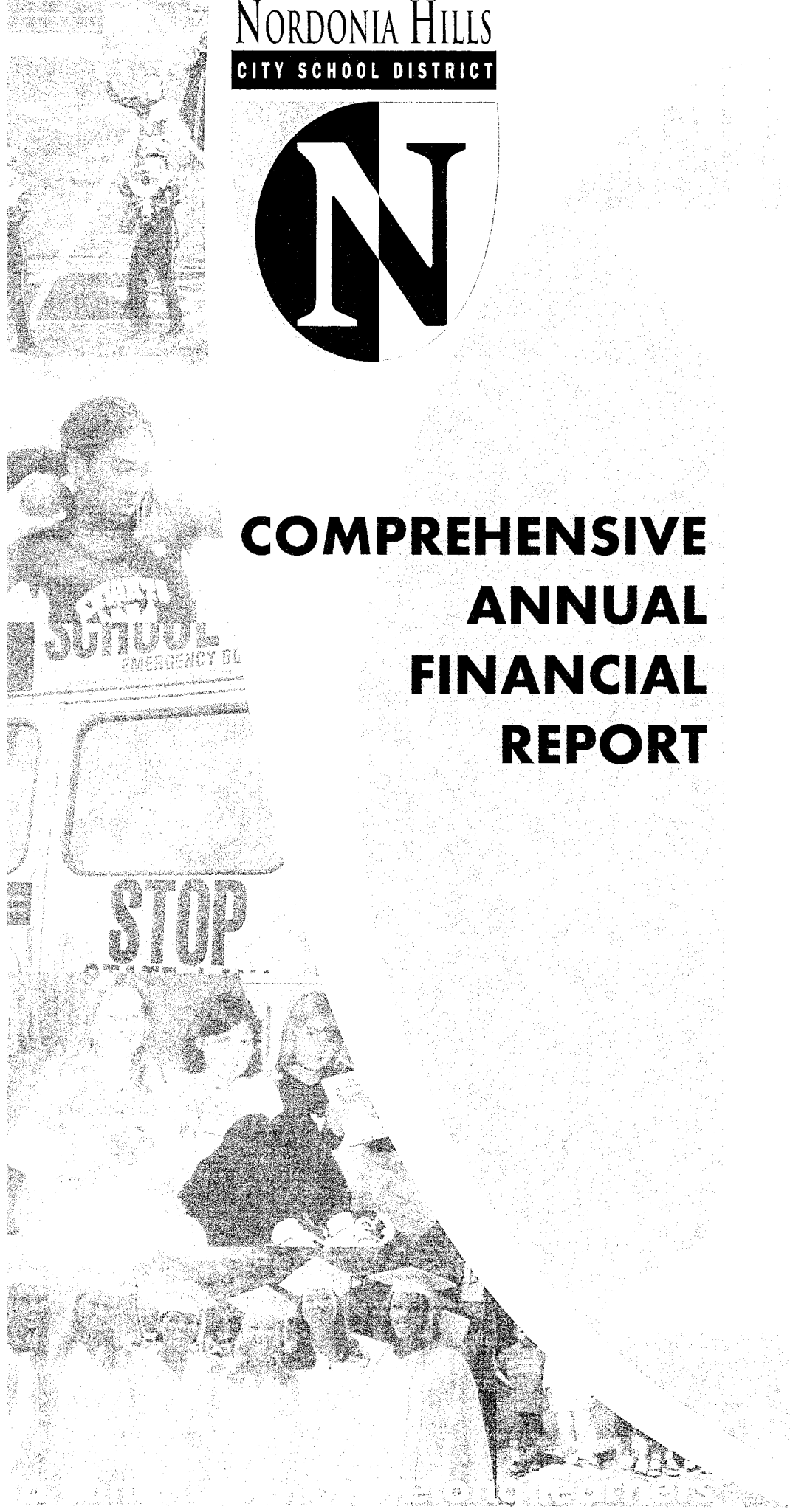


NORDONIA HILLS  
CITY SCHOOL DISTRICT



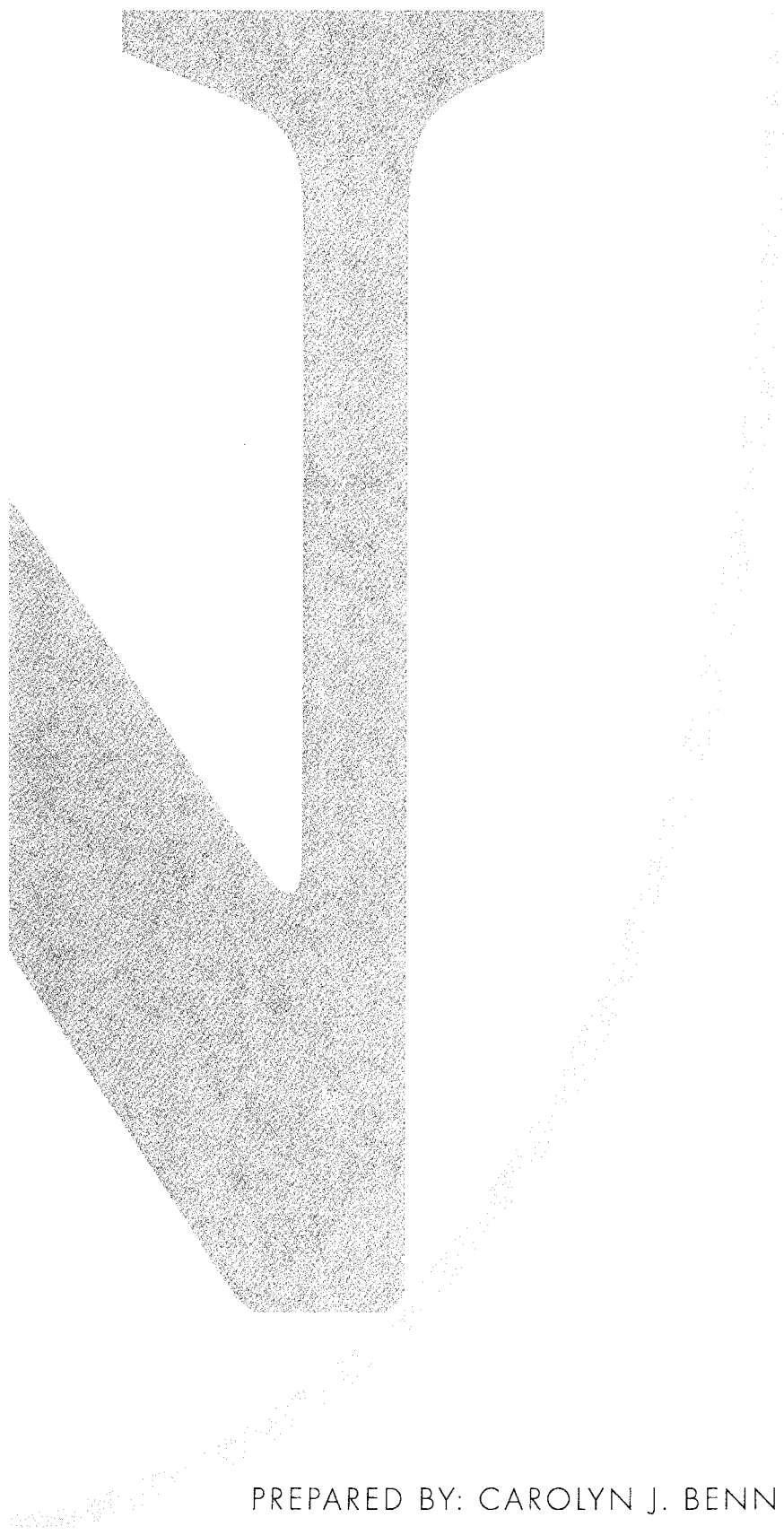
**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

For the  
fiscal year  
ended  
June 30, 2001

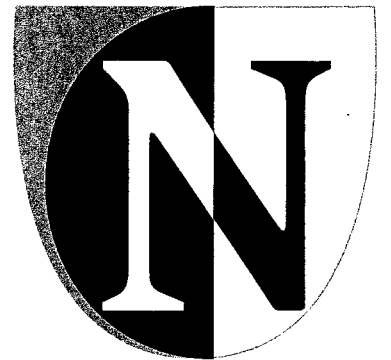




COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT



NORDONIA HILLS  
CITY SCHOOL DISTRICT



For the  
fiscal year  
ended  
June 30, 2001

PREPARED BY: CAROLYN J. BENNETT and TREASURER'S OFFICE STAFF

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***Nordonia Hills City School District***  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2001**

Table of Contents

<b>Introductory Section</b>	<b>Page</b>
Letter of Transmittal.....	v
Public Officials Roster .....	xxii
Organization Chart .....	xxiii
GFOA Award of Financial Reporting Achievement.....	xxiv
 <b>Financial Section</b>	
Report of Independent Accountants .....	1
 General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types .....	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types .....	7
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Proprietary Fund Type.....	12
Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type ...	13
Combined Statement of Cash Flows - Proprietary Fund Type.....	14
Notes to the General Purpose Financial Statements.....	15
 Combining, Individual Fund and Account Group Financial Statements and Schedules	
General Fund .....	46
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual .....	47
Special Revenue Funds.....	51
Combining Balance Sheet.....	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	56
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	
Scholarship Fund .....	59
Public School Support Fund.....	60
Other Local Grants Fund .....	61
Athletics and Music Fund.....	62
Auxiliary Services Fund .....	63
Teacher Development Fund.....	64
Management Information Systems Fund.....	65

***Nordonia Hills City School District***  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2001**

	<b>Page</b>
SchoolNet Development Fund.....	66
Ohio Reads Fund .....	67
Summer Intervention Fund .....	68
Miscellaneous State Grants Fund .....	69
Title II/Eisenhower Fund.....	70
Title VI-B Fund .....	71
Title I Fund .....	72
Title VI Fund .....	73
Drug Free School Fund.....	74
Preschool Handicapped Fund .....	75
Miscellaneous Federal Grants Fund .....	76
Debt Service Fund .....	77
Capital Projects Fund .....	77
Combining Balance Sheet.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Capital Projects Funds .....	79
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	
Permanent Improvement Fund.....	80
Building Improvement Fund.....	81
SchoolNet Fund .....	82
Enterprise Funds .....	83
Combining Balance Sheet.....	84
Combining Statement of Revenues, Expenses and Changes in Fund Equity .....	85
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual	
Food Service Fund.....	86
Adult Education Fund.....	87
High School Bookstore Sales Fund .....	88
Combining Statement of Cash Flows .....	89
Agency Fund.....	90
Statement of Changes in Assets and Liabilities .....	91
General Fixed Assets Account Group .....	92
Schedule of General Fixed Assets by Source.....	93
Schedule of General Fixed Assets by Function and Activity.....	94
Schedule of Changes in General Fixed Assets by Function.....	95

***Nordonia Hills City School District***  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2001**

<b>Statistical Section</b>	<b>Page</b>
General Governmental Revenues by Source and Expenditures by Function - Last Ten Fiscal Years.....	98
Property Tax Levies and Collections - Last Ten Calendar Years .....	100
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Collection Years.....	101
Property Tax Rates - Direct and Overlapping Governments - Last Ten Calendar Years .....	102
Computation of Legal Debt Margin .....	104
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years .....	105
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years.....	106
Demographic Statistics .....	107
Property Values, Bank Deposits and Construction - Last Ten Calendar Years .....	108
Principal Taxpayers .....	109
Computation of Direct and Overlapping Bonded Debt .....	110
Transportation Statistics .....	111
Miscellaneous Statistics - Last Ten Fiscal Years .....	112
Directory of School Facilities.....	114





January 25, 2002

**BOARD OF EDUCATION**

9370 Olde Eight Road  
Northfield, Ohio 44067

330.467.0580

Fax 330.468.0152

[www.nordonia.summit.k12.oh.us](http://www.nordonia.summit.k12.oh.us)

Dr. William C. Zwick  
Superintendent

To the Citizens and Board of Education  
of the Nordonias Hills City School District:

The Comprehensive Annual Financial Report (CAFR) of the Nordonias Hills City School District (the "School District"), for the fiscal year ended June 30, 2001, is hereby submitted. This report, prepared by the Treasurer's Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 2000-2001 fiscal year.

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

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

This CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of public officials, the School District's organization chart, and the GFOA certificate of achievement.

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

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

Copies of this report will be widely distributed throughout the School District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, Northfield Public Library, Financial Rating Services, banks, the School District's Business Advisory Council, and any other interested parties.

### **The Reporting Entity**

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

The School District has administrative responsibility for state funds distributed to private schools located within School District boundaries. The private school served is the St. Barnabas Elementary School. While this organization shares operational and service similarity with the School District, it is a separate and distinct entity. Because of its independent nature, none of this organization's financial statements are included in this report. The Board is not appointed by the School District, nor is it fiscally dependent on the School District.

## **DESCRIPTION OF THE SCHOOL DISTRICT**

The Nordonia Hills City School District is located in the northern tip of historical Summit County, Ohio. The School District serves the picturesque communities of Northfield Center, Northfield Village, Boston Heights, Macedonia and Sagamore Hills. Easy access to the area is provided by Interstates 80, 271 and 480 and State Routes 8, 82 and 631. Major hospitals, Cleveland Hopkins Airport, and over twenty institutions of higher learning are within a thirty-minute drive. The School District's communities are predominantly suburban-residential with a population exceeding 21,000. The socio-economic make-up ranges from middle to upper income.

Today the municipalities of Macedonia, Northfield Center, Northfield Village and Sagamore Hills occupy the boundaries of what was once known as "Olde Northfield Township" which was established in 1819. It was one of the early communities of the Connecticut Western Reserve known as Town 5, Range 11, and occupied approximately 27 square miles. A complete history of Olde Northfield Township was written by Bessie Goosman and published in 1973. Olde Northfield Township's population grew to 1,076 where it remained through 1905 when several clusters of development began to occur. In 1912, the eastern side of the township became the Village of Macedonia and the Township

reorganized into a village. In 1932, the western portion of the Olde Northfield Village separated and became Sagamore Hills Township. A few years later in 1935, the middle section located between Macedonia and Sagamore Hills became Northfield Center when another group of residents broke away from what is known today as Northfield Village.

The Nordonia Hills City Schools has its roots in a one-room log schoolhouse built in 1827. The first Macedonia school was established in 1833 and located on Valley View Road at the present site of the Pavilion Building. In 1881, identical schools known as the “Old Brick Schools” were built in Macedonia and Northfield. Centralization of schools began in 1908 and students were educated in a variety of locations in the communities until a complete consolidation occurred in 1948. Soon thereafter the area began to grow in population and Lee Eaton Elementary, Ledgeview Elementary, Rushwood Elementary and the new Nordonia High School were constructed. The School District evolved into an all-time high student enrollment of 5,700 pupils in 1971, then declined to a low of 2,800 in 1991. Following this period of declining enrollment, the School District has grown more than twenty-two percent. Growth in enrollment in the School District is projected to increase by ten percent over the next ten years. During the 2000-2001 school year the School District housed a student enrollment of 3,701 in six community schools: Northfield Elementary (1-4), Rushwood Elementary (K-4), Ledgeview Elementary (K-4), Lee Eaton Elementary (5-6), Nordonia Middle School (6-8) and Nordonia High School (9-12).

## **ORGANIZATION OF THE SCHOOL DISTRICT**

The Board of Education (the “Board”) of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget, and approves all expenditures of the School District. The Board is a separate and distinct unit of government, and is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education.

The Board employs a Superintendent and Treasurer to manage the daily affairs of the School District. Each position has responsibilities conferred upon it by state statute and by local board policies. The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Mr. Stephen C. Franko was appointed Superintendent of the School District on August 1, 1998, with a total of twenty-eight years of experience in education. The Treasurer is the chief fiscal officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. Ms. Carolyn J. Bennett was appointed as

Treasurer of the School District on June 1, 1991, and now has a total of twenty years of experience.

## **ECONOMIC CONDITION AND FUTURE OUTLOOK**

The School District is located conveniently between the metropolitan cities of Akron and Cleveland, providing a wealth of opportunity for cultural, social and economic resources for its residents. Two major State universities, the University of Akron and Kent State University, are within desirable traveling distance of the community.

The Nordonias communities offer an excellent opportunity for business growth and expansion. It is a healthy, stable environment. The City of Macedonia actively stimulates the economy through a diverse group of employers, from the small family operated business to the major commercial/industrial corporation. The five largest employers in the School District in terms of numbers of employees are:

- GRACO Children's Products Inc.
- Patio Enclosures Inc.
- Cajon Company
- Ier Industries Inc.
- Mach-I Compounding

The continued economic growth and expansion of the School District's businesses is almost certain. The School District has an excellent working relationship with the communities' leaders, which assures that development projects selected by the communities are also desirable for the School District. As an inducement to promote the economic development and welfare of the community, the City of Macedonia enacted a property tax abatement program for local businesses and industry in the early 1990's. The program offers tax abatements to entering businesses and to expansion efforts of current businesses. The City of Macedonia developed a thriving business center known as Macedonia Commons made up of over 30 businesses. Ground preparation began for a similar retail center that will be completed in calendar year 2003.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### **Development of Five Year Strategic Plan**

Seven years ago, a School District strategic planning committee made up of members of the business community, staff, student body, and parents was given the task of analyzing the needs and strengths of the Nordonias Hills City School District. The year long effort resulted in a strategic plan "Blueprint for Progress" including belief, vision and mission statements and benchmarks to measure the plan. As a result of the expiring "Blueprint for Progress", a state directive, and the perception by community members that more is needed, continuous



improvement teams were created in Nordonia allowing all stakeholders to be involved at the building and district levels of planning and design.

### **Establishment of Board Governance Policies**

The Board began its planning work by meeting over a six month period with a representative of a local education foundation “Summit Education Initiative” and utilizing John Carver’s governance model, identified six governance “Ends Policies” that will guide the School District’s school improvement processes. These ends are formalized in the Board’s Bylaws and Policy Manual and include:

- A School District culture that recognizes children as a precious resource
- A safe, secure environment that supports learning within world-class standards and expectations
- A district culture that values and respects the diversity of individual learners
- Stewardship of district resources
- The development of lifelong learners

### **Selection of Models for Improvement**

The School District has embraced the Standard Bearer Model for School Improvement as a framework for developing the system capacities for improvement. All educational staff have been trained in understanding the three capacities of the Standard Bearer Process: future orientation, design and focus, and strategic action. Consultants from the Center for Leadership in School Reform (CLSR) as well as visitations to the Center for Leadership in School Reform have been used to train staff members both in district level meetings and in building based meetings. Simultaneously, the School District implemented a Continuous Improvement Planning (CIP) process as defined by the State Board of Education of Ohio. During the 2000-2001 school year, the building level Continuous Improvement Process teams, comprised of parents, staff and business community members, focused on increasing stakeholder involvement in the CIP process, analyzing student achievement data and designing quality work products for students. District planning sessions focus on communicating progress in the buildings, problem solving and feedback on the building level work and updating expectations from the State for district goal development. Teams develop building level goals and strategies and monitor and communicate these goals through an audit process with the Summit County Educational Service Center acting as an external auditor.

### **Teaching and Learning Goals and Strategies**

Within the Board’s end of developing world-class standards and expectations, it is a goal of the School District to improve academic achievement by changing the way teaching and learning occurs in each classroom. This goal will be assessed as measured by student performance on the Ohio proficiency tests, Ohio Proficiency-based Assessments, and the Terra Nova. Further, the School District will act to improve the relationships and interactions of students with teachers, teachers with teachers, staff with students and teachers, staff with parents and

community. The School District plans to measure satisfaction of students, parents, community, and staff members by utilizing qualitative survey assessments.

Strategies to improve classroom instructional practices have included the study and implementation of best instructional practices (Zemelman & Daniels, 1993). During school year 2000-2001, all certified staff participated in staff development activities geared toward improving student achievement. While this goal has not been totally met, the process for improving instruction has begun. Consultants from the area presented staff development sessions both at a district level and in individual buildings on best instructional practices. Grant monies afforded an opportunity for the School District to provide ongoing staff development in best practices for a cohort group of teachers and administrators.

### **Staff Development and Technical Support**

The Board has made a commitment to ongoing staff development through School District level technical support for the “how to” portion of implementing school improvement. For example, how do building teams begin to operate in a manner that will help improve student achievement and learning? These sessions for team training occur at a district level on a monthly basis with an outside consultant. The second level of technical support occurs at the building level with the use of various consultants who work with entire building staffs and/or building Continuous Improvement Process teams. Examples of this type of support includes use of consultants at the summer building retreats to teach staff members how to analyze recently collected data and develop reform goals that are appropriate to the students' needs. The third type of technical support occurs as a coordinated effort between the buildings and the School District. Release days have been secured through the Ohio Department of Education. The School District curriculum office and the buildings share these days. The focus of the morning portion of the days is on curriculum/instruction topics directly from the current strategic plan, such as authentic assessment, while the afternoon session is used for the building to continue their whole school work on the Continuous Improvement Process. The fourth type of technical support is through the School District staff development calendar of voluntary after school and Saturday meetings where consultants, university personnel, and district teachers present on a variety of innovations including technology in the classroom, math strategies, reading in the content areas, multiage, and other topics. The School District is also the Northern Campus for The University of Akron so graduate courses are available for those wishing to complete an advanced degree. Many outside conferences and workshops are also supported as additional means of technical support for teams or individuals. Technical support for the Standard Bearer Process will occur through several building visitation days for assessment and professional development as well as several district days used for central office retooling and District Continuous Improvement Process training. Until each Continuous Improvement Process team is comfortable with data collection and analysis, the School District will provide university consultants to help gather and

analyze data used for the Continuous Improvement Process teams. During the reporting year, many staff members were trained in data analysis at Summit County Educational Service Center and much data analysis is occurring in-house.

### **Financial Commitment**

The School District has committed significant financial resources to the Board's "Ends Policies" including: the Local Professional Development Block Grant and the Eisenhower Grant to support the technical assistance needed to support the efforts of the building Continuous Improvement Process as well as the Local Professional Development Committee (LPDC). In addition to these grant monies, the general fund supports the School District level consultant fees. This School District also received significant grant support from the Ohio Department of Education in the form of the Demonstration Reform Grants (\$525,000) awarded to Rushwood, Lee Eaton and Nordonia Middle School. These buildings were judged to be most prepared to implement school reform initiatives. During the second year of the grants, funds were used to support building level CIP staff development activities. Professional development days were focused upon designing more rigorous curriculum and improving assessment techniques. During the 1999-2000 and 2000-2001 school years, the School District received \$64,000 for the Ohio Reads Program targeted for the reading comprehension of students in Northfield and Ledgeview elementary schools. District norm evaluations show increased reading achievement.

### **Construction Projects**

Construction totaling \$38,500,000 began for additions and renovations to all six educational facilities as approved by the voters on March 7, 2000. Through the efforts of the community, school board, construction manager and architect, the new additions and renovations will provide needed academic program areas and up-to-date learning environments that will enhance the practice of teaching and promote community involvement. The designs are complimentary to the existing buildings and harmonize with their surroundings, as well as with the expanding community. Areas of design focus included: entrance and administration areas to deal with increasing expectations for safety and security; instructional areas designed to be as flexible as possible allowing enhanced and optimal student grouping opportunities for increasing student population and opportunities to achieve high academic standards; and expanded library centers and technology infrastructure to provide enriched learning environments allowing students greater interaction with resource materials and the potential for academic growth. Art and music rooms are part of redesign to increase the opportunities to expand the individual talent of all students. Infrastructure elements of focus include updated mechanical systems, and replacement of windows and exterior doors are expected to increase the energy efficiency of the buildings. The increased facilities size created a focus to improve site safety with improved vehicle and pedestrian circulation. Most building designs include a separate parent drop-off area. Large group areas such as lunchrooms and gymnasiums were designed to facilitate educational schedules that promote more time for classroom instruction. These

facilities will feature multi-use for school and community and promote partnerships with parents, community agencies and businesses in the delivery of high quality education, now and in the future. The communities' support of the renovations and additions is evidence of their commitment to children.

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations 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. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the School District considers to be 60 days after year-end. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure 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 the fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an Official Certificate of Estimated Resources based on final assessed values and tax rates, which is usually received within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's Official Certificate of Estimated 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. The Treasurer must approve all purchase order requests and necessary funds are then encumbered and purchase orders released to vendors. Management may make budgetary modifications as long as the total fund appropriation is not affected.

The accounting system used by the School District provides interim financial reports that detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal has immediate access to 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.

### **General Government Functions**

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

The following schedule presents a summary of revenues for all general government funds for fiscal year ended June 30, 2001, and the amount and percentage of increases (decreases) in relation to the 2000 fiscal year.

<i>Revenue by Source</i>	<i>2000 Amount</i>	<i>2001 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Taxes	\$ 18,216,046	\$ 19,947,274	61.93 %	\$ 1,731,228	9.50 %
Intergovernmental	7,822,492	8,167,074	25.36	344,582	4.41
Interest	572,709	3,213,967	9.98	2,641,258	461.19
Tuition and fees	259,134	334,621	1.04	75,487	29.13
Extracurricular activities	293,557	305,795	0.95	12,238	4.16
Contributions and donations	131,444	119,019	0.37	(12,425)	(9.45)
Rentals	23,698	23,530	0.07	(168)	(0.70)
Miscellaneous	101,801	95,187	0.30	(6,614)	(6.50)
	<u>\$ 27,420,881</u>	<u>\$ 32,206,467</u>	<u>100.00 %</u>	<u>\$ 4,785,586</u>	<u>17.45 %</u>

Local property tax revenue is the major funding component of the School District, making up about 62% of total governmental fund revenue. Taxes increased due to increased inside millage collection and other growth from new property

valuation included in the tax duplicate. The School District realized a 6.4 percent increase in the total valuation between tax year 1997 and 1998. As a comparison, the average change in the previous three non-reappraisal years was 6.6 percent.

Rising interest rates and an increasing interim cash balance during the year accounted for the increase of \$2,641,258 in interest income over the previous year. This increase was primarily due to the construction project. An overnight sweep account in repurchase agreements enabled the School District to maintain daily cash balances earning interest at a locally competitive rate with STAR Ohio (State Treasury Asset Reserve). Additionally, the School District purchases certificates of deposit from approved local banking institutions, participates in STAR Ohio and utilizes the investment consultant services of Productive Portfolio to maximize the yield on interim funds.

Intergovernmental revenues include Homestead/Rollback reimbursements from the State of Ohio, State Foundation receipts, State and Federal grants, and other reimbursements from the State. The Homestead/Rollback funds are based on local tax collection efforts. Commercial and residential property owners in Ohio are given a 10 percent and 2½ percent reduction in real property taxes and the State reimburses those funds to the School District. State Foundation funds are controlled by the State Legislature and provide about 22 percent of the School District's general fund revenue. Intergovernmental revenue from State and Federal sources increased due to a reduction in State foundation basic aid, Ohio School Net Plus Technology Grants and Summit County Technology Challenge Grant.

Tuition and fees include tuition charged for enrolled students residing outside of the School District and student fines and classroom fees. The School District participates in a four-district agreement for the purpose of special education instruction.

Extracurricular activities are comprised primarily of gate receipts and ticket sales from student events, fund raising activities and funds donated by the local student activity booster organizations and general fund transfer support. Extracurricular activities revenue increased due to an increase of fund raising activities in the 2000-2001 fiscal year.

The following schedule presents a summary of general government expenditures for the fiscal year ended June 30, 2001, and the amount and percentage of increases (decreases) in relation to the 2000 fiscal year.

<i>Expenditures by Function</i>	<i>2000 Amount</i>	<i>2001 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Instruction	\$ 14,932,109	\$ 15,412,642	54.34 %	\$ 480,533	3.21 %
Pupil support	2,103,605	2,307,621	8.14	204,016	9.70
Instructional staff	1,134,844	1,148,580	4.05	13,736	1.21
Board of education	113,050	132,341	0.47	19,291	17.06
Administration	1,963,874	2,235,003	7.88	271,129	13.81
Fiscal	661,481	718,609	2.53	57,128	8.64
Business	368,380	406,300	1.43	37,920	10.29
Operation of maintenance and plant	2,566,156	2,947,448	10.39	381,292	14.86
Pupil transportation	1,773,231	1,727,556	6.09	(45,675)	(2.58)
Central	27,166	42,301	0.15	15,135	55.71
Non-instructional	311,930	396,396	1.40	84,466	27.08
Extracurricular activities	844,553	870,047	3.07	25,494	3.02
Capital outlay	337,918	15,974	0.06	(321,944)	(95.27)
	<u>\$ 27,138,297</u>	<u>\$ 28,360,818</u>	<u>100.00 %</u>	<u>\$ 1,222,521</u>	<u>4.50 %</u>

Schedule excludes debt service of \$40,307,938 and building, acquisition and construction of \$6,034,083 in 2001 for comparison purposes.

The largest expenditure component in the governmental funds is the instruction/pupil support and instructional staff area. Over \$.67 of every dollar is spent on activities dealing directly with instruction and support of the students. Salaries of teachers, classroom aides, counselors, textbooks and classroom materials are examples of expenditures in this area.

The administrative function includes activities concerned with establishing and administering policy in connection with the School District. Expenditures in this category, accounting for about \$.08 of every dollar spent, include salaries of the Board of Education, school building and central office administrators, and the necessary materials and equipment to perform those jobs.

The fiscal and business functions, which account for about \$.04 of every dollar spent, include the functions of purchasing, contracts, accounting, budgeting, and payroll.

Plant operations accounted for \$.10 of every dollar spent. In addition to the salary and benefit costs of the maintenance and custodial staff, large expenditures for utilities and repair/maintenance projects are incurred on an annual basis.

Transportation and related functions account for about \$.06 of every dollar spent. In addition to salaries and benefits for the supervisor, drivers, and mechanics this area covers fuel costs, maintenance, repair, and materials in connection with transportation of 3,701 students on a daily basis. Significant activity in the major funds of each Governmental Fund Type is highlighted below.

### General Fund

The School District ended the 2001 fiscal year with a general fund balance of \$4,765,765. With the passage of a 7.2 mill operating levy in 1993 the Board of Education has demonstrated fiscal responsibility through conservative management practices and efficiencies in dollar cost savings.

### Special Revenue Funds

The special revenue funds account for revenue derived primarily from grants and entitlements restricted by law to expenditures for specific purposes, or other formal actions to expend for a specific purpose. For the fiscal year ended June 30, 2001, special revenue funds had combined revenues of \$1,419,829 and expenditures of \$1,605,479.

### Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general short-term and long term debt principal and interest. For the fiscal year ended June 30, 2001 \$38,500,000 in note principal was retired and \$1,807,938 in interest and fiscal charges was incurred.

### Capital Projects Fund

The capital projects fund is used to account for all transactions related to acquiring, constructing or improving of capital assets. During the year, \$5,952,400 was expended for these purposes, including: construction, scheduled roofing projects, paving throughout the School District, classroom furniture, curriculum and instructional technology, and food service technology equipment purchases.

### Enterprise Funds

The enterprise funds are the Food Service, Adult Education and the High School Bookstore Sales Funds. These operations are similar to activities found in the private sector and it is the management's desire to track the profit and loss of these functions. All enterprise operations had a total net loss in fiscal year 2001 of \$115,843.

### Fiduciary Funds

The fiduciary funds account for assets held by the School District as an agent for individuals, other District organizations, or other funds. The School District maintains one agency fund. On June 30, 2001, assets held in fiduciary funds amounted to \$84,477.



General Fixed Assets

The general fixed assets of the School District are used to carry on the main educational and support functions of the School District and as such are not financial resources available for expenditure. The total general fixed assets at June 30, 2001 was \$22,520,990. These assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

**DEBT ADMINISTRATION**

The School District retired all bonded debt in fiscal year 1994. Over the next four fiscal years the School District issued and repaid tax anticipation notes for HB264 Energy Conservation projects including heating, lighting and electrical upgrades. The School District issued debt totaling \$38,500,000 on December 6, 2000. The following schedule identifies the relevant statistics of the issuance provided by the District's underwriter Fifth Third Securities, Inc:

*DEBT SERVICE SCHEDULE*

<i>Date</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Total P + I</i>
12/01/2001	-	-	\$ 917,716.32	\$ 917,716.32
12/01/2002	\$ 775,000.00	4.350%	1,835,358.76	2,610,358.76
12/01/2003	1,075,000.00	4.400%	1,801,646.26	2,876,646.26
12/01/2004	1,200,000.00	4.450%	1,754,346.26	2,954,346.26
12/01/2005	1,290,000.00	4.500%	1,700,946.26	2,990,946.26
12/01/2006	1,350,000.00	4.550%	1,642,896.26	2,992,896.26
12/01/2007	1,425,000.00	4.600%	1,581,471.26	3,006,471.26
12/01/2008	1,480,000.00	4.650%	1,515,921.26	2,995,921.26
12/01/2009	1,550,000.00	4.700%	1,447,101.26	2,997,101.26
12/01/2010	1,625,000.00	4.750%	1,374,251.26	2,999,251.26
12/01/2011	769,420.00	-	2,227,643.76	2,997,063.76
12/01/2012	715,683.00	-	2,281,380.76	2,997,063.76
12/01/2013	665,686.00	-	2,331,377.76	2,997,063.76
12/01/2014	619,174.00	-	2,377,889.76	2,997,063.76
12/01/2015	1,700,000.00	5.375%	1,297,063.76	2,997,063.76
12/01/2016	1,790,000.00	5.375%	1,205,688.76	2,995,688.76
12/01/2017	1,890,000.00	5.375%	1,109,476.26	2,999,476.26
12/01/2018	1,990,000.00	5.375%	1,007,888.76	2,997,888.76
12/01/2019	2,095,000.00	5.375%	900,926.26	2,995,926.26
12/01/2020	2,210,000.00	5.375%	788,320.00	2,998,320.00
12/01/2021	2,330,000.00	5.450%	669,532.50	2,999,532.50
12/01/2022	2,455,000.00	5.450%	542,547.50	2,997,547.50
12/01/2023	2,590,000.00	5.450%	408,750.00	2,998,750.00
12/01/2024	2,730,000.00	5.450%	267,595.00	2,997,595.00
12/01/2025	2,180,037.00	5.450%	118,773.00	2,298,810.00
Total	\$ 38,500,000.00	-	\$ 33,106,509.00	\$ 71,606,509.00

## **YIELD STATISTICS**

Accrued Interest from 12/01/2000 to 12/20/2000.....	\$96,866.16
Bond Year Dollars.....	599.139.17
Average Life.....	15.562 Years
Average Coupon.....	5.6788456%
Net Interest Cost (NIC).....	5.5789060%
True Interest Cost (TIC).....	5.3250330%
Bond Yield for Arbitrage Purposes.....	5.3061035%
All Inclusive Cost (AIC).....	5.4760793%

### **IRS FORM 8038**

Net Interest Cost.....	5.4763452%
Weighted Average Maturity.....	15.432 Years

## **CASH MANAGEMENT**

The School District has taken a conservative approach to the cash management program in previous years. Funds are maintained primarily through the School District's major financial depository institution, Star Ohio and other institutions as approved in the School District's investment policy. Interest rates were stable throughout the reporting period. Total amount of interest earned was \$3,207,148. This was an increase of \$2,634,439 over the previous year due to sale of bonds. The School District employs the consulting services of Productive Portfolio in order to maximize the investment opportunities provided by the sale of bonds.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 105% of the total deposits, to secure the repayment of all public moneys deposited in a financial institution. A detailed description of the School District's investment function is described in Note 6 to the financial statements.

## **RISK MANAGEMENT**

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

The School District provides employee medical/surgical benefits through Stark County Schools Council of Governments shared risk pool. Rates are set through an annual calculation process. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. In addition to the School District's portion of the monthly premium, employees share the cost of insurance based on the terms of their union contract. Dental and vision insurance are also provided by the School District to all employees through the Stark County Schools Council of Governments. Upon termination, all School District claims would be paid without regard to the School District's account balance.

All employees of the School District are covered by workers compensation. Effective January 1, 1995, the School District joined a group-rating program through the Ohio School Board Association in an effort to control these costs. Over 421 school districts in Ohio are members. The program has generated a five-year premium saving of \$107,618 through the 2000 calendar year. The School District has realized, on an individual basis, savings of \$16,316 or 14 percent premium reduction based on School District cost without pooling, during the 2001 fiscal year.

## **PENSION PLANS**

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

School District contributions for 2001 were \$1,853,208 as the employer portion to STRS Ohio and \$656,318 in employer contributions to SERS. Included in the SERS remittance is an annual employer surcharge. Starting in 1988-89 an additional employer charge (surcharge) was levied on salaries of lower-paid SERS members. Minimum annual compensation is determined annually by the System's actuaries and was \$12,400 for fiscal 2001. The surcharge is calculated at 14 percent of the difference between the member's annual compensation and the minimum compensation level. For the 2000-2001 fiscal year, a surcharge of \$62,361 was incurred.

## **OTHER INFORMATION**

### **School Funding Case – Status**

Litigation, similar to that in other states, has been pending in Ohio courts since 1991 questioning the constitutionality of Ohio's system of school funding and compliance with the constitutional requirement that the State provide a "thorough and efficient system of common schools". In May 2000, the Ohio Supreme Court

in a 4-3 decision concluded (as it had in 1997) that the State did not comply with that requirement, even after crediting significant gubernatorial and legislative steps in recent years. The Court stated as general base threshold requirements that every school district have:

- Enough funds to operate
- An ample number of teachers
- Sound and safe buildings
- Equipment sufficient for all students to be afforded and educational opportunity

With particular respect to funding sources, the Supreme Court repeated its 1997 conclusion that property taxes no longer may be the primary means of school funding in Ohio, noting that recent efforts to reduce that historic reliance have been laudable, but in the Court's view insufficient.

In its prior 1997 opinion, The Supreme Court had held that major aspects of the system (including basic operating assistance and "prior solvency assistance" programs) were not in compliance with the constitution requirement. On remand to consider the sufficiency of then intervening legislative and gubernatorial actions, the trial court judge early in 1999 again concluded, even in light of those actions subsequent to his initial opinion, that the State was not in compliance with the constitutional requirements. The recent Supreme Court action was on an appeal from that decision.

On September 6, 2001, the Supreme Court issued its latest opinion identifying aspects of the current plan requiring modification in order to be considered constitutional and relinquishing jurisdiction anticipating compliance. In general the decision would result in an increase in State funding for most Ohio school districts. On September 7, 2001, the State of Ohio filed a motion asking the Court to reconsider a portion of its order, and on November 2, 2001, the Court granted the motion for reconsideration.

It is not possible at this time to state what further actions by the State to effect compliance will be proposed or taken, or what effect those actions may have on the State's present school funding system or the finances of the School District.

### **Independent Audit**

Provisions of State statute require the School District's financial statements to be subjected to an examination by the Ohio Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendment of 1996 and related OMB Circular A-133. The State Auditor's unqualified opinion rendered on the

School District's general purpose financial statements and combining and individual fund statements and schedules for fiscal year 2001 is included in the financial section of this Comprehensive Annual Financial Report.

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nordon Hills City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999 and June 30, 2000. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### **Acknowledgments**

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this Comprehensive Annual Financial Report a reality. Special recognition goes to Nordon's Assistant Treasurer, Ms. Donna Snider and Public Information Officer, Ms. Patricia Koslo. This accomplishment would not have been possible without their support and efforts.

I would also extend my appreciation to the members of the Nordon Board of Education for their leadership, commitment to excellence, support, and interest in this major project.

Respectfully submitted,



Carolyn J. Bennett  
Treasurer

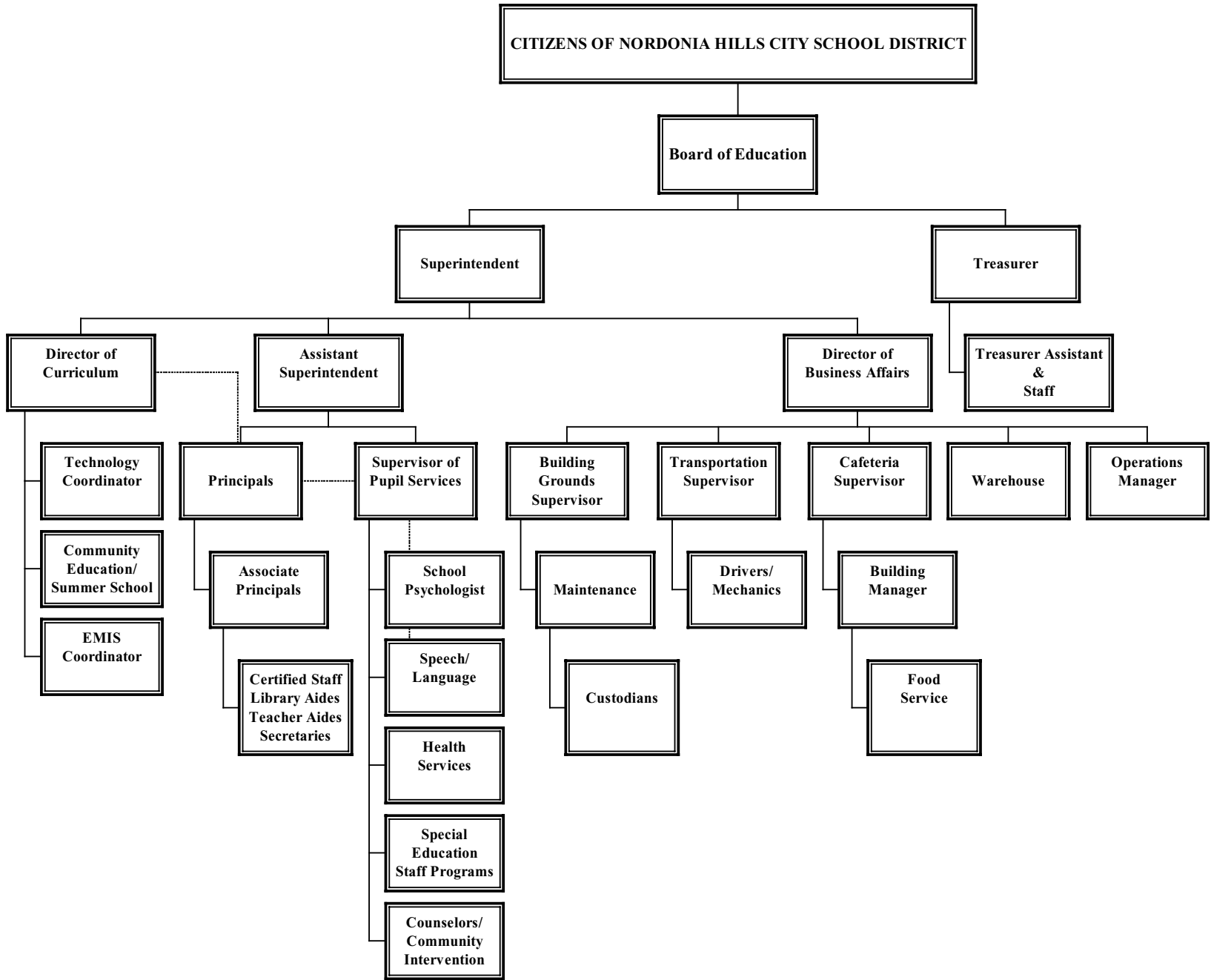
***Nordonia Hills City School District***  
**Public Officials Roster**  
**Year Ended June 30, 2001**

Board of Education

Ms. Claudine Steinfurth	President 1/98 – 12/01
Mrs. Mary Sindelar	Vice President 1/00 – 12/03
Mr. Gregory Harris	Member 1/00 – 12/03
Mrs. Nancy Fike	Member 1/98 – 12/00
Mr. Michael King	Member 1/98 – 11/00
Mrs. Catherine Cohara	Member 12/00 – 12/01
Mrs. Cindy Stein	Member 12/00 – 12/01

Administration

Mr. Stephen C. Franko	Superintendent 8/99 – 7/01
Ms. Carolyn J. Bennett	Treasurer 1/98 – present



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Nordonia Hills City  
School District, Ohio

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

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.



*Timothy Arue*  
President

*Jeffrey L. Esser*  
Executive Director



## **Financial Section**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Nordonia Hills City School  
Summit County  
9370 Olde Eight Road  
Northfield, Ohio 44067

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2002 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.

We performed our audit to form 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. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it 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 large, stylized loop at the end.

**Jim Petro**  
Auditor of State

January 25, 2002

***GENERAL PURPOSE FINANCIAL STATEMENTS***



**Nordonia Hills City School District**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**As of June 30, 2001**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 6,451,252	\$ 364,861	\$ 165,000	\$ 37,835,233
Cash and cash equivalents in segregated accounts	0	996	0	0
Cash and cash equivalents with fiscal agents	0	0	15,975	0
Receivables:				
Taxes	19,392,335	0	2,772,128	358,145
Accounts	80,925	5,587	0	0
Intergovernmental	47,501	11,999	0	0
Interfund receivable	201,812	0	89,848	0
Inventory held for resale	0	0	0	0
Materials and supplies inventory	61,310	0	0	0
Restricted assets:				
Equity in pooled cash and cash equivalents	525,221	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Construction in process	0	0	0	0
Other debits:				
Amount available in debt service fund for retirement of general obligation bonds	0	0	0	0
Amount to be provided from general government resources	0	0	0	0
Total assets and other debits	<u>\$ 26,760,356</u>	<u>\$ 383,443</u>	<u>\$ 3,042,951</u>	<u>\$ 38,193,378</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 345,640	\$ 40,416	\$ 0	\$ 46,410
Contracts payable	0	0	0	1,939,143
Accrued wages	2,096,290	42,179	0	0
Compensated absences payable	81,593	0	0	0
Interfund payable	89,848	12,560	189,252	0
Intergovernmental payable	580,310	16,478	0	0
Deferred revenue	18,800,910	0	2,686,514	336,911
Due to students	0	0	0	0
Bonds payable	0	0	15,000	0
Accrued interest payable	0	0	975	0
Retirement incentive bonus payable	0	0	0	0
Total liabilities	<u>21,994,591</u>	<u>111,633</u>	<u>2,891,741</u>	<u>2,322,464</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings:				
Unreserved	0	0	0	0
Fund balance:				
Reserved for encumbrances	581,481	50,083	0	13,032,174
Reserved for inventory	61,310	0	0	0
Reserved for BWC	322,295	0	0	0
Reserved for property taxes	591,425	0	85,610	21,234
Unreserved:				
Unreserved, undesignated	3,209,254	221,727	65,600	22,817,506
Total fund equity and other credits	<u>4,765,765</u>	<u>271,810</u>	<u>151,210</u>	<u>35,870,914</u>
Total liabilities, fund equity and other credits	<u>\$ 26,760,356</u>	<u>\$ 383,443</u>	<u>\$ 3,042,951</u>	<u>\$ 38,193,378</u>

See accompanying 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			
\$ 51,390	\$ 83,957	\$ 0	\$ 0	\$ 44,951,693
0	0	0	0	996
0	0	0	0	15,975
0	0	0	0	22,522,608
0	520	0	0	87,032
16,700	0	0	0	76,200
0	0	0	0	291,660
12,368	0	0	0	12,368
5,571	0	0	0	66,881
0	0	0	0	525,221
55,541	0	19,280,352	0	19,335,893
0	0	3,240,638	0	3,240,638
0	0	0	151,210	151,210
0	0	0	40,979,025	40,979,025
<u>\$ 141,570</u>	<u>\$ 84,477</u>	<u>\$ 22,520,990</u>	<u>\$ 41,130,235</u>	<u>\$ 132,257,400</u>
\$ 8,565	\$ 2,782	\$ 0	\$ 0	\$ 443,813
0	0	0	0	1,939,143
36,402	0	0	0	2,174,871
27,601	0	0	2,192,126	2,301,320
0	0	0	0	291,660
28,623	0	0	288,109	913,520
2,942	0	0	0	21,827,277
0	81,695	0	0	81,695
0	0	0	38,500,000	38,515,000
0	0	0	0	975
0	0	0	150,000	150,000
<u>104,133</u>	<u>84,477</u>	<u>0</u>	<u>41,130,235</u>	<u>68,639,274</u>
0	0	22,520,990	0	22,520,990
1,195	0	0	0	1,195
36,242	0	0	0	36,242
0	0	0	0	13,663,738
0	0	0	0	61,310
0	0	0	0	322,295
0	0	0	0	698,269
0	0	0	0	26,314,087
<u>37,437</u>	<u>0</u>	<u>22,520,990</u>	<u>0</u>	<u>63,618,126</u>
<u>\$ 141,570</u>	<u>\$ 84,477</u>	<u>\$ 22,520,990</u>	<u>\$ 41,130,235</u>	<u>\$ 132,257,400</u>

***Nordonia Hills City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Taxes	\$ 18,168,901	\$ 0	\$ 1,202,736	\$ 575,637	\$ 19,947,274
Intergovernmental	6,902,574	1,053,193	136,106	75,201	8,167,074
Interest	734,118	8,558	632,200	1,839,091	3,213,967
Tuition and fees	334,621	0	0	0	334,621
Extracurricular activities	16,222	289,573	0	0	305,795
Contributions and donations	58,037	60,982	0	0	119,019
Rentals	23,530	0	0	0	23,530
Miscellaneous	75,153	7,523	5,691	6,820	95,187
Total revenues	<u>26,313,156</u>	<u>1,419,829</u>	<u>1,976,733</u>	<u>2,496,749</u>	<u>32,206,467</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	12,254,272	287,310	0	49,333	12,590,915
Special	2,137,404	169,553	0	0	2,306,957
Vocational	354,334	0	0	0	354,334
Other	160,436	0	0	0	160,436
<b>Support services:</b>					
Pupils	2,126,887	180,734	0	0	2,307,621
Instructional staff	899,446	249,134	0	0	1,148,580
Board of education	132,341	0	0	0	132,341
Administration	2,224,284	10,719	0	0	2,235,003
Fiscal	691,131	1,213	17,585	8,680	718,609
Business	371,506	0	0	34,794	406,300
Operation and maintenance of plant	2,947,448	0	0	0	2,947,448
Pupil transportation	1,727,556	0	0	0	1,727,556
Central	42,301	0	0	0	42,301
Operation of non-instructional services	0	396,396	0	0	396,396
Extracurricular activities	559,627	310,420	0	0	870,047
Capital outlay	0	0	0	15,974	15,974
Building Acquisition and Construction	190,464	0	0	5,843,619	6,034,083
<b>Debt service:</b>					
Principal retirement	0	0	38,500,000	0	38,500,000
Interest and fiscal charges	0	0	1,807,938	0	1,807,938
Total expenditures	<u>26,819,437</u>	<u>1,605,479</u>	<u>40,325,523</u>	<u>5,952,400</u>	<u>74,702,839</u>
Excess of revenues over (under) expenditures	<u>(506,281)</u>	<u>(185,650)</u>	<u>(38,348,790)</u>	<u>(3,455,651)</u>	<u>(42,496,372)</u>
<b>Other financing sources (uses):</b>					
Proceeds of notes	0	0	38,500,000	0	38,500,000
Proceeds of bonds	0	0	0	38,500,000	38,500,000
Proceeds from sale of fixed assets	2,931	0	0	0	2,931
Refund of prior year expenditures	1,459	0	0	0	1,459
Refund of prior year receipts	0	(33)	0	0	(33)
Operating transfers in	0	71,922	0	0	71,922
Operating transfers out	(35,474)	(36,448)	0	0	(71,922)
Total other financing sources (uses)	<u>(31,084)</u>	<u>35,441</u>	<u>38,500,000</u>	<u>38,500,000</u>	<u>77,004,357</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(537,365)</u>	<u>(150,209)</u>	<u>151,210</u>	<u>35,044,349</u>	<u>34,507,985</u>
Fund balances at beginning of year	5,299,080	422,019	0	826,565	6,547,664
Increase in reserve for inventory	4,050	0	0	0	4,050
Fund balances at end of year	<u>\$ 4,765,765</u>	<u>\$ 271,810</u>	<u>151,210</u>	<u>\$ 35,870,914</u>	<u>\$ 41,059,699</u>

See accompanying notes to the general purpose financial statements



***Nordonia Hills City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types		
	Revised Budget	General Fund	
		Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 18,073,599	\$ 18,073,599	\$ 0
Intergovernmental	6,951,871	6,951,871	0
Interest	748,588	748,588	0
Tuition and fees	256,084	256,084	0
Extracurricular activities	16,222	16,222	0
Contributions and donations	58,037	58,037	0
Rentals	23,530	23,530	0
Miscellaneous	77,405	77,405	0
Total revenues	<u>26,205,336</u>	<u>26,205,336</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	12,502,648	12,502,648	0
Special	2,433,774	2,433,774	0
Vocational	341,932	341,932	0
<b>Support services:</b>			
Pupils	2,099,192	2,099,192	0
Instructional staff	898,635	898,635	0
Board of education	162,547	162,547	0
Administration	2,263,800	2,263,800	0
Fiscal	700,754	700,754	0
Business	373,895	373,895	0
Operation and maintenance of plant	3,053,632	3,053,632	0
Pupil transportation	1,723,954	1,723,954	0
Central	42,132	42,132	0
Operation of non-instructional services	0	0	0
Extracurricular activities	574,075	574,075	0
Capital outlay	192,328	192,328	0
<b>Debt service:</b>			
Principal retirement	0	0	0
Interest and fiscal charges	0	0	0
Total expenditures	<u>27,363,298</u>	<u>27,363,298</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(1,157,962)</u>	<u>(1,157,962)</u>	<u>0</u>
<b>Other financing sources (uses):</b>			
Proceeds of notes	0	0	0
Proceeds of bonds	0	0	0
Refund of prior year expenditures	1,459	1,459	0
Other financing sources	17	17	0
Refund of prior year receipts	0	0	0
Advances in	156,565	156,565	0
Advances out	(346,059)	(346,059)	0
Operating transfers in	0	0	0
Operating transfers out	(35,474)	(35,474)	0
Total other financing sources (uses)	<u>(223,492)</u>	<u>(223,492)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,381,454)	(1,381,454)	0
Fund balances at beginning of year	6,613,498	6,613,498	0
Prior year encumbrances appropriated	904,341	904,341	0
Fund balances at end of year	<u>\$ 6,136,385</u>	<u>\$ 6,136,385</u>	<u>\$ 0</u>

See accompanying notes to the general purpose financial statements

(continued)

***Nordonia Hills City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types		
	Revised Budget	Special Revenue Funds	
		Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	1,041,194	1,041,194	0
Interest	8,558	8,558	0
Tuition and fees	0	0	0
Extracurricular activities	287,279	287,279	0
Contributions and donations	56,895	56,895	0
Rentals	0	0	0
Miscellaneous	14,199	14,199	0
Total revenues	<u>1,408,125</u>	<u>1,408,125</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	293,416	293,416	0
Special	164,102	164,102	0
Vocational	0	0	0
Support services:			
Pupils	182,327	182,327	0
Instructional staff	304,926	304,926	0
Board of education	0	0	0
Administration	10,723	10,723	0
Fiscal	1,200	1,200	0
Business	0	0	0
Operation and maintenance of plant	0	0	0
Pupil transportation	0	0	0
Central	0	0	0
Operation of non-instructional services	426,413	426,413	0
Extracurricular activities	322,551	322,551	0
Capital outlay	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and fiscal charges	0	0	0
Total expenditures	<u>1,705,658</u>	<u>1,705,658</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(297,533)</u>	<u>(297,533)</u>	<u>0</u>
<b>Other financing sources (uses):</b>			
Proceeds of notes	0	0	0
Proceeds of bonds	0	0	0
Refund of prior year expenditures	0	0	0
Other financing sources	0	0	0
Refund of prior year receipts	(33)	(33)	0
Advances in	155,044	155,044	0
Advances out	(154,802)	(154,802)	0
Operating transfers in	71,922	71,922	0
Operating transfers out	(36,448)	(36,448)	0
Total other financing sources (uses)	<u>35,683</u>	<u>35,683</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(261,850)</u>	<u>(261,850)</u>	<u>0</u>
Fund balances at beginning of year	428,700	428,700	0
Prior year encumbrances appropriated	111,026	111,026	0
Fund balances at end of year	<u>\$ 277,876</u>	<u>\$ 277,876</u>	<u>\$ 0</u>

See accompanying notes to the general purpose financial statements

Governmental Fund Types

Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 952,126	\$ 1,117,126	\$ 165,000
136,106	136,106	0
542,348	542,348	0
0	0	0
0	0	0
0	0	0
0	0	0
5,691	5,691	0
1,636,271	1,801,271	165,000
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
17,585	17,585	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
38,500,000	38,500,000	0
1,807,938	1,807,938	0
40,325,523	40,325,523	0
(38,689,252)	(38,524,252)	165,000
38,500,000	38,500,000	0
0	0	0
0	0	0
0	0	0
0	0	0
189,252	189,252	0
0	0	0
0	0	0
0	0	0
38,689,252	38,689,252	0
0	165,000	165,000
0	0	0
0	0	0
\$ 0	\$ 165,000	\$ 165,000

(continued)

***Nordonia Hills City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types		
	Revised Budget	Capital Projects Funds Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 734,809	\$ 569,809	\$ (165,000)
Intergovernmental	75,201	75,201	0
Interest	1,839,091	1,839,091	0
Tuition and fees	0	0	0
Extracurricular activities	0	0	0
Contributions and donations	0	0	0
Rentals	0	0	0
Miscellaneous	6,820	6,820	0
Total revenues	2,655,921	2,490,921	(165,000)
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	49,332	49,332	0
Special	0	0	0
Vocational	0	0	0
<b>Support services:</b>			
Pupils	0	0	0
Instructional staff	0	0	0
Board of education	0	0	0
Administration	0	0	0
Fiscal	8,680	8,680	0
Business	32,692	32,692	0
Operation and maintenance of plant	0	0	0
Pupil transportation	0	0	0
Central	0	0	0
Operation of non-instructional services	0	0	0
Extracurricular activities	0	0	0
Capital outlay	17,493,853	17,493,853	0
<b>Debt service:</b>			
Principal retirement	0	0	0
Interest and fiscal charges	0	0	0
Total expenditures	17,584,557	17,584,557	0
Excess of revenues over (under) expenditures	(14,928,636)	(15,093,636)	(165,000)
<b>Other financing sources (uses):</b>			
Proceeds of notes	0	0	0
Proceeds of bonds	38,500,000	38,500,000	0
Refund of prior year expenditures	0	0	0
Other financing sources	0	0	0
Refund of prior year receipts	0	0	0
Advances in	0	0	0
Advances out	0	0	0
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Total other financing sources (uses)	38,500,000	38,500,000	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	23,571,364	23,406,364	(165,000)
Fund balances at beginning of year	809,878	809,878	0
Prior year encumbrances appropriated	25,002	25,002	0
Fund balances at end of year	\$ 24,406,244	\$ 24,241,244	\$ (165,000)

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 19,760,534	\$ 19,760,534	\$ 0
8,204,372	8,204,372	0
3,138,585	3,138,585	0
256,084	256,084	0
303,501	303,501	0
114,932	114,932	0
23,530	23,530	0
104,115	104,115	0
<u>31,905,653</u>	<u>31,905,653</u>	<u>0</u>
12,845,396	12,845,396	0
2,597,876	2,597,876	0
341,932	341,932	0
2,281,519	2,281,519	0
1,203,561	1,203,561	0
162,547	162,547	0
2,274,523	2,274,523	0
728,219	728,219	0
406,587	406,587	0
3,053,632	3,053,632	0
1,723,954	1,723,954	0
42,132	42,132	0
426,413	426,413	0
896,626	896,626	0
17,686,181	17,686,181	0
38,500,000	38,500,000	0
1,807,938	1,807,938	0
<u>86,979,036</u>	<u>86,979,036</u>	<u>0</u>
<u>(55,073,383)</u>	<u>(55,073,383)</u>	<u>0</u>
38,500,000	38,500,000	0
38,500,000	38,500,000	0
1,459	1,459	0
17	17	0
(33)	(33)	0
500,861	500,861	0
(500,861)	(500,861)	0
71,922	71,922	0
(71,922)	(71,922)	0
<u>77,001,443</u>	<u>77,001,443</u>	<u>0</u>
21,928,060	21,928,060	0
7,852,076	7,852,076	0
1,040,369	1,040,369	0
<u>\$ 30,820,505</u>	<u>\$ 30,820,505</u>	<u>\$ 0</u>

***Nordonia Hills City School District***  
**Combined Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 2001**

	<u>Enterprise</u>
<u>Operating revenues:</u>	
Intergovernmental	\$ 16,700
Tuition	3,283
Sales	775,025
Other operating revenues	<u>2,275</u>
Total operating revenue	<u>797,283</u>
<u>Operating expenses:</u>	
Salaries	355,413
Fringe benefits	101,334
Purchased services	18,270
Materials and supplies	13,692
Cost of sales	541,683
Depreciation	7,829
Other operating expenses	<u>4,609</u>
Total operating expenses	<u>1,042,830</u>
Operating loss	<u>(245,547)</u>
<u>Non-operating revenues (expenses):</u>	
Federal donated commodities	27,576
Operating grants	96,195
Interest	6,819
Loss on disposal of fixed assets	<u>(886)</u>
Total non-operating revenues (expenses)	<u>129,704</u>
Net loss	(115,843)
Retained earnings at beginning of year	<u>152,085</u>
Retained earnings at end of year	36,242
Contributed capital at beginning and end of year	<u>1,195</u>
Total fund equity at end of year	<u><u>\$ 37,437</u></u>

See accompanying notes to the general purpose financial statements

***Nordonia Hills City School District***  
**Combined Statement of Revenues, Expenses and**  
**Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Enterprise Funds Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Tuition	\$ 4,048	\$ 4,048	\$ 0
Sales	778,861	778,861	0
Interest	6,819	6,819	0
Other Revenues	2,275	2,275	0
Operating grants	96,195	96,195	0
Total revenues	<u>888,198</u>	<u>888,198</u>	<u>0</u>
<b>Expenses:</b>			
Salaries	346,384	346,384	0
Fringe benefits	101,334	101,334	0
Purchased services	18,270	18,270	0
Materials and supplies	521,863	521,863	0
Capital outlay	26,609	26,609	0
Other	3,971	3,971	0
Total expenses	<u>1,018,431</u>	<u>1,018,431</u>	<u>0</u>
Excess of revenues under expenses before operating transfers	(130,233)	(130,233)	0
Operating transfers in	1,764	1,764	0
Operating transfers out	(1,764)	(1,764)	0
Excess of revenues under expenses	(130,233)	(130,233)	0
Fund equity at beginning of year	126,972	126,972	0
Prior year encumbrances appropriated	33,238	33,238	0
Fund equity at end of year	<u>\$ 29,977</u>	<u>\$ 29,977</u>	<u>\$ 0</u>

See accompanying notes to the general purpose financial statements

***Nordonia Hills City School District***  
**Combined Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 2001**

	<u>Enterprise</u>
<u>Cash flows from operating activities:</u>	
Cash received from customers	\$ 778,861
Cash received from tuition payments	4,048
Cash received from miscellaneous income	2,275
Cash payments to suppliers for goods and services	(519,683)
Cash payments to employees for services	(365,179)
Cash payments for employee benefits	(101,334)
Cash payments for other operating expenses	(3,971)
Net cash used for operating activities	<u>(204,983)</u>
<u>Cash flows from noncapital financing activities:</u>	
Operating grants	96,195
Transfers in	1,764
Transfers out	(1,764)
Net cash provided by noncapital financing activities	<u>96,195</u>
<u>Cash flows from capital financing activities:</u>	
Acquisition of capital assets	<u>(6,852)</u>
<u>Cash flows from investing activities:</u>	
Interest on investments	<u>6,819</u>
Net decrease in cash and cash equivalents	(108,821)
Cash and cash equivalents at beginning of year	<u>160,211</u>
Cash and cash equivalents at end of year	<u>\$ 51,390</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>	
Operating loss	<u>\$ (245,547)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	7,829
Federal donated commodities used during year	27,576
Loss on disposal of fixed assets	886
Change in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	2,060
Intergovernmental receivable	(16,700)
Materials and supplies inventory	(590)
Inventory held for resale	16,453
Increase (decrease) in liabilities:	
Accounts payable	(7,454)
Accrued wages and benefits	3,110
Compensated absences payable	5,019
Intergovernmental payable	2,375
Total adjustments	<u>40,564</u>
Net cash used for operating activities	<u>\$ (204,983)</u>
Non-cash capital, investing, and related financing activities	
Donated commodities received	<u>\$ 30,372</u>

See accompanying notes to the general purpose financial statements



**Note 1 - Description of the School District and Reporting Entity**

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Nordonia Hills City 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. Each member is elected to a four year term. The School District provides educational services as mandated by State and/or Federal agencies. This Board of Education controls the School District's six instructional/support facilities staffed by 223 non-certificated employees, 300 certificated full-time teaching personnel and 17 administrative employees to provide services to 3,701 students and other community members.

***Reporting Entity***

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

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

The School District is associated with two jointly governed organizations and one shared risk pool. These organizations include the Cuyahoga Valley Career Center, the Northeast Ohio Network for Educational Technology (NEONET), and the Health Benefits Program of the Stark County Schools Council of Governments. These organizations are presented in Notes 17 and 19 to the general purpose financial statements.

**Note 2 - Summary of Significant Accounting Policies**

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The financial statements of the Nordonia Hills City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 School District's accounting policies are described below.

**A. Basis Of Presentation -  
Fund Accounting**

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

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

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

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

***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*** The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Board of Education 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 the Board of Education has 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.

***Fiduciary Fund Type*** 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 other funds. The School District's fiduciary funds include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

***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 enterprise 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. Enterprise funds operating statements present increases (i.e., revenues) and decreases (i.e., 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 60 days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available as an advance, interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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

governmental funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of year-end.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on 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 Data***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations 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 legal level of budgetary control is at the fund level. 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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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 Summit County Budget Commission for rate determination.

***Estimated Resources*** By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the 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 2001.

***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 level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation 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. The allocation of appropriations among functions and objects within a fund is determined during the fiscal year by the Treasurer. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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 fiscal 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 fiscal 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 Investments***

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's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. During fiscal year 2001, investments were limited to certificates of deposit, repurchase agreements which are nonparticipating investment contracts and are reported at cost, STAR Ohio investments, Federal Home Loan bank bonds, Federal Farm Credit bank term notes, and Federal Home Loan bank callables.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$734,118, which includes \$347,624 assigned from other School District funds.

The School District has segregated bank accounts for monies held separate from the School District's pool. These depository accounts are presented as "cash and cash equivalents in segregated accounts" on the balance sheet.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less, at the time they are purchased by the School District, are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

***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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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 expendable 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. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Two separate fund balance reserves have also been established. See Note 21 for additional information regarding set-asides.

***G. Fixed Assets and Depreciation***

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

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. Interest incurred during the construction of general fixed assets is also not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of fund fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund type is computed using the straight-line method over an estimated useful life that ranges from 5 to 20 years.

***H. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, 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 become measurable.

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

**Entitlements**

*General Fund*

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement



**Non-Reimbursable Grants**

*Special Revenue Funds*

Title VI-B

Title VI

Drug Free Schools

Management Information Systems

Auxiliary Services

SchoolNet Development

**Reimbursable Grants**

*General Fund*

Driver Education

*Proprietary Funds*

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to 27 percent of the School District's governmental fund operating revenue during the 2001 fiscal year.

***I. Interfund  
Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

***K. Accrued Liabilities and Long-Term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than 60 days after year-end are generally considered not to have been paid with current available financial resources.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

***L. 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.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves and Designations***

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization, and Bureau of Workers' Compensation (BWC) refunds. See Note 21 for additional information regarding BWC.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

***N. Estimates***

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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

- O. Memorandum Only - Total Columns*** 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.
- P. Change in Accounting Principles*** For fiscal year 2001, the District has implemented GASB statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenue." At June 30, 2000, there was no effect on fund balance due to this action.
- Q. Bond Discounts, Premiums and Interest Costs*** For governmental fund types, bond premiums and discounts, as well as issuance cost, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. The long-term debt that appears in the general long-term obligations account group is always reported at the bond's face value.

**Note 3 – Restatement of Prior Year Fund Balance**

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At June 30, 2000, a fund restatement decreased General Fixed Asset Account Group from \$19,299,001 to \$18,620,271 due to an error in calculating fixed asset additions for computers during fiscal year 2000.

**Note 4 – Fund Deficits**

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At June 30, 2001, the Management Information Systems and Drug Free School Special Revenue Funds had deficit fund balances of \$113 and \$338, respectively. These fund deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

**Note 5 – Budgetary Basis of Accounting**

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While the School District is reporting its 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 (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as a note disclosure in the proprietary fund type (GAAP basis).
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).

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

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*Net Loss/Excess of Revenues Under Expenses  
Proprietary Fund Type*

	<i>Enterprise</i>
<i>GAAP Basis</i>	\$ (115,843)
<i>Net adjustment for revenue accruals</i>	(12,099)
<i>Net adjustment for expense accruals</i>	(4,923)
<i>Depreciation expense</i>	7,829
<i>Capital outlay</i>	(26,609)
<i>Encumbrances</i>	21,412
<i>Budget Basis</i>	\$ (130,233)

**Nordonia Hills City School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

*Excess of Revenue and Other Financing Sources Over (Under)  
Expenditures and Other Financing Uses  
Governmental Fund Types*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ (537,365)	\$ (150,209)	\$ 151,210	\$ 35,044,349
<i>Net adjustment for revenue accruals</i>	(929,507)	(91,704)	(175,462)	(23,938)
<i>Net adjustment for expenditure accruals</i>	(561,971)	(107,164)	0	(25,208,037)
<i>Advances in</i>	156,565	155,044	189,252	0
<i>Advances out</i>	(346,059)	(154,802)	0	0
<i>Sale of fixed assets</i>	(2,931)	0	0	0
<i>Other</i>	17	0	0	0
<i>Encumbrances</i>	839,797	86,985	0	13,593,990
<i>Budget Basis</i>	<u>\$ (1,381,454)</u>	<u>\$ (261,850)</u>	<u>\$ 165,000</u>	<u>\$ 23,406,364</u>

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

Interim deposits are deposits of interim 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 accounts including passbook accounts.

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

Protection of the 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 deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% 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

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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 specified dealers and institutions.

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

Cash on hand - At fiscal year end, the School District had \$165,217 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

***Deposits*** At fiscal year end, the carrying amount of the School District's deposits was \$5,917,040 and the bank balance was \$7,493,337. \$100,000 of the bank balance was covered by federal depository insurance. \$7,393,337 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

***Investments*** GASB Statement No. 3 requires the School District's investments to be categorized to give an indication of the level of custodial credit risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which 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 counter-party'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 counter-party, or by its trust department or agent but not in the School District's name.

**Nordonia Hills City School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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	<u>Category</u> <u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>
<i>Federal Home Loan Securities</i>	\$ 5,520,908	\$ 5,520,908	\$ 5,520,908
<i>Federal Farm Credit Securities</i>	1,000,918	1,000,918	1,000,918
<i>Long Term Certificates of Deposit</i>	5,000,000	5,000,000	5,000,000
<i>Repurchase Agreement</i>	1,025,000	1,025,000	1,025,000
<i>STAR Ohio</i>	0	26,864,802	26,864,802
<i>Totals</i>	<u>\$ 12,546,826</u>	<u>\$ 39,411,628</u>	<u>\$ 39,411,628</u>

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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 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and investments on the combined financial statements and the classification of deposits and investments as presented above per GASB Statement No. 3 is as follows:

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	<u>Cash and cash</u> <u>equivalents</u>	<u>Investments</u>
<i>GASB Statement No. 9</i>	\$ 45,493,885	\$ 0
<i>Cash on hand</i>	(165,217)	0
<i>Investments which are part of a</i> <i>cash management pool:</i>		
<i>Federal Home Loan Securities</i>	(5,520,908)	5,520,908
<i>Federal Farm Credit Securities</i>	(1,000,918)	1,000,918
<i>Long Term Certificates of Deposit</i>	(5,000,000)	5,000,000
<i>Repurchase Agreement</i>	(1,025,000)	1,025,000
<i>STAR Ohio</i>	(26,864,802)	26,864,802
	<u>\$ 5,917,040</u>	<u>\$ 39,411,628</u>

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**Note 7 – Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax



***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value listed as of January 1, 2001, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25% of true value.

The assessed values upon which the fiscal year 2001 taxes were collected are:

	<i>2000 Second Half Collections</i>		<i>2001 First Half Collections</i>	
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>
<i>Agriculture/Residential and Other Real Estate</i>	\$ 602,368,310	85.62 %	\$ 637,061,940	87.06 %
<i>Public Utility</i>	38,581,210	5.48	35,666,200	4.87
<i>Tangible Personal Property</i>	62,654,058	8.90	59,055,468	8.07
<i>Total Assessed Value</i>	<u>\$ 703,603,578</u>	<u>100.00 %</u>	<u>\$ 731,783,608</u>	<u>100.00 %</u>
<i>Tax rate per \$1,000 of assessed valuation</i>	\$ 59.09		\$ 59.25	
<i>Effective rate per \$1,000 of assessed valuation</i>	\$ 28.24		\$ 28.12	

The School District passed a 3.65 mills bond issue in March 2000. The collection on this levy began in January 2001.

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 later payment dates to be established.

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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.

The School District receives property taxes from Summit 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, 2001 are available to finance fiscal year 2002 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 are measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied 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, 2001 was \$698,269; \$591,425 was available to the general fund and \$85,610 was available to the debt service fund, and \$21,234 was available to the permanent improvements capital projects fund.

**Note 8 - Receivables**

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Receivables at June 30, 2001, consisted of taxes, accounts (rent and student fees), 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

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	<i>Amount</i>
<b><i>General Fund</i></b>	
<i>Bus allowance</i>	\$ 47,501
<b><i>Special Revenue Fund</i></b>	
<i>ODE Federal grant</i>	11,999
<b><i>Enterprise Fund</i></b>	
<i>Food service</i>	16,700
<b><i>Totals</i></b>	<u>\$ 76,200</u>

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**Nordonia Hills City School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**Note 9 - Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

<i>Equipment</i>	\$ 212,054
<i>Less accumulated depreciation</i>	<u>(156,513)</u>
<i>Net fixed assets</i>	<u>\$ 55,541</u>

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

<u>Asset Category</u>	<u>Restated Balance at 7/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/01</u>
<i>Land and land improvements</i>	\$ 1,683,883	\$ 0	\$ 0	\$ 1,683,883
<i>Buildings</i>	9,976,120	0	0	9,976,120
<i>Furniture, fixtures and equipment</i>	4,651,323	857,878	(445,456)	5,063,745
<i>Vehicles</i>	2,308,945	435,836	(188,177)	2,556,604
<i>Construction in process</i>	0	3,240,638	0	3,240,638
<i>Totals</i>	<u>\$ 18,620,271</u>	<u>\$ 4,534,352</u>	<u>\$ (633,633)</u>	<u>\$ 22,520,990</u>

**Note 10 – Risk Management**

**A. 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. During fiscal year 2001, the School District contracted with Travelers Insurance Company for property and general liability insurance. There is a \$1,000 deductible with a 100% blanket, all risk policy. Travelers Insurance Company covers the boiler and machinery with a \$1,000 deductible and a \$30,000,000 limit.

Professional liability is protected by Coregis Insurance Company with a \$2,000,000 single occurrence limit and \$5,000,000 aggregate with no deductible. Vehicles are also covered by Coregis Insurance Company and hold a \$250 deductible for comprehensive and \$500 collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

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

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**Note 11 - Other Employee Benefits**

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- A. Compensated Absences** The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators, who are not on a 12 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 plus 90. Upon retirement, payment is made for one-third of the total sick leave accumulation, up to a maximum of 141 days.

- B. Retirement Incentive Bonus** Effective October 19, 1998, the School District Board of Education approved a Retirement Incentive Bonus Program. Participation is open to certified employees who have completed a minimum of 10 years of service, qualified for retirement under STRS and submitted a letter of resignation by February 15<sup>th</sup> of the school year of retirement. Retirement incentive bonus payments will be paid in equal installments of \$15,000 per retiree on January 1, 2002. The liability for the Retirement Incentive Bonus at June 30, 2001 was \$150,000.

- C. Insurance Benefits** The School District provides life insurance and accidental death and dismemberment insurance to most employees through UNUM Life Insurance Company in the amount of \$30,000 for all noncertified employees and \$35,000 for certified employees, and to the nearest \$1,000 based on each administrator's salary not to exceed \$50,000.

The School District provides employee medical/surgical benefits through Stark County Schools Council of Governments shared risk pool. Rates are set through an annual calculation process. The School District pays a monthly contribution to a common fund from which claim payments are made for all participating school districts. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental and vision insurance are also provided by the School District to all employees through the Stark County Schools Council of Governments. Upon termination, all District claims would be paid without regard to the School District's account balance.

**Note 12 - Defined Benefit Pension Plans**

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***A. School Employees  
Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14% of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$656,318, \$546,400 and \$494,838, respectively; 36.93% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and 1999. \$413,939 representing the unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds and the general long-term obligations account group.

***B. State Teachers  
Retirement System***

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency wholly controlled, managed and supported in whole, or in part, by the state or any political subdivision thereof. Any member who has (i) 5 years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age may retire. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest years' salaries. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years are calculated at 2.5% instead of 2.2%.

Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the re-employed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Retirement benefits are annually increased by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases, up to a maximum of 3% of the original base benefit. The plan offers access to health care benefits for retirees and their dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

A member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member. Additional death benefit coverage of \$1,000 or \$2,000 can be purchased. Various other benefits are available to members’ beneficiaries.

Benefits are established by Chapter 3307 of the Ohio Revised Code. Chapter 3307 provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2001, were 9.3% of covered payroll for members and 14% for employers. The School District was required to contribute 14%; 6% was the portion used to fund pension obligations. The School District’s required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$1,853,208, \$1,711,755 and \$1,664,744, respectively; 81.59% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and

1999. \$341,176 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. Copies of STRS Ohio's 2001 *Comprehensive Annual Financial Report* may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, no members of the Board of Education have elected social security. The Board's liability is 6.2% of wages paid.

**Note 13 – Post-employment Benefits**

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the STRS Ohio Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of health care costs in the form of monthly premiums. By Ohio law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the fiscal year ended June 30, 2001, the STRS Ohio Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$595,674 for fiscal year 2001.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS Ohio were \$300,772,000. There were 102,132 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with 10 or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of

***Nordonia Hills City School District***  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8% of covered payroll, an increase of 1.3% for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$122,091.

The surcharge, added to the unallocated portion of the 14% 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% of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the Retirement System's net assets available for payment of health care benefits were \$315.7 million. SERS Ohio had approximately 50,000 participants currently receiving health care benefits.



**Nordonia Hills City School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**Note 14 - Long-term Obligations**

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	<i>Principal Outstanding 07/01/2000</i>	<i>Additions</i>	<i>Deductions</i>	<i>Principal Outstanding 06/30/2001</i>
<i>Pension obligations</i>	\$ 253,821	\$ 288,109	\$ (253,821)	\$ 288,109
<i>Retirement incentive bonus</i>	330,000	150,000	(330,000)	150,000
<i>Compensated absences</i>	1,836,711	355,415	0	2,192,126
<i>Bond anticipation notes</i>	0	38,500,000	(38,500,000)	0
<i>Bonds payable -</i>				
<i>School improvement bonds</i>				
<i>Series 2001 4.35%- 5.45%</i>	0	38,500,000	0	38,500,000
<i>Total general long-term obligations</i>	<u>\$ 2,420,532</u>	<u>\$ 77,793,524</u>	<u>\$ (39,083,821)</u>	<u>\$ 41,130,235</u>

Compensated absences, the pension obligation, and the retirement incentive bonus will be paid from the fund from which the employee is paid.

On August 1, 2000, the School District issued \$5,000,000 in bond anticipation notes and \$33,500,000 on October 5, 2000, both with a maturity of March 20, 2001, and annual interest rate of 4.75%. These notes were issued to begin several construction and improvement projects. They were retired using the proceeds from the School District's bond issue of \$38,500,000 which was issued on December 6, 2000.

Interest of \$917,679 was paid on June 1, 2001. Principal and interest requirements to retire the school improvement bonds at June 30, 2001 are as follows:

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>Ending June 30</i>			
2002	\$ 0	\$ 1,835,359	\$ 1,835,359
2003	775,000	1,818,503	2,593,503
2004	1,075,000	1,777,996	2,852,996
2005	1,200,000	1,727,646	2,927,646
2006	1,290,000	1,671,921	2,961,921
<i>Thereafter</i>	34,160,000	24,275,084	58,435,084
<i>Total</i>	<u>\$ 38,500,000</u>	<u>\$ 33,106,509</u>	<u>\$ 71,606,509</u>

**Nordonia Hills City School District**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**Note 15 - Segment Information for Enterprise Funds**

The School District maintains three enterprise funds to account for the operations of food service, adult education and bookstore sales. The table below reflects the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Adult Education</u>	<u>Bookstore Sales</u>	<u>Totals</u>
Operating revenues	\$ 772,031	\$ 5,558	\$ 19,694	\$ 797,283
Depreciation expense	7,829	0	0	7,829
Operating loss	(245,015)	(3,657)	3,125	(245,547)
Donated commodities	27,576	0	0	27,576
Operating grants	96,195	0	0	96,195
Net loss	(115,311)	(3,657)	3,125	(115,843)
Fixed asset additions	6,852	0	0	6,852
Fixed asset deletions	(4,439)	0	0	(4,439)
Net working capital	(667)	3,498	6,666	9,497
Total assets	129,915	4,989	6,666	141,570
Total equity	27,273	3,498	6,666	37,437
Encumbrances outstanding at June 30, 2001	21,412	0	0	21,412

**Note 16 – Interfund Transactions**

Interfund balances at June 30, 2001, consist of the following interfund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
<b>General Fund</b>	\$ 201,812	\$ 89,848
<b>Special Revenue Funds:</b>		
Other Local Grants	0	10,419
Auxiliary Service	0	242
Title VI	0	1,717
Drug Free School	0	182
<b>Debt Service Fund</b>	89,848	189,252
<b>Total</b>	<u>\$ 291,660</u>	<u>\$ 291,660</u>

**Note 17 – Jointly Governed Organizations**

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***A. Cuyahoga Valley  
Career Center***

The Career Center District is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The Board of Education is comprised of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. Nordonia Hills City School District students may attend the career center. Each school district's control is limited to its representation on the board. During fiscal year 2001, no monies were paid by Nordonia Hills City School District to the Cuyahoga Valley Career Center.

***B. Northeast Ohio  
Network for Educational  
Technology (NEONET)***

The Northeast Ohio Network for Educational Technology (NEONET) is a jointly governed organization among seventeen school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercises total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding.

The School District does not retain an ongoing financial interest or an ongoing financial responsibility in either of these organizations.

**Note 18 – Insurance Purchasing Pool**

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The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), a public entity risk pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

### **Note 19 – Shared Risk Pool**

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***Health Benefits Program  
of the Stark County  
Schools Council of  
Governments***

The School District is a member of the Health Benefits Program of the Stark County Schools Council of Governments (COG). The COG is governed by a regional council known as the Stark County School Council comprised of superintendent representatives of member districts. The purpose of the COG is to promote cooperative employees and eligible dependents of participating members. The Board of Directors of the Council oversees and manages the operations of the health benefits program.

### **Note 20 – State School Funding Decision**

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On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that requires modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of January 25, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts used as the basis for determining the base cost support amount and requiring that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and re-determine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its State funding in the future and on its financial operations.

**Note 21 – Set-Aside Requirements**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Improvements</u>	<u>Reserve</u>
<i>Set-aside reserve balance</i>			
<i>as of June 30, 2000</i>	\$ (737,579)	\$ 0	\$ 525,221
<i>Current year set-aside requirement</i>	626,489	626,489	0
<i>Elimination of budget stabilization reserve</i>	0	0	(202,926)
<i>Qualifying disbursements</i>	(789,845)	(1,909,515)	0
<i>Totals</i>	<u>(900,935)</u>	<u>(1,283,026)</u>	<u>322,295</u>
<i>Set-aside balance carried forward</i>			
<i>to future fiscal years</i>	<u>\$ (900,935)</u>	<u>\$ (1,283,026)</u>	<u>\$ 322,295</u>
<i>Set-aside reserve balance</i>			
<i>as of June 30, 2001</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 322,295</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbooks' set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. The capital acquisition set-aside amount cannot be carried forward to future fiscal years.

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. As of June 30, 2001, the School Board has not taken action to designate these funds for a specific use. Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute. The amount of this reserve is \$322,295. The District is still required by state law to maintain the textbook reserve and capital acquisition reserve.

**Note 22 - Contingencies**

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**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. Expenditures are 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, 2001.

**B. Litigation**

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

**Note 23 – Contracts Payable**

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During the current fiscal year, the District had construction in process. As a result, the District had contracts payable and contractual commitments outstanding related to the renovations and improvements of all the District buildings at June 30, 2001. A summary of the primary contractual commitments follows:

<i>Project Vendor</i>	<i>Contracts Payable at 6/30/01</i>	<i>Contractual Commitments at 6/30/01</i>
<i>Cavanaugh Building</i>	\$ 623,460	\$ 1,443,240
<i>Whitehouse Construction</i>	593,712	1,411,915
<i>E.B. Katz</i>	287,208	4,875,292
<i>R.P. Carbone</i>	177,978	2,230,242
<i>Summit Electric</i>	73,849	502,901
<i>Fanning &amp; Howey</i>	70,933	2,569,783
<i>Other</i>	112,003	18,899,178
<i>Total</i>	<u>\$ 1,939,143</u>	<u>\$ 31,932,551</u>

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

## *GENERAL FUND*

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



***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 18,073,599	\$ 18,073,599	\$ 0
Intergovernmental	6,951,871	6,951,871	0
Interest	748,588	748,588	0
Tuition and fees	256,084	256,084	0
Extracurricular activities	16,222	16,222	0
Contributions and donations	58,037	58,037	0
Rentals	23,530	23,530	0
Miscellaneous	77,405	77,405	0
Total revenues	<u>26,205,336</u>	<u>26,205,336</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	8,840,810	8,840,810	0
Fringe benefits	2,028,697	2,028,697	0
Purchased services	331,031	331,031	0
Materials and supplies	671,862	671,862	0
Capital outlay - new	551,608	551,608	0
Capital outlay - replacement	78,640	78,640	0
Total regular	<u>12,502,648</u>	<u>12,502,648</u>	<u>0</u>
Special:			
Salaries and wages	1,599,265	1,599,265	0
Fringe benefits	378,113	378,113	0
Purchased services	413,570	413,570	0
Materials and supplies	17,179	17,179	0
Capital outlay - new	3,045	3,045	0
Capital outlay - replacement	2,930	2,930	0
Other	19,672	19,672	0
Total special	<u>2,433,774</u>	<u>2,433,774</u>	<u>0</u>
Vocational:			
Salaries and wages	277,833	277,833	0
Fringe benefits	62,907	62,907	0
Purchased services	330	330	0
Materials and supplies	862	862	0
Total vocational	<u>341,932</u>	<u>341,932</u>	<u>0</u>
Support services:			
Pupils:			
Salaries and wages	1,504,899	1,504,899	0
Fringe benefits	384,913	384,913	0
Purchased services	168,869	168,869	0
Materials and supplies	22,275	22,275	0
Capital outlay - replacement	17,616	17,616	0
Other	620	620	0
Total pupils	<u>2,099,192</u>	<u>2,099,192</u>	<u>0</u>

(Continued)

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional staff:			
Salaries and wages	\$ 556,808	\$ 556,808	\$ 0
Fringe benefits	136,047	136,047	0
Purchased services	75,475	75,475	0
Materials and supplies	118,928	118,928	0
Capital outlay - new	6,291	6,291	0
Capital outlay - replacement	5,086	5,086	0
<b>Total instructional staff</b>	<b>898,635</b>	<b>898,635</b>	<b>0</b>
Board of education:			
Salaries and wages	16,720	16,720	0
Fringe benefits	2,353	2,353	0
Purchased services	5,918	5,918	0
Materials and supplies	21,195	21,195	0
Capital outlay - new	24,888	24,888	0
Capital outlay - replacement	1,150	1,150	0
Other	90,323	90,323	0
<b>Total board of education</b>	<b>162,547</b>	<b>162,547</b>	<b>0</b>
Administration:			
Salaries and wages	1,395,944	1,395,944	0
Fringe benefits	354,159	354,159	0
Purchased services	430,851	430,851	0
Materials and supplies	59,420	59,420	0
Capital outlay - new	11,475	11,475	0
Capital outlay - replacement	7,293	7,293	0
Other	4,658	4,658	0
<b>Total administration</b>	<b>2,263,800</b>	<b>2,263,800</b>	<b>0</b>
Fiscal:			
Salaries and wages	237,489	237,489	0
Fringe benefits	70,024	70,024	0
Purchased services	46,955	46,955	0
Materials and supplies	19,841	19,841	0
Capital outlay - new	1,708	1,708	0
Capital outlay - replacement	8,550	8,550	0
Other	316,187	316,187	0
<b>Total fiscal</b>	<b>700,754</b>	<b>700,754</b>	<b>0</b>
Business:			
Salaries and wages	178,998	178,998	0
Fringe benefits	47,382	47,382	0
Purchased services	161,473	161,473	0
Materials and supplies	(30,458)	(30,458)	0
Capital outlay - new	6,620	6,620	0
Capital outlay - replacement	9,400	9,400	0
Other	480	480	0
<b>Total business</b>	<b>373,895</b>	<b>373,895</b>	<b>0</b>

(Continued)

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and maintenance of plant:			
Salaries and wages	\$ 1,153,692	\$ 1,153,692	\$ 0
Fringe benefits	320,333	320,333	0
Purchased services	1,130,783	1,130,783	0
Materials and supplies	329,127	329,127	0
Capital outlay - new	37,022	37,022	0
Capital outlay - replacement	80,403	80,403	0
Other	2,272	2,272	0
Total operation and maintenance of plant	<u>3,053,632</u>	<u>3,053,632</u>	<u>0</u>
Pupil transportation:			
Salaries and wages	1,042,664	1,042,664	0
Fringe benefits	278,632	278,632	0
Purchased services	111,196	111,196	0
Materials and supplies	232,909	232,909	0
Capital outlay - new	741	741	0
Capital outlay - replacement	57,812	57,812	0
Total pupil transportation	<u>1,723,954</u>	<u>1,723,954</u>	<u>0</u>
Central:			
Purchased services	42,132	42,132	0
Total central	<u>42,132</u>	<u>42,132</u>	<u>0</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	107,883	107,883	0
Fringe benefits	18,144	18,144	0
Purchased services	28,665	28,665	0
Total academic and subject oriented activities	<u>154,692</u>	<u>154,692</u>	<u>0</u>
Sports oriented activities:			
Salaries and wages	337,480	337,480	0
Fringe benefits	52,702	52,702	0
Purchased services	19,360	19,360	0
Materials and supplies	2,473	2,473	0
Capital outlay - new	7,368	7,368	0
Total sports oriented activities	<u>419,383</u>	<u>419,383</u>	<u>0</u>
Total extracurricular activities	<u>574,075</u>	<u>574,075</u>	<u>0</u>
Capital outlay:			
Facilities acquisition and construction services:			
Site acquisition services:			
Capital outlay - new	192,328	192,328	0
Total capital outlay	<u>192,328</u>	<u>192,328</u>	<u>0</u>
Total expenditures	<u>27,363,298</u>	<u>27,363,298</u>	<u>0</u>
Excess of revenues under expenditures	<u>(1,157,962)</u>	<u>(1,157,962)</u>	<u>0</u>

(Continued)

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other financing sources(uses):</u>			
Refund of prior year expenditures	\$ 1,459	\$ 1,459	\$ 0
Other financing sources	17	17	0
Advances in	156,565	156,565	0
Advances out	(346,059)	(346,059)	0
Operating transfers out	(35,474)	(35,474)	0
Total other financing sources (uses)	<u>(223,492)</u>	<u>(223,492)</u>	<u>0</u>
Excess of revenues and other financing sources under expenditures and other financing uses	(1,381,454)	(1,381,454)	0
Fund balance at beginning of year	6,613,498	6,613,498	0
Prior year encumbrances appropriated	904,341	904,341	0
Fund balance at end of year	<u>\$ 6,136,385</u>	<u>\$ 6,136,385</u>	<u>\$ 0</u>

## *SPECIAL REVENUE FUNDS*

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Scholarship: To account for specific local revenue sources generated by individuals and organizations to provide scholarships to selected School District graduates.

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

Other Local Grants: To account for the proceeds of specific revenue sources except for State and Federal grants that are legally restricted.

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

Auxiliary Services: To account for State funds which provide services and materials to students attending non-public schools within the boundaries of the School District as provided by State law.

Teacher Development: To account for State revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Management Information Systems: To account for State funds provided to assist the School District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

SchoolNet Development: To account for a limited number of professional development subsidy grants.

(Continued)

## *SPECIAL REVENUE FUNDS (Continued)*

Ohio Reads Grant: To account for monies received from the State for the operation of the Ohio Reads Program.

Summer Intervention: To account for monies received from the State for summer intervention services.

Miscellaneous State Grants: To account for various monies received from State agencies which are not classified elsewhere.

Title II/Eisenhower: To account for Federal funds issued for use in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

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

Title I: To account for Federal funds for services provided to meet special educational needs of educationally deprived children.

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

Drug Free School: To account for Federal funds for the establishment, operation and improvement programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

Preschool Handicapped: To address the improvement and expansion of services for handicapped children aged three through five years of age.

Miscellaneous Federal Grants: To account for various monies received through State agencies from the Federal government or directly from the Federal government that are not classified elsewhere.

**Nordonia Hills City School District**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2001**

	Scholarship	Public School Support	Other Local Grants	Athletics and Music	Auxiliary Services	Teacher Development
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 52,448	\$ 58,765	\$ 20,827	\$ 51,326	\$ 32,315	\$ 14,606
Cash and cash equivalents in segregated accounts	0	0	0	996	0	0
Receivables:						
Accounts	2,754	165	0	2,668	0	0
Intergovernmental	0	0	0	0	0	0
Total assets	<u>\$ 55,202</u>	<u>\$ 58,930</u>	<u>\$ 20,827</u>	<u>\$ 54,990</u>	<u>\$ 32,315</u>	<u>\$ 14,606</u>
<u>Liabilities and fund equity:</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 0	\$ 4,100	\$ 714	\$ 6,259	\$ 10,561	\$ 0
Accrued wages	0	0	0	0	0	273
Interfund payable	0	0	10,419	0	242	0
Intergovernmental payable	0	0	0	21	13	82
Total liabilities	<u>0</u>	<u>4,100</u>	<u>11,133</u>	<u>6,280</u>	<u>10,816</u>	<u>355</u>
<u>Fund equity:</u>						
Fund balance:						
Reserved for encumbrances	0	2,785	328	4,149	21,755	0
Unreserved:						
Undesignated (deficit)	55,202	52,045	9,366	44,561	(256)	14,251
Total fund equity (deficit)	<u>55,202</u>	<u>54,830</u>	<u>9,694</u>	<u>48,710</u>	<u>21,499</u>	<u>14,251</u>
Total liabilities and fund equity	<u>\$ 55,202</u>	<u>\$ 58,930</u>	<u>\$ 20,827</u>	<u>\$ 54,990</u>	<u>\$ 32,315</u>	<u>\$ 14,606</u>

(Continued)

**Nordonia Hills City School District**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2001**

	Management Information Systems	SchoolNet Development	Ohio Reads Grant	Miscellaneous State Grants	Title II/ Eisenhower
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 0	\$ 979	\$ 24,754	\$ 731	\$ 9,288
Cash and cash equivalents in segregated accounts	0	0	0	0	0
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	0
<b>Total assets</b>	<u>\$ 0</u>	<u>\$ 979</u>	<u>\$ 24,754</u>	<u>\$ 731</u>	<u>\$ 9,288</u>
<u>Liabilities and fund equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 0	\$ 0	\$ 11,483	\$ 236	\$ 0
Accrued wages	0	0	0	0	0
Interfund payable	0	0	0	0	0
Intergovernmental payable	113	0	0	0	0
<b>Total liabilities</b>	<u>113</u>	<u>0</u>	<u>11,483</u>	<u>236</u>	<u>0</u>
<u>Fund equity:</u>					
Fund balance:					
Reserved for encumbrances	0	0	8,276	46	0
Unreserved:					
Undesignated (deficit)	(113)	979	4,995	449	9,288
<b>Total fund equity (deficit)</b>	<u>(113)</u>	<u>979</u>	<u>13,271</u>	<u>495</u>	<u>9,288</u>
<b>Total liabilities and fund equity</b>	<u>\$ 0</u>	<u>\$ 979</u>	<u>\$ 24,754</u>	<u>\$ 731</u>	<u>\$ 9,288</u>



<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School</u>	<u>Preschool Handicapped</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 49,665	\$ 14,190	\$ 5,164	\$ 0	\$ 9,998	\$ 19,805	\$ 364,861
0	0	0	0	0	0	996
0	0	0	0	0	0	5,587
0	0	0	0	0	11,999	11,999
<u>\$ 49,665</u>	<u>\$ 14,190</u>	<u>\$ 5,164</u>	<u>\$ 0</u>	<u>\$ 9,998</u>	<u>\$ 31,804</u>	<u>\$ 383,443</u>
\$ 0	\$ 0	\$ 2,645	\$ 0	\$ 0	\$ 4,418	\$ 40,416
22,933	9,135	0	0	1,577	8,261	42,179
0	0	1,717	182	0	0	12,560
12,572	2,639	0	156	323	559	16,478
<u>35,505</u>	<u>11,774</u>	<u>4,362</u>	<u>338</u>	<u>1,900</u>	<u>13,238</u>	<u>111,633</u>
0	0	0	0	0	12,744	50,083
14,160	2,416	802	(338)	8,098	5,822	221,727
14,160	2,416	802	(338)	8,098	18,566	271,810
<u>\$ 49,665</u>	<u>\$ 14,190</u>	<u>\$ 5,164</u>	<u>\$ 0</u>	<u>\$ 9,998</u>	<u>\$ 31,804</u>	<u>\$ 383,443</u>

***Nordonia Hills City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2001**

	Scholarship	Public School Support	Other Local Grants	Athletics and Music	Auxiliary Services	Teacher Development
<b>Revenues:</b>						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 337,656	\$ 16,045
Interest	658	0	0	0	7,900	0
Extracurricular activities	0	112,112	0	177,461	0	0
Contributions and donations	50,355	1,426	6,533	2,668	0	0
Miscellaneous	0	6,440	6,483	(5,400)	0	0
Total revenues	<u>51,013</u>	<u>119,978</u>	<u>13,016</u>	<u>174,729</u>	<u>345,556</u>	<u>16,045</u>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	0	0	12,846	0	0	0
Special	0	0	0	0	0	0
<b>Support services:</b>						
Pupils	0	1,144	0	0	0	0
Instructional staff	0	1,056	315	0	0	12,910
Administration	0	0	0	0	0	0
Fiscal	0	0	0	0	1,213	0
Operation of non-instructional services	17,784	0	0	0	369,627	0
Extracurricular activities	0	110,776	0	199,644	0	0
Total expenditures	<u>17,784</u>	<u>112,976</u>	<u>13,161</u>	<u>199,644</u>	<u>370,840</u>	<u>12,910</u>
Excess of revenues over (under) expenditures	33,229	7,002	(145)	(24,915)	(25,284)	3,135
<b>Other financing sources (uses):</b>						
Refund of prior year receipts	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances out	0	0	0	0	0	0
Operating transfers in	0	914	10,234	30,740	30,034	0
Operating transfers out	0	(414)	0	(6,000)	(30,034)	0
Total other financing sources (uses)	<u>0</u>	<u>500</u>	<u>10,234</u>	<u>24,740</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	33,229	7,502	10,089	(175)	(25,284)	3,135
Fund balances (deficit) at beginning of year	<u>21,973</u>	<u>47,328</u>	<u>(395)</u>	<u>48,885</u>	<u>46,783</u>	<u>11,116</u>
Fund balances (deficit) at end of year	<u>\$ 55,202</u>	<u>\$ 54,830</u>	<u>\$ 9,694</u>	<u>\$ 48,710</u>	<u>\$ 21,499</u>	<u>\$ 14,251</u>

Management Information Systems	SchoolNet Development	Ohio Reads Grant	Summer Intervention	Miscellaneous State Grants	Title II/ Eisenhower	Title VI-B	Title I
\$ 10,723	\$ 4,000	\$ 64,000	\$ 2,025	\$ 25,000	\$ 9,288	\$ 286,767	\$ 66,662
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>10,723</u>	<u>4,000</u>	<u>64,000</u>	<u>2,025</u>	<u>25,000</u>	<u>9,288</u>	<u>286,767</u>	<u>66,662</u>
0	3,961	56,581	2,025	0	0	0	0
0	0	0	0	0	0	111,172	58,381
0	0	0	0	25,436	0	122,733	0
0	0	0	0	0	0	46,761	5,059
10,719	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	5,764
0	0	0	0	0	0	0	0
<u>10,719</u>	<u>3,961</u>	<u>56,581</u>	<u>2,025</u>	<u>25,436</u>	<u>0</u>	<u>280,666</u>	<u>69,204</u>
4	39	7,419	0	(436)	9,288	6,101	(2,542)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	2	0
0	0	0	0	0	0	(2)	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	39	7,419	0	(436)	9,288	6,101	(2,542)
(117)	940	5,852	0	931	0	8,059	4,958
<u>\$ (113)</u>	<u>\$ 979</u>	<u>\$ 13,271</u>	<u>0</u>	<u>\$ 495</u>	<u>\$ 9,288</u>	<u>\$ 14,160</u>	<u>\$ 2,416</u>

(Continued)

***Nordonia Hills City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2001**

	Title VI	Drug Free School	Preschool Handicapped	Miscellaneous Federal Grants	Total All Funds
<b>Revenues:</b>					
Intergovernmental	\$ 20,791	\$ 14,708	\$ 20,425	\$ 175,103	\$ 1,053,193
Interest	0	0	0	0	8,558
Extracurricular activities	0	0	0	0	289,573
Contributions and donations	0	0	0	0	60,982
Miscellaneous	0	0	0	0	7,523
Total revenues	<u>20,791</u>	<u>14,708</u>	<u>20,425</u>	<u>175,103</u>	<u>1,419,829</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	0	0	0	211,897	287,310
Special	0	0	0	0	169,553
<b>Support services:</b>					
Pupils	0	11,597	19,824	0	180,734
Instructional staff	30,225	0	0	152,808	249,134
Administration	0	0	0	0	10,719
Fiscal	0	0	0	0	1,213
Operation of non-instructional services	3,221	0	0	0	396,396
Extracurricular activities	0	0	0	0	310,420
Total expenditures	<u>33,446</u>	<u>11,597</u>	<u>19,824</u>	<u>364,705</u>	<u>1,605,479</u>
Excess of revenues over (under) expenditures	(12,655)	3,111	601	(189,602)	(185,650)
<b>Other financing sources (uses):</b>					
Refund of prior year receipts	(33)	0	0	0	(33)
Advances in	0	0	0	0	2
Advances out	0	0	0	0	(2)
Operating transfers in	0	0	0	0	71,922
Operating transfers out	0	0	0	0	(36,448)
Total other financing sources (uses)	<u>(33)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,441</u>
Excess of revenues and other financing sources over (under) expenditures	(12,688)	3,111	601	(189,602)	(150,209)
Fund balances (deficit) at beginning of year	<u>13,490</u>	<u>(3,449)</u>	<u>7,497</u>	<u>208,168</u>	<u>422,019</u>
Fund balances (deficit) at end of year	<u>\$ 802</u>	<u>\$ (338)</u>	<u>\$ 8,098</u>	<u>\$ 18,566</u>	<u>\$ 271,810</u>

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - Scholarship Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<hr/>	<hr/>	<hr/>
<u>Revenues:</u>			
Interest	\$ 658	\$ 658	\$ 0
Contributions and donations	49,101	49,101	0
<u>Expenditures:</u>			
Operation of non-instructional services:			
Community services:			
Other	17,784	17,784	0
Excess of revenues under expenditures	31,975	31,975	0
Fund balance at beginning of year	20,473	20,473	0
Fund balance at end of year	\$ 52,448	\$ 52,448	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Public School Support Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 112,167	\$ 112,167	\$ 0
Contributions and donations	1,261	1,261	0
Miscellaneous	7,716	7,716	0
Total revenues	<u>121,144</u>	<u>121,144</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Other	1,056	1,056	0
Extracurricular activities:			
Academic and subject oriented activities:			
Other	104,463	104,463	0
School and public service co-curricular activities:			
Other	19,489	19,489	0
Total extracurricular activities	<u>123,952</u>	<u>123,952</u>	<u>0</u>
Total expenditures	<u>125,008</u>	<u>125,008</u>	<u>0</u>
Excess of revenues under expenditures	(3,864)	(3,864)	0
<u>Other financing sources:</u>			
Operating transfers in	500	500	0
Excess of revenues under expenditures and other financing sources	(3,364)	(3,364)	0
Fund balance at beginning of year	43,072	43,072	0
Prior year encumbrances appropriated	13,932	13,932	0
Fund balance at end of year	<u>\$ 53,640</u>	<u>\$ 53,640</u>	<u>\$ 0</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Other Local Grants Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Contributions and donations	\$ 6,533	\$ 6,533	\$ 0
Miscellaneous	6,482	6,482	0
Total revenues	<u>13,015</u>	<u>13,015</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	3,189	3,189	0
Other	11,204	11,204	0
Total instruction	<u>14,393</u>	<u>14,393</u>	<u>0</u>
Support services:			
Instructional staff:			
Materials and supplies	315	315	0
Total expenditures	<u>14,708</u>	<u>14,708</u>	<u>0</u>
Excess of revenues under expenditures	(1,693)	(1,693)	0
<u>Other financing sources:</u>			
Operating transfers in	<u>10,234</u>	<u>10,234</u>	<u>0</u>
Excess of revenues over expenditures and other financing sources	8,541	8,541	0
Fund balance at beginning of year	7,685	7,685	0
Prior year encumbrances appropriated	<u>3,557</u>	<u>3,557</u>	<u>0</u>
Fund balance at end of year	<u>\$ 19,783</u>	<u>\$ 19,783</u>	<u>\$ 0</u>

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - Athletics and Music Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 175,111	\$ 175,111	\$ 0
<u>Expenditures:</u>			
Current:			
Extracurricular activities:			
Academic and subject oriented activities:			
Other	20,045	20,045	0
Sports oriented activities:			
Salaries and wages	4,485	4,485	0
Purchased services	83,502	83,502	0
Other	91,712	91,712	0
Total sports oriented activities	179,699	179,699	0
Total expenditures	199,744	199,744	0
Excess of revenues under expenditures	(24,633)	(24,633)	0
<u>Other financing sources (uses):</u>			
Advances in	15,156	15,156	0
Advances out	(15,156)	(15,156)	0
Operating transfers in	24,740	24,740	0
Total other financing sources (uses)	24,740	24,740	0
Excess of revenues and other financing sources over expenditures	107	107	0
Fund balance at beginning of year	35,584	35,584	0
Prior year encumbrances appropriated	9,255	9,255	0
Fund balance at end of year	\$ 44,946	\$ 44,946	\$ 0



***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - Auxiliary Services Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 337,656	\$ 337,656	\$ 0
Interest	7,900	7,900	0
Total revenues	<u>345,556</u>	<u>345,556</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal:			
Salaries and wages	1,200	1,200	0
Operation of non-instructional services:			
Community services:			
Purchased services	224,480	224,480	0
Materials and supplies	154,806	154,806	0
Other	20,500	20,500	0
Total operation of non-instructional services	<u>399,786</u>	<u>399,786</u>	<u>0</u>
Total expenditures	<u>400,986</u>	<u>400,986</u>	<u>0</u>
Excess of revenues under expenditures	(55,430)	(55,430)	0
<u>Other financing sources:</u>			
Advances in	242	242	0
Excess of revenues under expenditures and other financing sources	(55,188)	(55,188)	0
Fund balance at beginning of year	35,805	35,805	0
Prior year encumbrances appropriated	<u>19,383</u>	<u>19,383</u>	<u>0</u>
Fund balance at end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Teacher Development Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 16,046	\$ 16,046	\$ 0
<u>Expenditures:</u>			
Current:			
Instructional staff:			
Salaries and wages	12,555	12,555	0
Total expenditures	12,555	12,555	0
Excess of revenues over expenditures	3,491	3,491	0
Fund balance at beginning of year	11,116	11,116	0
Fund balance at end of year	\$ 14,607	\$ 14,607	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Management Information Systems Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,723	\$ 10,723	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Administration:			
Salaries and wages	10,723	10,723	0
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - SchoolNet Development Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 4,000	\$ 4,000	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased services	4,000	4,000	0
Other	974	974	0
Total instruction	4,974	4,974	0
Total expenditures	4,974	4,974	0
Excess of revenues under expenditures	(974)	(974)	0
Fund balance at beginning of year	28	28	0
Prior year encumbrances appropriated	1,924	1,924	0
Fund balance at end of year	\$ 978	\$ 978	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Ohio Reads Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 64,000	\$ 64,000	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased services	4,000	4,000	0
Materials and supplies	63,390	63,390	0
Total expenditures	67,390	67,390	0
Excess of revenues under expenditures	(3,390)	(3,390)	0
Fund balance at beginning of year	5,852	5,852	0
Fund balance at end of year	\$ 2,462	\$ 2,462	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Summer Intervention Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 2,025	\$ 2,025	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	2,025	2,025	0
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Miscellaneous State Grants Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 25,000	\$ 25,000	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils			
Purchased services	25,082	25,082	0
Materials and supplies	1,385	1,385	0
Capital outlay - new	716	716	0
Total pupils	27,183	27,183	0
Total expenditures	27,183	27,183	0
Excess of revenues under expenditures	(2,183)	(2,183)	0
Fund balance at beginning of year	374	374	0
Prior year encumbrances appropriated	2,259	2,259	0
Fund balance at end of year	\$ 450	\$ 450	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Title II/Eisenhower Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 9,288	\$ 9,288	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	3,481	3,481	0
Materials and supplies	(3,481)	(3,481)	0
Total expenditures	0	0	0
Excess of revenues over expenditures	9,288	9,288	0
<u>Other financing sources (uses):</u>			
Advances in	2,694	2,694	0
Advances out	(2,694)	(2,694)	0
Total other financing sources (uses)	0	0	0
Excess of revenues over expenditures and other financing sources (uses)	9,288	9,288	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$ 9,288	\$ 9,288	\$ 0



***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Title VI-B Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 286,767	\$ 286,767	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Purchased services	107,162	107,162	0
Support services:			
Pupils:			
Salaries and wages	99,463	99,463	0
Fringe benefits	20,437	20,437	0
Total pupils	119,900	119,900	0
Instructional staff:			
Salaries and wages	39,848	39,848	0
Fringe benefits	5,857	5,857	0
Total instructional staff	45,705	45,705	0
Total expenditures	272,767	272,767	0
Excess of revenues over expenditures	14,000	14,000	0
<u>Other financing sources (uses):</u>			
Advances in	129,663	129,663	0
Advances out	(129,663)	(129,663)	0
Total other financing sources (uses)	0	0	0
Excess of revenues over expenditures and other financing sources (use)	14,000	14,000	0
Fund balance at beginning of year	27,674	27,674	0
Prior year encumbrances appropriated	7,991	7,991	0
Fund balance at end of year	\$ 49,665	\$ 49,665	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Title I Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 66,662	\$ 66,662	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	47,193	47,193	0
Fringe benefits	9,733	9,733	0
Materials and supplies	15	15	0
Total special	<u>56,941</u>	<u>56,941</u>	<u>0</u>
Support services:			
Instructional staff:			
Salaries and wages	4,264	4,264	0
Fringe benefits	661	661	0
Total instructional staff	<u>4,925</u>	<u>4,925</u>	<u>0</u>
Operation of non-instructional services:			
Community services:			
Salaries and wages	4,932	4,932	0
Fringe benefits	690	690	0
Total community services	<u>5,622</u>	<u>5,622</u>	<u>0</u>
Total expenditures	<u>67,488</u>	<u>67,488</u>	<u>0</u>
Excess of revenues under expenditures	(826)	(826)	0
<u>Other financing sources (uses):</u>			
Advances in	3,165	3,165	0
Advances out	<u>(3,165)</u>	<u>(3,165)</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures and other financing sources (uses)	(826)	(826)	0
Fund balance at beginning of year	14,402	14,402	0
Prior year encumbrances appropriated	615	615	0
Fund balance at end of year	<u>\$ 14,191</u>	<u>\$ 14,191</u>	<u>\$ 0</u>

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual - Title VI Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 20,791	\$ 20,791	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	31,543	31,543	0
Operation of non-instructional services:			
Community services:			
Capital outlay - new	3,221	3,221	0
Total expenditures	34,764	34,764	0
Excess of revenues under expenditures	(13,973)	(13,973)	0
<u>Other financing uses:</u>			
Refund of prior year receipts	(33)	(33)	0
Excess of revenues under expenditures and other financing uses	(14,006)	(14,006)	0
Fund balance at beginning of year	3,495	3,495	0
Prior year encumbrances appropriated	11,712	11,712	0
Fund balance at end of year	\$ 1,201	\$ 1,201	\$ 0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Drug Free School Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 14,708	\$ 14,708	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Salaries and wages	14,708	14,708	0
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$ 0	\$ 0	0

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Preschool Handicapped Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 20,425	\$ 20,425	\$ 0
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Salaries and wages	10,141	10,141	0
Fringe benefits	1,538	1,538	0
Purchased services	7,713	7,713	0
Total expenditures	19,392	19,392	0
Excess of revenues over expenditures	1,033	1,033	0
Fund balance at beginning of year	2,927	2,927	0
Prior year encumbrances appropriated	6,037	6,037	0
Fund balance at end of year	<u>\$ 9,997</u>	<u>\$ 9,997</u>	<u>\$ 0</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Miscellaneous Federal Grants Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 163,104	\$ 163,104	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	59,836	59,836	0
Purchased services	6,920	6,920	0
Materials and supplies	28,012	28,012	0
Capital outlay - new	109,866	109,866	0
Total regular	<u>204,634</u>	<u>204,634</u>	<u>0</u>
Support services:			
Instructional staff:			
Salaries and wages	10,378	10,378	0
Purchased services	136,390	136,390	0
Materials and supplies	62,058	62,058	0
Total instructional staff	<u>208,826</u>	<u>208,826</u>	<u>0</u>
Total expenditures	<u>413,460</u>	<u>413,460</u>	<u>0</u>
Excess of revenues under expenditures	(250,356)	(250,356)	0
<u>Other financing sources (uses):</u>			
Advances in	4,124	4,124	0
Advances out	(4,124)	(4,124)	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues under expenditures and other financing uses	(250,356)	(250,356)	0
Fund balance at beginning of year	220,212	220,212	0
Prior year encumbrances appropriated	34,363	34,363	0
Fund balance at end of year	<u>\$ 4,219</u>	<u>\$ 4,219</u>	<u>\$ 0</u>

## *DEBT SERVICE FUND*

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

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

## *CAPITAL PROJECTS FUND*

The capital projects fund is established to account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

*Permanent Improvement:* To account for all transactions related to the acquiring, constructing, or improving of permanent improvements.

*SchoolNet Equipment:* To account for monies received that are used to help the District obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

*Building Improvement:* To account for school improvement bond proceeds to be used for the acquisition, construction, or improvement of capital facilities.

***Nordonia Hills City School District***  
**Combining Balance Sheet**  
**All Capital Projects Funds**  
**June 30, 2001**

	<u>Permanent Improvement</u>	<u>Building Improvement</u>	<u>Total All Funds</u>
<u>Assets and other debits:</u>			
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 898,174	\$ 36,937,059	\$ 37,835,233
Taxes receivable	<u>358,145</u>	<u>0</u>	<u>358,145</u>
Total assets	<u>\$ 1,256,319</u>	<u>\$ 36,937,059</u>	<u>\$ 38,193,378</u>
 <u>Liabilities and fund equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 39,694	\$ 6,716	\$ 46,410
Contracts payable	0	1,939,143	1,939,143
Deferred revenue	<u>336,911</u>	<u>0</u>	<u>336,911</u>
Total liabilities	<u>376,605</u>	<u>1,945,859</u>	<u>2,322,464</u>
 <u>Fund equity:</u>			
Fund balance:			
Reserved for encumbrances	44,008	12,988,166	13,032,174
Reserved for property taxes	21,234	0	21,234
Unreserved:			
Undesignated	<u>814,472</u>	<u>22,003,034</u>	<u>22,817,506</u>
Total fund equity	<u>879,714</u>	<u>34,991,200</u>	<u>35,870,914</u>
Total liabilities and fund equity	<u>\$ 1,256,319</u>	<u>\$ 36,937,059</u>	<u>\$ 38,193,378</u>



***Nordonia Hills City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2001**

	<u>Permanent Improvement</u>	<u>Building Improvement</u>	<u>SchoolNet Equipment</u>	<u>Total All Funds</u>
<u>Revenues:</u>				
Taxes	\$ 575,637	\$ 0	\$ 0	\$ 575,637
Intergovernmental	57,091	0	18,110	75,201
Interest	0	1,839,091	0	1,839,091
Miscellaneous	4,720	2,100	0	6,820
Total revenues	<u>637,448</u>	<u>1,841,191</u>	<u>18,110</u>	<u>2,496,749</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	31,223	0	18,110	49,333
Support services:				
Fiscal	8,680	0	0	8,680
Business	12,625	22,169	0	34,794
Building acquisition and construction	515,797	5,327,822	0	5,843,619
Capital outlay	15,974	0	0	15,974
Total expenditures	<u>584,299</u>	<u>5,349,991</u>	<u>18,110</u>	<u>5,952,400</u>
Excess of revenues over (under) expenditures	53,149	(3,508,800)	0	(3,455,651)
<u>Other financing sources:</u>				
Proceeds of bonds	0	38,500,000	0	38,500,000
Excess of revenues and other financing sources over (under) expenditures	53,149	34,991,200	0	35,044,349
Fund balances at beginning of year	826,565	0	0	826,565
Fund balances at end of year	<u>\$ 879,714</u>	<u>\$ 34,991,200</u>	<u>\$ 0</u>	<u>\$ 35,870,914</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 734,809	\$ 569,809	\$ (165,000)
Intergovernmental	57,091	57,091	0
Miscellaneous	4,720	4,720	0
Total revenues	<u>796,620</u>	<u>631,620</u>	<u>(165,000)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	<u>31,223</u>	<u>31,223</u>	<u>0</u>
Support services:			
Fiscal:			
Other	<u>8,680</u>	<u>8,680</u>	<u>0</u>
Business:			
Purchased services	<u>12,625</u>	<u>12,625</u>	<u>0</u>
Capital outlay:			
Site improvement services:			
Capital outlay - replacement	<u>599,499</u>	<u>599,499</u>	<u>0</u>
Total expenditures	<u>652,027</u>	<u>652,027</u>	<u>0</u>
Excess of revenues over expenditures	144,593	(20,407)	(165,000)
Fund balance at beginning of year	809,878	809,878	0
Prior year encumbrances appropriated	<u>25,003</u>	<u>25,003</u>	<u>0</u>
Fund balance at end of year	<u>\$ 979,474</u>	<u>\$ 814,474</u>	<u>\$ (165,000)</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - Building Improvement Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 1,839,091	\$ 1,839,091	\$ 0
Miscellaneous	2,100	2,100	0
Total revenues	<u>1,841,191</u>	<u>1,841,191</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Business:			
Purchased services	7,522	7,522	0
Capital outlay - new	12,545	12,545	0
Total Support services	<u>20,067</u>	<u>20,067</u>	<u>0</u>
Capital outlay:			
Architecture and engineering services			
Purchased services	5,537,861	5,537,861	0
Building acquisition and construction services:			
Capital outlay - new	11,356,492	11,356,492	0
Total capital outlay	<u>16,894,353</u>	<u>16,894,353</u>	<u>0</u>
Total expenditures	<u>16,914,420</u>	<u>16,914,420</u>	<u>0</u>
Excess of revenues under expenditures	(15,073,229)	(15,073,229)	0
<u>Other financing sources:</u>			
Proceeds of bonds	38,500,000	38,500,000	0
Excess of revenues over expenditures and other financing sources	23,426,771	23,426,771	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	<u>\$ 23,426,771</u>	<u>\$ 23,426,771</u>	<u>\$ 0</u>

***Nordonia Hills City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (Non-GAAP Basis) and Actual - SchoolNet Fund  
For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 18,110	\$ 18,110	\$ 0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	18,110	18,110	0
Excess of revenues over expenditures	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	\$ 0	\$ 0	\$ 0

## *ENTERPRISE FUNDS*

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

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

*Adult Education:* To account for all revenues and expenses related to the provision of credit and non-credit classes to the general public.

*High School Bookstore Sales:* To account for the purchase and sale of books and school supplies as adopted by the Board of Education for resale to students of the High School.

***Nordonia Hills City School District***  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**June 30, 2001**

	<u>Food Service</u>	<u>Adult Education</u>	<u>High School Bookstore Sales</u>	<u>Total All Funds</u>
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 39,735	\$ 4,989	\$ 6,666	\$ 51,390
Intergovernmental receivable	16,700	0	0	16,700
Inventory held for resale	12,368	0	0	12,368
Materials and supplies inventory	5,571	0	0	5,571
Total current assets	74,374	4,989	6,666	86,029
<u>Non-current assets:</u>				
Fixed assets (net of accumulated depreciation)	55,541	0	0	55,541
Total assets	<u>\$ 129,915</u>	<u>\$ 4,989</u>	<u>\$ 6,666</u>	<u>\$ 141,570</u>
<u>Liabilities and fund equity:</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 8,565	\$ 0	0	\$ 8,565
Accrued wages	34,927	1,475	0	36,402
Intergovernmental payable	28,607	16	0	28,623
Deferred revenue	2,942	0	0	2,942
Total current liabilities	75,041	1,491	0	76,532
<u>Long-term liabilities:</u>				
Compensated absences payable	27,601	0	0	27,601
Total liabilities	102,642	1,491	0	104,133
<u>Fund equity:</u>				
Contributed capital:				
Capital contributed from:				
Governmental funds	1,195	0	0	1,195
Retained earnings:				
Unreserved	26,078	3,498	6,666	36,242
Total fund equity	27,273	3,498	6,666	37,437
Total liabilities and fund equity	<u>\$ 129,915</u>	<u>\$ 4,989</u>	<u>\$ 6,666</u>	<u>\$ 141,570</u>

***Nordonia Hills City School District***  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**All Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2001**

	<u>Food Service</u>	<u>Adult Education</u>	<u>High School Bookstore Sales</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>				
Tuition	\$ 0	\$ 3,283	\$ 0	\$ 3,283
Sales	755,331	0	19,694	775,025
Intergovernmental	16,700	0	0	16,700
Other operating revenues	<u>0</u>	<u>2,275</u>	<u>0</u>	<u>2,275</u>
Total operating revenue	<u>772,031</u>	<u>5,558</u>	<u>19,694</u>	<u>797,283</u>
<u>Operating expenses:</u>				
Salaries	354,683	730	0	355,413
Fringe benefits	101,267	67	0	101,334
Purchased services	15,017	3,253	0	18,270
Materials and supplies	13,692	0	0	13,692
Cost of sales	520,587	4,527	16,569	541,683
Depreciation	7,829	0	0	7,829
Other operating expenses	<u>3,971</u>	<u>638</u>	<u>0</u>	<u>4,609</u>
Total operating expenses	<u>1,017,046</u>	<u>9,215</u>	<u>16,569</u>	<u>1,042,830</u>
Operating gain (loss)	<u>(245,015)</u>	<u>(3,657)</u>	<u>3,125</u>	<u>(245,547)</u>
<u>Non-operating revenues (expenses):</u>				
Federal donated commodities	27,576	0	0	27,576
Operating grants	96,195	0	0	96,195
Interest	6,819	0	0	6,819
Loss on disposal of fixed assets	<u>(886)</u>	<u>0</u>	<u>0</u>	<u>(886)</u>
Total non-operating revenues (expenses)	<u>129,704</u>	<u>0</u>	<u>0</u>	<u>129,704</u>
Net income (loss)	(115,311)	(3,657)	3,125	(115,843)
Retained earnings at beginning of year	<u>141,389</u>	<u>7,155</u>	<u>3,541</u>	<u>152,085</u>
Retained earnings at end of year	26,078	3,498	6,666	36,242
Contributed capital at beginning and end of year	<u>1,195</u>	<u>0</u>	<u>0</u>	<u>1,195</u>
Total fund equity at end of year	<u>\$ 27,273</u>	<u>\$ 3,498</u>	<u>\$ 6,666</u>	<u>\$ 37,437</u>

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget (Non-GAAP Basis) and Actual - Food Service Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 759,167	\$ 759,167	\$ 0
Interest	6,819	6,819	0
Other revenues	96,195	96,195	0
Total revenues	<u>862,181</u>	<u>862,181</u>	<u>0</u>
<u>Expenses:</u>			
Salaries:			
Food service operations	343,855	343,855	0
Fringe benefits:			
Food service operations	101,267	101,267	0
Purchased services:			
Food service operations	15,017	15,017	0
Materials and supplies:			
Food service operations	500,383	500,383	0
Capital outlay:			
Capital outlay - new:			
Food service operations	26,610	26,610	0
Other:			
Food service operations	3,971	3,971	0
Total expenses	<u>991,103</u>	<u>991,103</u>	<u>0</u>
Excess of revenues under expenses	(128,922)	(128,922)	0
Fund equity at beginning of year	116,130	116,130	0
Prior year encumbrances appropriated	31,114	31,114	0
Fund equity at end of year	<u>\$ 18,322</u>	<u>\$ 18,322</u>	<u>\$ 0</u>



***Nordonia Hills City School District***  
**Schedule of Revenues, Expenses and Changes in Fund Equity**  
**Budget (Non-GAAP Basis) and Actual - Adult Education Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 4,048	\$ 4,048	\$ 0
Other revenues	2,275	2,275	0
Total revenues	<u>6,323</u>	<u>6,323</u>	<u>0</u>
<u>Expenses:</u>			
Salaries:			
Regular instruction	2,529	2,529	0
Fringe benefits:			
Regular instruction	67	67	0
Purchased services:			
Regular instruction	3,253	3,253	0
Materials and supplies:			
Regular instruction	4,527	4,527	0
Total expenses	<u>10,376</u>	<u>10,376</u>	<u>0</u>
Excess of revenues under expenses	(4,053)	(4,053)	0
Fund equity at beginning of year	8,970	8,970	0
Prior year encumbrances appropriated	72	72	0
Fund equity at end of year	<u>\$ 4,989</u>	<u>\$ 4,989</u>	<u>\$ 0</u>

***Nordonia Hills City School District***  
**Schedule of Revenues, Expenses and Changes in Fund Equity -**  
**Budget (Non-GAAP Basis) and Actual - High School Bookstore Sales Fund**  
**For the Fiscal Year Ended June 30, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 19,694	\$ 19,694	\$ 0
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	16,952	16,952	0
Excess of revenues over expenses before operating transfers	2,742	2,742	0
Operating transfers in	1,764	1,764	0
Operating transfers out	(1,764)	(1,764)	0
Excess of revenues over expenses	2,742	2,742	0
Fund equity at beginning of year	1,872	1,872	0
Prior year encumbrances appropriated	2,052	2,052	0
Fund equity at end of year	<u>\$ 6,666</u>	<u>\$ 6,666</u>	<u>\$ 0</u>

**Nordonia Hills City School District**  
**Combining Statement of Cash Flows**  
**All Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2001**

	Food Service	Adult Education	High School Bookstore Sales	Total All Funds
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 759,167	\$ 0	\$ 19,694	\$ 778,861
Cash received from tuition payments	0	4,048	0	4,048
Cash received from miscellaneous income	0	2,275	0	2,275
Cash payments to suppliers for goods and services	(498,204)	(4,527)	(16,952)	(519,683)
Cash payments to employees for services	(359,397)	(5,782)	0	(365,179)
Cash payments for employee benefits	(101,267)	(67)	0	(101,334)
Cash payments for other operating expenses	(3,971)	0	0	(3,971)
Net cash used for operating activities	<u>(203,672)</u>	<u>(4,053)</u>	<u>2,742</u>	<u>(204,983)</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	96,195	0	0	96,195
Transfers in	0	0	1,764	1,764
Transfers out	0	0	(1,764)	(1,764)
Net cash provided by noncapital financing activities	<u>96,195</u>	<u>0</u>	<u>0</u>	<u>96,195</u>
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	<u>(6,852)</u>	<u>0</u>	<u>0</u>	<u>(6,852)</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	<u>6,819</u>	<u>0</u>	<u>0</u>	<u>6,819</u>
Net increase (decrease) in cash and cash equivalents	(107,510)	(4,053)	2,742	(108,821)
Cash and cash equivalents at beginning of year	147,245	9,042	3,924	160,211
Cash and cash equivalents at end of year	<u>\$ 39,735</u>	<u>\$ 4,989</u>	<u>\$ 6,666</u>	<u>\$ 51,390</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>				
Operating loss	<u>\$ (245,015)</u>	<u>\$ (3,657)</u>	<u>\$ 3,125</u>	<u>\$ (245,547)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:				
Depreciation	7,829	0	0	7,829
Federal donated commodities	27,576	0	0	27,576
Loss on disposal of fixed assets	886	0	0	886
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	2,060	0	0	2,060
Intergovernmental receivable	(16,700)	0	0	(16,700)
Materials and supplies inventory	(590)	0	0	(590)
Inventory held for resale	16,453	0	0	16,453
Increase (decrease) in liabilities:				
Accounts payable	(6,999)	(72)	(383)	(7,454)
Accrued wages and benefits	3,382	(272)	0	3,110
Compensated absences payable	5,019	0	0	5,019
Intergovernmental payable	2,427	(52)	0	2,375
Total adjustments	<u>41,343</u>	<u>(396)</u>	<u>(383)</u>	<u>40,564</u>
Net cash used for operating activities	<u>\$ (203,672)</u>	<u>\$ (4,053)</u>	<u>\$ 2,742</u>	<u>\$ (204,983)</u>

## *AGENCY FUND*

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

*Student Managed Activity:* To account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

***Nordonia Hills City School District***  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended June 30, 2001**

	<u>Beginning Balance July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2001</u>
<b><u>Student Managed Activity</u></b>				
<b><u>Assets:</u></b>				
Equity in pooled cash and cash equivalents	\$ 57,915	\$ 26,042	\$ 0	\$ 83,957
Receivables:				
Accounts	<u>527</u>	<u>0</u>	<u>7</u>	<u>520</u>
Total assets	<u>\$ 58,442</u>	<u>\$ 26,042</u>	<u>\$ 7</u>	<u>\$ 84,477</u>
 <b><u>Liabilities:</u></b>				
Accounts payable	\$ 1,816	\$ 966	\$ 0	\$ 2,782
Due to students	<u>56,626</u>	<u>25,069</u>	<u>0</u>	<u>81,695</u>
Total liabilities	<u>\$ 58,442</u>	<u>\$ 26,035</u>	<u>\$ 0</u>	<u>\$ 84,477</u>

## *GENERAL FIXED ASSETS ACCOUNT GROUP*

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

***Nordonia Hills City School District***  
**Schedule of General Fixed Assets by Source**  
**As of June 30, 2001**

General Fixed Assets:

Land and Land Improvements	\$ 1,683,883
Buildings	9,976,120
Furniture, Fixtures and Equipment	5,063,745
Vehicles	2,556,604
Construction in Process	<u>3,240,638</u>
Total General Fixed Assets	<u>\$ 22,520,990</u>

Investment in General Fixed Assets  
by Source:

General Fund	\$ 7,371,211
Capital Projects Fund	<u>15,149,779</u>
Total General Fixed Assets	<u>\$ 22,520,990</u>

***Nordonia Hills City School District***  
**Schedule of General Fixed Assets by Function and Activity**  
**As of June 30, 2001**

Function	Land and Land Improvements	Buildings	Furniture, Fixtures, and Equipment	Vehicles	Construction in Process	Total
Instruction:						
Regular	\$ 0	\$ 0	\$ 3,942,940	\$ 0	\$ 0	\$ 3,942,940
Special	0	0	12,241	0	0	12,241
Support services:						
Pupils	0	0	24,692	0	0	24,692
Instructional staff	0	0	26,970	0	0	26,970
Board of education	0	0	945	0	0	945
Administration	0	0	70,079	0	0	70,079
Fiscal	0	0	22,891	0	0	22,891
Business	0	0	274,918	0	0	274,918
Operation of maintenance of plant	0	0	182,578	0	0	182,578
Pupil transportation	0	0	13,161	0	0	13,161
Extracurricular activities						
Academic and subject oriented activities	0	0	44,740	0	0	44,740
Sport oriented activities	0	0	17,942	0	0	17,942
Capital outlay	<u>1,683,883</u>	<u>9,976,120</u>	<u>429,648</u>	<u>2,556,604</u>	<u>3,240,638</u>	<u>17,886,893</u>
Total General Fixed Assets	<u>\$ 1,683,883</u>	<u>\$ 9,976,120</u>	<u>\$ 5,063,745</u>	<u>\$ 2,556,604</u>	<u>\$ 3,240,638</u>	<u>\$ 22,520,990</u>



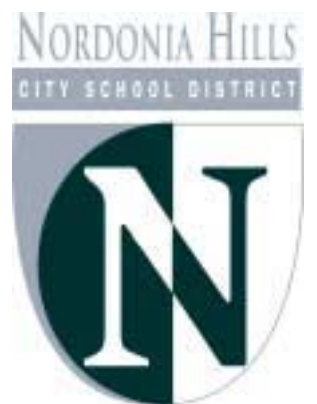
***Nordonia Hills City School District***  
**Schedule of Changes in General Fixed Assets by Function**  
**For the Fiscal Year Ended June 30, 2001**

Function	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Instruction:				
Regular	\$ 3,934,729	\$ 609,448	\$ 601,238	\$ 3,942,939
Special	510	11,731	0	12,241
Support services:				
Pupils	11,280	13,412	0	24,692
Instructional staff	26,195	3,334	2,559	26,970
Board of education	0	945	0	945
Administration	71,384	5,968	7,273	70,079
Fiscal	15,123	7,768	0	22,891
Business	260,223	14,695	0	274,918
Operation of maintenance of plant	112,816	75,158	5,396	182,578
Pupil transportation	11,611	1,550	0	13,161
Extracurricular activities				
Academic and subject oriented activities	40,320	4,420	0	44,740
Sport oriented activities	14,424	3,518	0	17,942
Capital outlay	14,121,656	3,782,405	17,167	17,886,894
Total General Fixed Assets	<u>\$ 18,620,271</u>	<u>\$ 4,534,352</u>	<u>\$ 633,633</u>	<u>\$ 22,520,990</u>

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## **Statistical Section**

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**Nordonia Hills City School District**

**General Governmental Revenues by Source and Expenditures by Function**

**Last Ten Fiscal Years**

	2001 (1)	2000 (1)	1999 (1)	1998 (1)
<u>Revenues:</u>				
Taxes	\$ 19,947,274	\$ 18,216,046	\$ 17,779,112	\$ 17,005,369
Intergovernmental	8,167,074	7,822,492	7,994,596	7,281,193
Interest	3,213,967	572,709	426,259	400,241
Tuition and fees	334,621	259,134	193,086	406,117
Extracurricular activities	305,795	293,557	466,251	239,257
Contributions and donations	119,019	131,444	78,787	101,831
Rentals	23,530	23,698	20,018	20,441
Miscellaneous	95,187	101,801	131,900	189,595
Total revenues	<u>\$ 32,206,467</u>	<u>\$ 27,420,881</u>	<u>\$ 27,090,009</u>	<u>\$ 25,644,044</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 12,590,915	\$ 12,430,124	\$ 11,228,438	\$ 10,688,701
Special	2,306,957	2,170,228	1,942,350	1,822,878
Vocational	354,334	331,757	313,983	301,529
Adult/continuing	0	0	0	0
Other	160,436	0	0	0
Support services:				
Pupils	2,307,621	2,103,605	1,963,749	1,780,347
Instructional staff	1,148,580	1,134,844	757,796	714,039
Board of education	132,341	113,050	119,605	107,750
Administration	2,235,003	1,963,874	1,802,060	1,944,860
Fiscal	718,609	661,481	628,847	586,684
Business	406,300	368,380	264,855	307,346
Operation and maintenance of plant	2,947,448	2,566,156	2,462,910	2,521,715
Pupil transportation	1,727,556	1,773,231	1,327,326	1,148,630
Central	42,301	27,166	26,512	26,180
Operation of non-instructional services	396,396	311,930	301,580	235,312
Extracurricular activities	870,047	844,553	740,776	707,776
Capital outlay	15,974	337,918	291,407	558,021
Building acquisition and construction	6,034,083	0	0	0
Debt service				
Principal retirement	38,500,000	404	23,928	57,238
Interest and fiscal charges	1,807,938	139	1,447	15,105
Total expenditures	<u>\$ 74,702,839</u>	<u>\$ 27,138,840</u>	<u>\$ 24,197,569</u>	<u>\$ 23,524,111</u>

Source: School District financial records.

(1) 1993 through 2001 reported on a GAAP basis; all other years on cash basis.

Note: General Governmental includes all governmental fund types.

1997 (1)	1996 (1)	1995 (1)	1994 (1)	1993 (1)	1992
\$ 15,354,959	\$ 13,565,269	\$ 13,100,439	\$ 11,668,215	\$ 10,259,523	\$ 10,102,719
6,752,893	6,711,098	6,088,429	5,924,686	5,568,512	5,550,879
212,951	292,390	273,127	121,317	139,208	215,740
229,625	172,861	91,052	48,960	74,613	51,832
219,883	225,542	196,200	176,836	91,978	84,674
93,472	32,710	50,005	55,872	0	0
5,821	6,342	17,105	29,156	30,107	0
164,486	44,324	28,240	12,132	133,409	196,097
<u>\$ 23,034,090</u>	<u>\$ 21,050,536</u>	<u>\$ 19,844,597</u>	<u>\$ 18,037,174</u>	<u>\$ 16,297,350</u>	<u>\$ 16,201,941</u>
\$ 10,234,691	\$ 9,985,104	\$ 9,118,484	\$ 8,281,961	\$ 8,157,481	\$ 7,492,572
1,777,526	1,690,787	1,312,112	1,262,708	1,158,257	992,721
265,105	250,654	251,244	242,340	246,695	245,710
0	0	38,579	0	0	0
0	0	0	0	0	51,830
1,623,064	1,577,412	1,378,649	1,325,128	1,152,092	1,094,367
616,575	566,258	432,121	538,020	542,593	520,209
127,662	126,434	111,512	94,124	103,582	89,856
1,696,578	1,629,227	1,562,143	1,403,695	1,287,799	1,166,404
583,489	515,337	478,142	485,842	435,682	440,061
253,093	286,024	255,290	236,112	231,159	205,325
2,568,601	2,421,665	2,134,289	2,272,162	2,210,728	2,032,546
1,404,430	1,069,103	1,065,008	1,005,190	992,316	1,046,760
25,882	26,465	30,834	8,409	1,066	10,649
245,858	224,532	15,817	15,650	11,248	174,228
676,186	589,976	545,859	496,641	445,323	460,239
896,806	267,098	690,991	403,936	260,217	487,178
0	0	0	0	0	0
138,565	28,550	28,152	262,710	158,604	101,575
37,542	21,829	28,495	28,329	24,089	0
<u>\$ 23,171,653</u>	<u>\$ 21,276,455</u>	<u>\$ 19,477,721</u>	<u>\$ 18,362,957</u>	<u>\$ 17,418,931</u>	<u>\$ 16,612,230</u>

***Nordonia Hills City School District***

**Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)**

**Last Ten Calendar Years**

<u>Year (2)</u>	<u>Current Levy</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection as a Percent of Total Levy</u>	<u>Delinquent Taxes Receivable</u>
2000	\$ 20,220,976	\$ 955,275	\$ 21,176,251	\$ 19,479,378	96.33 %	\$ 558,633	\$ 20,038,011	94.62 %	\$ 1,138,240
1999	19,617,346	997,090	20,614,436	19,002,322	96.86	766,738	19,769,060	95.90	845,376
1998	18,908,812	886,807	19,795,619	18,359,417	97.09	593,978	18,953,395	95.75	842,224
1997	18,084,246	867,137	18,951,383	17,688,834	97.81	483,720	18,172,554	95.89	778,829
1996	15,987,265	1,132,391	17,119,656	15,633,462	97.79	564,904	16,198,366	94.62	921,290
1995	14,618,315	1,230,780	15,849,095	14,216,897	97.25	482,551	14,699,448	92.75	1,149,647
1994	14,013,906	1,389,051	15,402,957	13,609,993	97.12	500,028	14,110,021	91.61	1,292,936
1993	11,165,809	1,957,593	13,123,402	10,721,402	96.02	432,039	11,153,441	84.99	1,969,961
1992	11,092,475	2,089,253	13,181,728	10,616,423	95.71	500,181	11,116,604	84.33	2,065,124
1991	10,726,273	1,943,026	12,669,299	10,298,311	96.01	555,205	10,853,516	85.67	1,815,783

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

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

(2) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.



***Nordonia Hills City School District***

**Assessed Valuation and Estimated Actual Value of Taxable Property**

**Last Ten Collection Years**

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2001	\$ 637,061,940	\$ 1,820,176,971	\$ 35,666,200	\$ 40,529,773	\$ 59,055,468	\$ 236,221,872	\$ 731,783,608	\$ 2,096,928,616
2000	602,368,310	1,721,052,314	38,581,210	43,842,284	62,654,058	250,616,232	703,603,578	2,015,510,830
1999	529,700,520	1,513,430,057	38,414,560	43,652,909	62,654,058	250,616,232	630,769,138	1,807,699,198
1998	494,613,330	1,413,180,943	38,384,610	43,618,875	63,572,331	254,289,324	596,570,271	1,711,089,142
1997	465,900,050	1,331,143,000	38,584,360	43,845,864	60,547,761	242,191,044	565,032,171	1,617,179,908
1996	364,387,130	1,041,106,086	39,484,300	44,868,523	44,013,800	176,055,200	447,885,230	1,262,029,808
1995	345,079,510	985,941,457	33,058,480	37,566,455	34,830,816	139,323,264	412,968,806	1,162,831,176
1994	329,003,600	940,010,286	31,944,390	36,300,443	30,655,828	122,623,312	391,603,818	1,098,934,041
1993	291,685,460	833,387,029	31,794,980	36,130,659	29,762,779	119,051,116	353,243,219	988,568,804
1992	284,624,040	813,211,543	28,938,110	32,884,216	34,079,236	136,316,944	347,641,386	982,412,703

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

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

(2) Public utility personal is assessed at 88% of actual value.

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

**Nordonia Hills City School District**

**Property Tax Rates - Direct and Overlapping Governments (1)**

**Last Ten Calendar Years**

Collection Year		School Levy	County Levy	City/Village Township	Cuyahoga Valley Career Center	North Hills Water District	Akron/Summit Library	Total
2001	Boston Heights Village	57.94	13.07	7.35	2.00	0.00	1.39	81.75
	Macedonia City	57.94	13.07	8.70	2.00	0.00	1.39	83.10
	Northfield Center Township	57.94	13.07	13.15	2.00	0.40	1.39	87.95
	Northfield Village	57.94	13.07	5.98	2.00	0.00	1.39	80.38
	Sagamore Hills Township	57.94	13.07	13.93	2.00	0.00	1.39	88.33
	Boston Heights Village	57.94	13.07	7.35	2.00	0.40	1.39	82.15
	Sagamore Hills Township	57.94	13.07	13.93	2.00	0.40	1.39	88.73
	Twinsburg Township	57.94	12.22	13.61	2.00	0.00	1.39	87.16
	Northfield Center Township	57.94	13.07	13.15	2.00	0.00	1.39	87.55
	Northfield Village	57.94	13.07	5.98	2.00	0.40	1.39	80.78
Macedonia City	57.94	13.07	8.70	2.00	0.40	1.39	83.50	
2000	Boston Heights Village	54.29	12.27	7.35	2.00	0.00	1.39	77.30
	Macedonia City	54.29	12.27	8.70	2.00	0.00	1.39	78.65
	Northfield Center Township	54.29	12.27	13.64	2.00	0.40	1.39	83.99
	Northfield Village	54.29	12.27	5.98	2.00	0.00	1.39	75.93
	Sagamore Hills Township	54.29	12.27	13.93	2.00	0.00	1.39	83.88
	Boston Heights Village	54.29	12.27	7.35	2.00	0.40	1.39	77.70
	Sagamore Hills Township	54.29	12.27	13.93	2.00	0.40	1.39	84.28
	Twinsburg Township	54.29	11.42	13.61	2.00	0.00	1.39	82.71
	Northfield Center Township	54.29	12.27	13.64	2.00	0.00	1.39	83.59
	Northfield Village	54.29	12.27	5.98	2.00	0.40	1.39	76.33
Macedonia City	54.29	12.27	8.70	2.00	0.40	1.39	79.05	
1999	Boston Heights Village	54.29	12.27	8.10	2.00	0.00	1.79	78.45
	Macedonia City	54.29	12.27	8.70	2.00	0.00	1.79	79.05
	Northfield Center Township	54.29	12.27	13.64	2.00	0.40	1.79	84.39
	Northfield Village	54.29	12.27	5.98	2.00	0.00	1.79	76.33
	Sagamore Hills Township	54.29	12.27	16.18	2.00	0.00	1.79	86.53
	Boston Heights Village	54.29	12.27	8.10	2.00	0.40	1.79	78.85
	Sagamore Hills Township	54.29	12.27	16.18	2.00	0.40	1.79	86.93
	Twinsburg Township	54.29	11.42	13.61	2.00	0.00	1.79	83.11
	Northfield Center Township	54.29	12.27	13.64	2.00	0.00	1.79	83.99
	Northfield Village	54.29	12.27	5.98	2.00	0.40	1.79	76.73
Macedonia City	54.29	12.27	8.70	2.00	0.40	1.79	79.45	
1998	Boston Heights Village	54.29	11.65	8.10	2.00	0.00	1.87	77.91
	Macedonia City	54.29	11.65	8.70	2.00	0.00	1.87	78.51
	Northfield Center Township	54.29	11.65	13.64	2.00	1.40	1.87	84.85
	Northfield Village	54.29	11.65	5.98	2.00	0.00	1.87	75.79
	Sagamore Hills Township	54.29	11.65	15.18	2.00	0.00	1.87	84.99
	Boston Heights Village	54.29	11.65	8.10	2.00	1.40	1.87	79.31
	Sagamore Hills Township	54.29	11.65	15.18	2.00	1.40	1.87	86.39
	Twinsburg Township	54.29	10.80	13.61	2.00	0.00	1.87	82.57
	Northfield Center Township	54.29	11.65	13.64	2.00	0.00	1.87	83.45
	Northfield Village	54.29	11.65	5.98	2.00	1.40	1.87	77.19
1997	Boston Heights Village	54.29	11.39	8.10	2.00	0.00	0.89	76.67
	Macedonia City	54.29	11.39	8.70	2.00	0.00	0.89	77.27
	Northfield Center Township	54.29	11.39	13.64	2.00	3.75	0.89	85.96
	Northfield Village	54.29	11.39	4.98	2.00	0.00	0.89	73.55
	Sagamore Hills Township	54.29	11.39	15.18	2.00	0.00	0.89	83.75
	Boston Heights Village	54.29	11.39	8.10	2.00	3.75	0.89	80.42
	Sagamore Hills Township	54.29	11.39	15.18	2.00	3.75	0.89	87.50
	Twinsburg Township	54.29	10.54	13.61	2.00	0.00	0.89	81.33
	Northfield Center Township	54.29	11.39	13.64	2.00	0.00	0.89	82.21
	Northfield Village	54.29	11.39	4.98	2.00	3.75	0.89	77.30

(Continued)

**Nordonia Hills City School District**

**Property Tax Rates - Direct and Overlapping Governments (1)**

**Last Ten Calendar Years**

Collection Year		School Levy	County Levy	City/Village Township	Cuyahoga Valley Career Center	North Hills Water District	Akron/Summit Library	Total
1996	Boston Heights Village	54.29	13.99	8.10	2.00	0.00	0.89	79.27
	Macedonia City	54.29	13.99	9.10	2.00	0.00	0.89	80.27
	Northfield Center Township	54.29	13.99	13.64	2.00	3.75	0.89	88.56
	Northfield Village	54.29	13.99	4.98	2.00	0.00	0.89	76.15
	Sagamore Hills Township	54.29	13.99	15.18	2.00	0.00	0.89	86.35
	Boston Heights Village	54.29	13.99	8.10	2.00	3.75	0.89	83.02
	Sagamore Hills Township	54.29	13.99	15.18	2.00	3.75	0.89	90.10
	Twinsburg Township	54.29	13.14	13.61	2.00	0.00	0.89	83.93
	Northfield Center Township	54.29	13.99	13.64	2.00	0.00	0.89	84.81
Northfield Village	54.29	13.99	4.98	2.00	3.75	0.89	79.90	
1995	Boston Heights Village	54.29	14.16	8.10	2.00	0.00	0.89	79.44
	Macedonia City	54.29	14.16	9.10	2.00	0.00	0.89	80.44
	Northfield Center Township	54.29	14.16	13.64	2.00	3.75	0.89	88.73
	Northfield Village	54.29	14.16	4.98	2.00	0.00	0.89	76.32
	Sagamore Hills Township	54.29	14.16	15.18	2.00	0.00	0.89	86.52
	Boston Heights Village	54.29	14.16	8.10	2.00	3.75	0.89	83.19
	Sagamore Hills Township	54.29	14.16	15.18	2.00	3.75	0.89	90.27
	Twinsburg Township	54.29	13.31	13.61	2.00	0.00	0.89	84.10
	Northfield Center Township	54.29	14.16	13.64	2.00	0.00	0.89	84.98
Northfield Village	54.29	14.16	4.98	2.00	3.75	0.89	80.07	
1994	Boston Heights Village	54.29	12.31	5.60	2.00	0.00	0.89	75.09
	Macedonia City	54.29	12.31	9.30	2.00	0.00	0.89	78.79
	Northfield Center Township	54.29	12.31	12.14	2.00	3.75	0.89	85.38
	Northfield Village	54.29	12.31	4.98	2.00	0.00	0.89	74.47
	Sagamore Hills Township	54.29	12.31	15.18	2.00	0.00	0.89	84.67
	Sagamore Hills Township	54.29	12.31	15.18	2.00	3.75	0.89	88.42
	Twinsburg Township	54.29	11.56	13.61	2.00	0.00	0.89	82.35
	Northfield Center Township	54.29	12.31	12.14	2.00	0.00	0.89	81.63
	Northfield Village	54.29	12.31	4.98	2.00	3.75	0.89	78.22
1993	Boston Heights Village	47.29	12.59	5.60	2.00	0.00	0.89	68.37
	Macedonia City	47.29	12.59	9.42	2.00	0.00	0.89	72.19
	Northfield Center Township	47.29	12.59	12.14	2.00	4.15	0.89	79.06
	Northfield Village	47.29	12.59	4.98	2.00	0.00	0.89	67.75
	Sagamore Hills Township	47.29	12.59	15.18	2.00	0.00	0.89	77.95
	Sagamore Hills Township	47.29	12.59	15.18	2.00	4.15	0.89	82.10
	Twinsburg Township	47.29	11.84	12.47	2.00	0.00	0.89	74.49
	Northfield Center Township	47.29	12.59	12.14	2.00	0.00	0.89	74.91
	Northfield Village	47.29	12.59	4.98	2.00	4.15	0.89	71.90
1992	Boston Heights Village	47.39	12.59	5.60	2.00	0.00	0.89	68.47
	Macedonia City	47.39	12.59	9.42	2.00	0.00	0.89	72.29
	Northfield Center Township	47.39	12.59	12.14	2.00	3.40	0.89	78.41
	Northfield Village	47.39	12.59	4.98	2.00	0.00	0.89	67.85
	Sagamore Hills Township	47.39	12.59	13.18	2.00	0.00	0.89	76.05
	Sagamore Hills Township	47.39	12.59	13.18	2.00	3.40	0.89	79.45
	Twinsburg Township	47.39	11.84	9.58	2.00	0.00	0.89	71.70
	Northfield Center Township	47.39	12.59	12.14	2.00	0.00	0.89	75.01
	Northfield Village	47.39	12.59	4.98	2.00	3.40	0.89	71.25

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

Note: (1) Property tax rates are based on \$1,000 of assessed valuation.

***Nordonia Hills City School District***  
**Computation of Legal Debt Margin**  
**June 30, 2001**

Assessed Valuation	<u>\$ 731,783,608</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>65,860,525</u>
Total outstanding debt	<u>38,499,963</u>
Overall Debt Margin	<u><u>\$ 65,860,525</u></u>
Bonded Debt Limit - .10% of Assessed Value (1)	<u>\$ 731,784</u>
Total outstanding debt	<u>0</u>
Unvoted Debt Margin	<u><u>\$ 731,784</u></u>

Source: Summit County Auditor

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

***Nordonia Hills City School District***

**Ratio of Net General Obligation Bonded Debt to**

**Assessed Value and Net General Obligation Bonded Debt Per Capita**

**Last Ten Fiscal Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2001	\$ 38,500,000	\$ 731,783,608	23,623	5.26 %	\$ 1,629.77
1993	85,000	353,243,219	23,623	0.02	3.60
1992	170,000	347,641,386	23,623	0.05	7.20

Source: Summit County Auditor and School District records.

(1) From 1994 to 2000 the School District had no net bonded debt.

(2) Population data for 1992, 1993 and 2001 was assumed to be the same as the 1990 census as interim data was not available.

***Nordonia Hills City School District***  
**Ratio of Annual Debt Service Expenditures for**  
**General Obligation Bonded Debt to Total Governmental Expenditures**  
**Last Ten Fiscal Years (1)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2001	\$ 0	\$ 917,679	\$ 917,679	\$ 74,702,839	1.23 %
1994	85,000	2,762	87,762	18,362,957	0.48
1993	85,000	8,287	93,287	17,418,931	0.54
1992	85,000	13,812	98,812	16,612,230	0.59

Source: School District records and Audit Reports

(1) From 1995 to 2000 the School District had no bonded debt. While the District issued bonded debt in December 2000, there were no principal payments in the fiscal period.

***Nordonia Hills City School District***  
**Demographic Statistics**

Selected Population Characteristic	2000	1990	1980
<u>Gender</u>			
Males	13,980	11,764	11,654
Females	14,528	11,859	11,570
<u>Age Distribution</u>			
Under 5 years	1,809	1,489	1,305
5 to 9 years	1,960	1,622	1,703
10 to 15 years	1,845	2,012	2,773
16 to 20 years	1,687	1,577	2,446
21 to 29 years	1,084	2,827	2,830
30 to 44 years	9,092	6,237	5,234
45 to 59 years	6,178	4,287	4,255
60 to 64 years	1,413	1,218	1,012
65 to 84 years	3,194	2,214	1,533
85 years and older	246	140	133
Percent of population under 21	26%	28%	35%
Percent of population 21 and older	74%	72%	65%
<u>Income (1)</u>			
Median family income	\$ 46,708	\$ 46,708	\$ 27,023
Per capital income	14,770	14,770	8,159

Source: U.S. Bureau of the Census

(1) 2000 Census information was not available.

***Nordonia Hills City School District***  
**Property Values, Bank Deposits and Construction**  
**Last Ten Calendar Years**

Year	Total Assessed Values	Financial Institution Bank Deposits	Value of New Construction
2000	\$ 731,783,608	\$ 7,920,486,000	\$ 31,667,000
1999	631,687,411	7,836,388,000	27,868,720
1998	596,570,271	5,749,282,000	24,733,900
1997	565,032,171	5,153,519,000	28,695,860
1996	447,885,230	4,342,660,000	32,057,250
1995	412,968,806	4,267,009,000	16,493,870
1994	391,603,818	4,199,905,000	11,822,270
1993	353,243,219	3,792,255,000	8,179,270
1992	347,641,386	3,737,694,000	8,376,330
1991	337,866,999	3,610,033,000	7,008,360

Sources:

Total Assessed Value - Summit County Auditor  
Financial Institution Deposits - Cleveland Federal Reserve Bank  
Value of New Construction - Summit County Auditor



**Nordonia Hills City School District**  
**Principal Taxpayers**

Top Taxpayers	Assessed Valuations					Percent of Total	Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total			Real Property	Tangible Personal	Public Utility	Total
Ohio Edison Co.	\$ 933,560	\$ 0	\$ 20,348,580	\$ 21,282,140	2.91 %	\$ 2,667,314	\$ 0	\$ 23,123,387	\$ 25,790,701	
Dorts LLC	5,205,610	0	0	5,205,610	0.71	14,873,171	0	0	14,873,171	
East Ohio Gas	159,600	0	4,494,660	4,654,260	0.64	456,000	0	5,107,568	5,563,568	
AERC Williamsburg, Inc.	4,451,300	0	0	4,451,300	0.61	12,718,000	0	0	12,718,000	
Northfield Park Associates	3,106,490	1,288,890	0	4,395,380	0.60	8,875,686	5,155,560	0	14,031,246	
Western Reserve Telephone	0	0	4,253,760	4,253,760	0.58	0	0	4,833,818	4,833,818	
Developers Diversified Realty	4,070,870	0	0	4,070,870	0.56	11,631,057	0	0	11,631,057	
Cleveland Elec. Illuminating	0	0	3,571,370	3,571,370	0.49	0	0	4,058,375	4,058,375	
Ben Venue Laboratories	0	3,536,650	0	3,536,650	0.48	0	14,146,600	0	14,146,600	
LTV Steel Co.	0	3,001,660	0	3,001,660	0.41	0	12,006,640	0	12,006,640	
<b>Total Top Ten Taxpayers</b>	<b>\$ 17,927,430</b>	<b>\$ 7,827,200</b>	<b>\$ 32,668,370</b>	<b>\$ 58,423,000</b>	<b>7.98 %</b>	<b>\$ 51,221,228</b>	<b>\$ 31,308,800</b>	<b>\$ 37,123,148</b>	<b>\$ 119,653,176</b>	
<b>Total All Assessed Valuations</b>	<b>\$ 637,061,940</b>	<b>\$ 59,055,468</b>	<b>\$ 35,666,200</b>	<b>\$ 731,783,608</b>	<b>100.00%</b>					

Sources: Summit County Auditor

***Nordonia Hills City School District***  
**Computation of Direct and Overlapping Bonded Debt**  
**December 31, 2000**

	<u>Assessed Valuation</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Nordonia Hills City School District</u>
Direct:				
Nordonia Hills City Schools	\$ 731,783,608	\$ <u>38,500,000</u>	100.00 %	\$ <u>38,500,000</u>
Indirect:				
City of Macedonia	325,308,353	13,969,590	97.70	\$ 13,648,136
Sagamore Hills Township	233,291,372	41,244	99.82	41,171
Metro Transit Authority	10,416,816,307	2,225,000	7.03	156,307
Summit County	10,416,816,307	<u>127,348,183</u>	7.03	<u>8,946,238</u>
Total overlapping		<u>143,584,017</u>		<u>22,791,852</u>
Total direct and overlapping debt		<u>\$ 182,084,017</u>		<u>\$ 61,291,852</u>

Sources: Summit County Auditor

(1) Includes all general obligation bonds and notes at December 31, 2000.

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

***Nordonia Hills City School District***

**Transportation Statistics**

**June 30, 2001**

Number of Assigned School Buses in Fleet:	39
Average Age of School Buses in Fleet: (Oldest: 14 years Most Recent: 8 months)	5.3 years
Number of Bus Drivers: (28 residents of Nordonia Hills City School District) (21% male; 79% female)	41
Average Number of Years Experience: (Most Service: 27 years Least Service: 4 months)	8
Number of Miles Driven Annually:	520,000 (approx.)
Annual Gallons of Fuel Consumed: Diesel	90,000 (approx.)
Gasoline	1,000 (approx.)
Number of Students Eligible for Transportation:	
Public School Students	3,716
Non-Public School Students (8 private schools)	953
Special Needs Students (4 out of district schools)	8
Preschool (1 out of district school)	<u>11</u>
Total:	4,688

Source: School District records

***Nordonia Hills City School District***

**Miscellaneous Statistics**

**Last Ten Fiscal Years (1)**

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Fall Enrollment	3,598	3,546	3,443	3,400
Average Teacher Salary	\$ 43,040	\$ 42,462	\$ 42,868	\$ 41,829
Percent of Teachers With No Degree	0.00%	0.00%	0.00%	0.00%
Percent of Teachers With Bachelor Degree	23.22%	17.65%	17.69%	18.12%
Percent of Teachers With Masters Degree	39.02%	38.24%	38.74%	39.04%
Average Teacher Experience (yrs.)	12.50	14.30	15.50	15.50
Pupil Attendance Rate	N/A	N/A	95.69%	95.94%
Graduation Rate	N/A	N/A	88.89%	87.89%
Percent of College Preparatory Graduates	N/A	N/A	71.37%	65.78%

Source: Ohio Department of Education and School District records

(1) Information not available for 2001

N/A - not available

	1996		1995		1994		1993		1992		1991
	3,264		3,163		3,102		3,013		3,005		2,852
\$	40,923	\$	37,880	\$	37,172	\$	36,969	\$	35,059	\$	34,229
	1.05%		1.09%		1.10%		0.69%		0.45%		0.00%
	18.98%		22.81%		18.60%		41.39%		18.28%		19.22%
	39.87%		38.66%		39.79%		27.46%		41.04%		43.14%
	15.70		14.90		15.60		15.30		14.70		15.70
	95.71%		95.80%		95.82%		95.64%		95.99%		95.70%
	80.66%		97.50%		90.52%		93.44%		90.76%		85.19%
	64.71%		55.56%		75.71%		55.37%		59.29%		61.84%

***Nordonia Hills City School District***

**Directory of School Facilities**

**June 30, 2001**

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>
Northfield Elementary	9374 Olde Eight Road Northfield, Ohio	Mrs. Mary Kelly	1-4
Rushwood Elementary	8200 Rushwood Lane Sagamore Hills, Ohio	Mrs. Irene Beville	K-4
Ledgeview Elementary	9130 Shepard Road Macedonia, Ohio	Mrs. Karen Muffley	K-4
Lee Eaton Elementary	115 Ledge Road Northfield, Ohio	Mr. Neil Roseberry	5-6
Nordonia Middle School	73 Leonard Avenue Northfield, Ohio	Mrs. Jennifer Vinson	7-8
Nordonia High School	8006 South Bedford Road Macedonia, Ohio	Mr. Charles Vrabel	9-12

Source: Nordonia Hills City School District records



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**NORDONIA HILLS CITY SCHOOL DISTRICT**

**SUMMIT 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  
MARCH 12, 2002**