

HEATH CITY SCHOOL DISTRICT
COLUMBUS REGION, LICKING COUNTY
AUDIT IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

July 1, 2001 through June 30, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Education
Heath City School District
107 Lancaster Drive
Heath, Ohio 45056

We have reviewed the Independent Auditor's Report of the Heath City School District, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

JIM PETRO
Auditor of State

December 27, 2002

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DRAFT

**Heath City School District
Licking County**

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

Board of Education
Heath City School District
107 Lancaster Drive
Heath, Ohio 43056

We have audited the financial statements of Heath City School District (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated November 6, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2002-001 through 2002-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated November 6, 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters

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coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2002-006. We also 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 November 6, 2002.

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 of risk the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Wilson, Shuman & Snow, Inc.

November 6, 2002

HEATH CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

June 30, 2002

Finding Number	2002-001
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Ohio Rev. Code 5705.36 states an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue.

The last amended certificate approved by the Budget Commission was on January 9, 2002, which totaled \$20,544,756. The estimated resources per the District's year-end cash report, the 4502, were \$13,982,321. The difference is \$6,562,435. The District has a certificate prepared to match the total resources of on the year-end report; however, as of July 16, 2002 the certificate was not filed with the budget Commission or approved by the Board of Education. The last amended certificate was utilized for budgetary testing of compliance.

Finding Number	2002-002
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Ohio Rev. Code Section 5705.38 states a Board of Education shall pass its annual appropriation measure by the first day of October. If a school district's annual appropriation measure is delayed as permitted by law, the Board may pass a temporary measure for meeting the ordinary expense of the district until it passes an annual appropriation measure.

The Board did not pass a final appropriation measure until June 10, 2002. The appropriations per the year-end report, the 4502, totaled \$25,744,906. The final approved appropriation measure totaled \$24,818,617. The District has prepared a final appropriation measure to match the year-end report; however, as of July 16, 2002 it was not approved by the Board of Education or the Budget Commission. The last approved appropriation measure was used for budgetary testing of compliance. As noted below, actual expenditures exceeded approved appropriations in the following funds:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Variance</u>
401	\$ 3,174	\$ 2,987	\$ (187)
002	1,446,057	1,289,492	(156,565)
004	15,272,017	15,078,474	(193,543)
006	372,206	345,830	(26,376)
	<u>\$ 17,093,454</u>	<u>\$ 16,716,783</u>	<u>\$ (376,671)</u>

Finding Number	2002-003
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Ohio Rev. Code 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. Appropriations exceeded total estimated resources in 15 funds. We recommend the District monitor the estimated resources throughout the fiscal year and obtain an amended certificate of estimated resources when needed.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
007	\$ 7,513	\$ 8,268	\$ (755)
019	9,297	13,626	(4,329)
200	101,681	129,273	(27,592)
300	70,848	73,006	(2,158)
452	8,000	12,142	(4,142)
459	-	2,000	(2,000)
514	3,851	9,169	(5,318)
516	2	124,671	(124,669)
524	226	863	(637)
572	1	65,190	(65,189)
573	249	12,497	(12,248)
584	727	9,242	(8,515)
588	18,894	28,679	(9,785)
	<u>\$ 221,289</u>	<u>\$ 488,626</u>	<u>\$ (267,337)</u>

Finding Number	2002-004
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Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The District passed its temporary appropriations on June 14, 2001 in the amount of \$10,146,140. The final appropriation measure was not passed until June 10, 2002 in the amount of \$24,818,617. Total expenditures for the year amounted to \$25,983,547. As a result, the District was making expenditures during the fiscal year that were not appropriated.

Finding Number	2002-005
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Ohio Rev. Code Section 3315.171 and 3315.18 require two reserve accounts to be established by each school district. The capital and textbook reserve is required to be calculated and set-aside annually, if the set-aside is not spent in one year it is carried forward to the next year. The reserve must be represented in cash at year-end, and the amount of the required reserve may be reduced by resources received during the year whose use is restricted to the purpose of one of the reserves.

The District is required to prepare a schedule at the end of each year that shows the balance of the set-aside carried forward from the previous year, a calculation of the current year set-aside, qualifying expenditures, any reductions to the required amount from receipts similarly restricted. The year-end balance of the reserve must be submitted with the school district's annual report.

The Board of Education in Resolution 54-02 instructed the Treasurer to "disregard mandates as set forth in HB 412". As a result, the set-asides were not calculated and other required documentation such as qualifying disbursements were not compiled.

Finding Number	2002-006
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The five-year forecast of the Heath City School District is predicting deficit spending for each fiscal year from 2002 through 2006. In addition, an actual cash deficit is predicted for fiscal year 2005 and 2006.

The District has addressed this issue by successfully passing a 5.6 mill operating levy on November 5, 2002.

Heath City School District

CORRECTIVE ACTION PLAN

June 30, 2002

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-001 & 2002-003	The Treasurer of the District will submit amended certificates of estimated resources as necessary to reflect sources of income that come available during the year.	This process will be implemented for fiscal year 2003.	Brad Hall, Treasurer
2002-002 & 2002-004	The Treasurer of the District will submit the final appropriation measure to the Board of Education and obtain approval.	This process will be implemented for fiscal year 2003.	Brad Hall, Treasurer
2002-005	The Treasurer of the District will establish capital and textbook reserve accounts required by ORC guidelines.	This process will be implemented for fiscal year 2003.	Brad Hall, Treasurer
2002-006	The Treasurer of the District will address this situation to determine what actions should be taken to eliminate the deficit spending and deficit cash balance.	The District passed an operating levy on November 5, 2002	Brad Hall, Treasurer

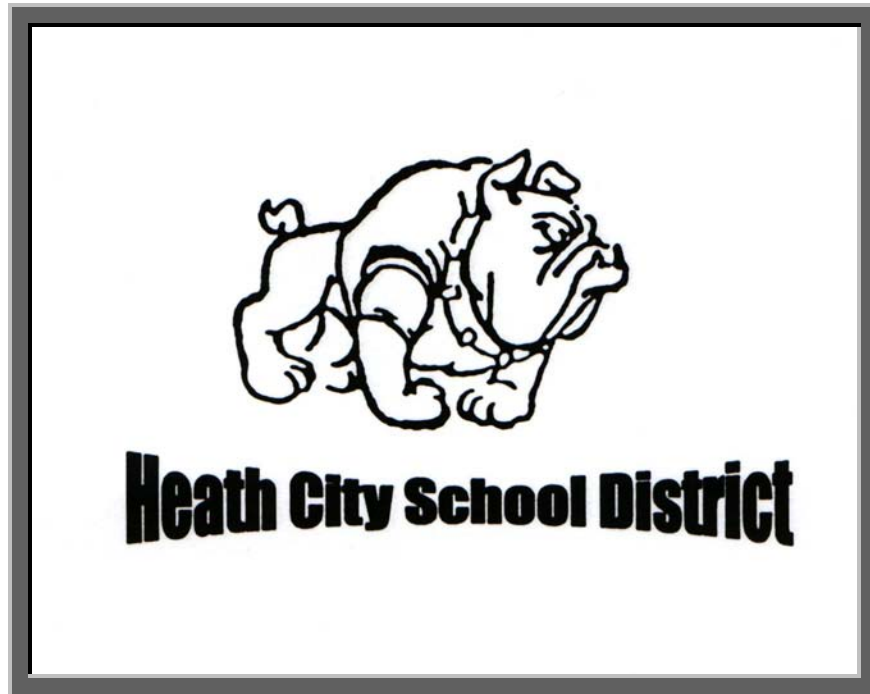
Heath City School District

STATUS OF PRIOR AUDIT FINDINGS

June 30, 2002

<u>Citations</u>	<u>Status</u>	<u>Comment if not fully implemented</u>
<u>Citations</u>		
1. ORC Section 5705.39	Not corrected	Treasurer will monitor this more closely.
2. ORC Section 5705.36	Not corrected	Treasurer will monitor this more closely.

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Heath, Ohio

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2002**

***HEATH CITY
SCHOOL DISTRICT***

LICKING COUNTY, OHIO

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2002

Prepared by:
Mr. Bradley T. Hall
Treasurer

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INTRODUCTORY SECTION

**Board of Education
Heath City Schools
Office of the Treasurer**



**107 Lancaster Drive
Heath, Ohio 43056
Phone: 740-522-1300
Fax: 740-522-4697**

December 1, 2002

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

As the Superintendent and Treasurer of the Heath City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2002 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

The District is located within the City of Heath in Licking County, which is situated in the east-central part of the state. Heath is a community of 8,500 people. It is located approximately 6 miles north of Interstate 70, 45 miles east of Columbus and is bounded on the north by Newark, the county seat of Licking County. State Routes 79 and 13 serve as the major transportation arteries.

Over the last twenty years, the City of Heath has become the center of commercial growth in Licking County. Cross Creek Shopping Center, the Indian Mound Mall and Southgate Shopping Center as well as large establishments such as Wal-Mart, Target and Best Buy draw shoppers from surrounding communities. National restaurant chains including Red Lobster, Applebee's, Olive Garden, Bob Evans and Tumbleweed have located in the heart of the commercial development to meet the needs of those who have come to shop at the various retail stores. Although retail sales around the country were sluggish in the past year, Heath retailers have held their own. National bankruptcies did cause the closing of the local Office Depot and Ames Department Store, but other businesses expanded. Mathews Ford and Noah's Ark Day Care both expanded and remodeled their facilities and a business addition was constructed adjacent to Kroger's. The conversion of the former Lowe's store to a Hobby Lobby and the construction of a Gordon's Food Service are currently in the planning stages. Industrial employment is expected to remain relatively constant. New businesses in 2001 (the latest information available) include a new Lowe's Superstore, a new Park Lanes Bowling alley, a new Hinderer Honda, Quick Way Carriers, National Lumber Distribution, Mattress Mart, Michael's Crafts, Huber Import and Mathews Ford Collision Center.

In the residential sector, thirty-four single family homes, fourteen condominium units and approximately fifty manufactured homes were constructed or located within the City.

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

MAJOR INITIATIVES

Current:

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

During fiscal year 2002, the District focused on the continuing growth in student enrollment. The Board of Education created the Beyond 2000 Task Force in 1998 for the purpose of studying the existing District facilities and making recommendations to the Board regarding additions and upgrades. The Task Force consisted entirely of Heath residents, nominated by the Administration and Board members. The Task Force presented to the Board of Education their recommendation to upgrade the entire District facilities. On March 7, 2000 voters of the Heath City School District passed a 3-mill replacement levy which is used to maintain current levels of operation and a 5.35-mill bond issue to upgrade all District facilities. In August 2000, the District issued \$16,248,718 of general obligation bonds to upgrade all District facilities.

The District undertook significant capital projects during fiscal year 2002, including the construction of a new high school, conversion of the old high school into a middle school and renovations to the elementary schools.

During the past year the accelerated math program has been implemented with several other technological updates including: computer upgrades in all buildings and the addition of new computer labs in both elementary schools.

The District has begun a mass preparation for the upcoming Ohio Graduation Test, all the while continuing to move the district report card from 21 out of 27 to 20 out of 22.

Future:

With the beginning of the 2003 school year, the Heath City School District officially opened their new high school, moved their middle school into the renovated existing high school and completed all improvements to both elementary schools and the bus garage.

The District will continue to evaluate all curriculum opportunities and build on raising the success rates of every student. With this will come an increase of the District's report card, which currently has a score of 21 out of a possible 27. This year's report card will be 20 out of 22. Curriculum plans for the future include:

- Continue implementation of Technology Plan and State Model Curriculum.
- Continue to investigate the option of all day Kindergarten.
- Offer various classes of summer remediation at no cost to students.
- Strive to reach the goal of 80% on proficiency tests.
- Review all curriculums and upgrade textbooks and materials.
- Continue on Textbook Selection and Course of Study Review Cycle.
- Increase opportunities of Post-secondary options.
- Implement district wide mapping of Proficiency outcomes.
- Continue to expand technical preparatory opportunities.

FINANCIAL INFORMATION

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

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

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

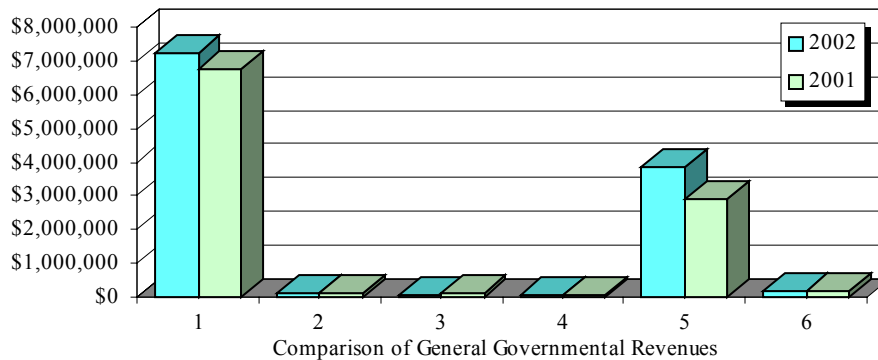
1. A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January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

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

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

General Governmental -- The following schedule is a summary of general governmental revenues (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2002 and the percentage increase/(decrease) over revenues for fiscal year 2001:

Revenues		2002 Amount	Percent of Total	2001 Amount	Percentage Increase (Decrease)
1	Taxes	\$7,217,229	62.99%	\$6,736,729	7.13%
2	Tuition and Fees	113,533	0.99%	109,700	3.49%
3	Investment Earnings	30,011	0.26%	102,015	(70.58%)
4	Extracurricular Activities	58,882	0.52%	60,091	(2.01%)
5	Intergovernmental Revenues	3,874,413	33.81%	2,916,421	32.85%
6	All Other	164,118	1.43%	180,243	(8.95%)
Total		<u>\$11,458,186</u>	<u>100.00%</u>	<u>\$10,105,199</u>	



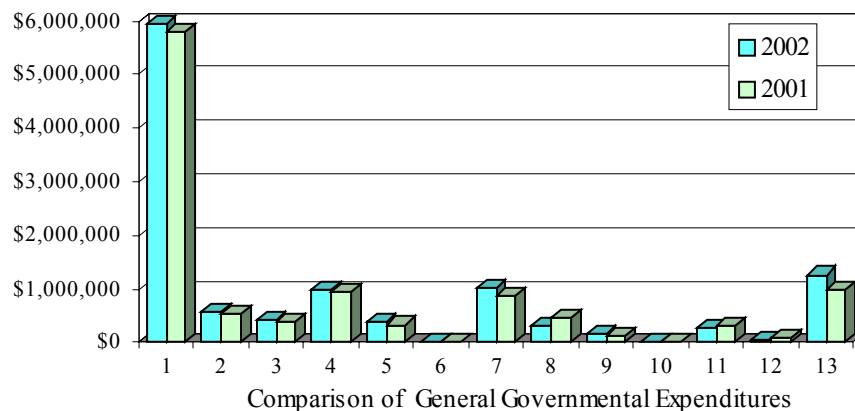
Tax revenues, the District's major source of revenue, account for approximately 63% of total general governmental revenues. The increase in taxes from fiscal year 2001 is the result of a full year's collection of the 5.35 mill levy that was approved by voters in May 2000.

Investment earnings decreased because less District funds, due to significant construction projects, were available for investment and interest rates declined during the past year.

The major source of intergovernmental revenues is the State's "Foundation Program". This program allocates state dollars to the Ohio districts based upon a basic aid formula which takes into account factors such as: (1) local ability to pay for education (tax base); (2) enrollment; (3) a per pupil allocation; and (4) allocations for various categorical programs such as special education, transportation, etc. The Supreme Court has ruled that the way the State currently funds schools in Ohio is unconstitutional. Footnote 18 provides a more comprehensive discussion of the school funding issue. The Foundation revenue increased by over \$830,000 in 2002. The remaining increase in intergovernmental revenues consisted of a new state program for reimbursements due to electric deregulation in the state and additional funding for special education needs.

The following schedule is a summary of general governmental expenditures (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2002 and the percentage increase/(decrease) over expenditures for fiscal year 2001:

Expenditures	2002 Amount	Percent of Total	2001 Amount	Percentage Increase (Decrease)
1 Instructional Services	\$5,952,355	52.07%	\$5,802,932	2.57%
2 Pupils	570,355	4.99%	540,511	5.52%
3 Instructional Staff	421,002	3.68%	401,606	4.83%
4 Board of Education / Administration	977,438	8.55%	961,925	1.61%
5 Fiscal Services	382,730	3.35%	333,600	14.73%
6 Business	17,890	0.16%	28,461	(37.14%)
7 Operation and Maintenance of Plant	1,008,194	8.82%	859,407	17.31%
8 Pupil Transportation Services	314,004	2.75%	448,592	(30.00%)
9 Central	162,022	1.42%	133,836	21.06%
10 Community Services	1,326	0.01%	14,972	(91.14%)
11 Extracurricular Activities	291,521	2.55%	305,602	(4.61%)
12 Other Expenditures	67,104	0.59%	102,249	(34.37%)
13 Debt Services	1,264,492	11.06%	997,629	26.75%
Total	<u>\$11,430,433</u>	<u>100.00%</u>	<u>\$10,931,322</u>	



The largest expenditures in the general governmental function are in the instruction/support services areas, which deal directly with teaching pupils and supporting services that supplement the teaching process. Salaries of teachers, counselors, and classroom aides, as well as the cost of textbooks and instructional materials are examples of expenditures in these functional areas. The overall increase of 4.6% in expenditures was a result of routine increases in salaries and wages of personnel.

The increase in expenditures for fiscal services was due to an increase in fees charged by the County in 2002 for the collection of taxes and additional consulting services.

The construction of the new high school resulted in an increase in operation and maintenance of plant expenditures.

Pupil transportation services decreased because two new school buses were purchased in 2001 and no additional buses were purchased in 2002.

The increase of central expenditures was due to several factors including an increase in data processing fees and an increase in liability insurance costs.

Due to lower revenue expectations, extracurricular activities expenditures were decreased in 2002. In 2001 expenditures were made for replacing and reconditioning equipment that were not repeated in 2002.

The decrease in community services expenditures was the result of the larger of two private schools moving to another school district thus reducing funding received from the State.

Debt service expenditures increased due to a full year of interest and principal payments on the general obligation bonds issued in 2001.

Enterprise Operations: -- The District's enterprise operations are comprised of Food Service and Uniform School Supply. On a combined basis for fiscal year 2002, the Enterprise Funds generated revenues of \$339,776 and expenses of \$466,824.

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

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

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

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

The District's debt position as of June 30, 2002 was as follows:

Overall Legal Debt Margin	\$2,986,403
Unvoted Legal Debt Margin	230,609
Net General Obligation Bonded Debt Payable from Property Taxes	17,768,418
Percentage of Assessed Value	7.70
General Bonded Debt per Capita	\$2,083.78

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

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

Investments are made with the primary objectives of:

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

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

RISK MANAGEMENT -- The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in footnote 13 of the general purpose financial statements included within the financial section of this report.

OTHER INFORMATION

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

AWARDS -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District received a Certificate of Achievement for the year ended June 30, 2001. We believe this, our fourth Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

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

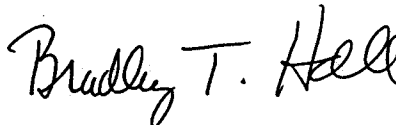
In closing, without the patience and support of the Treasurer's Office Staff and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,

Jay Gault
Superintendent



Bradley T. Hall
Treasurer

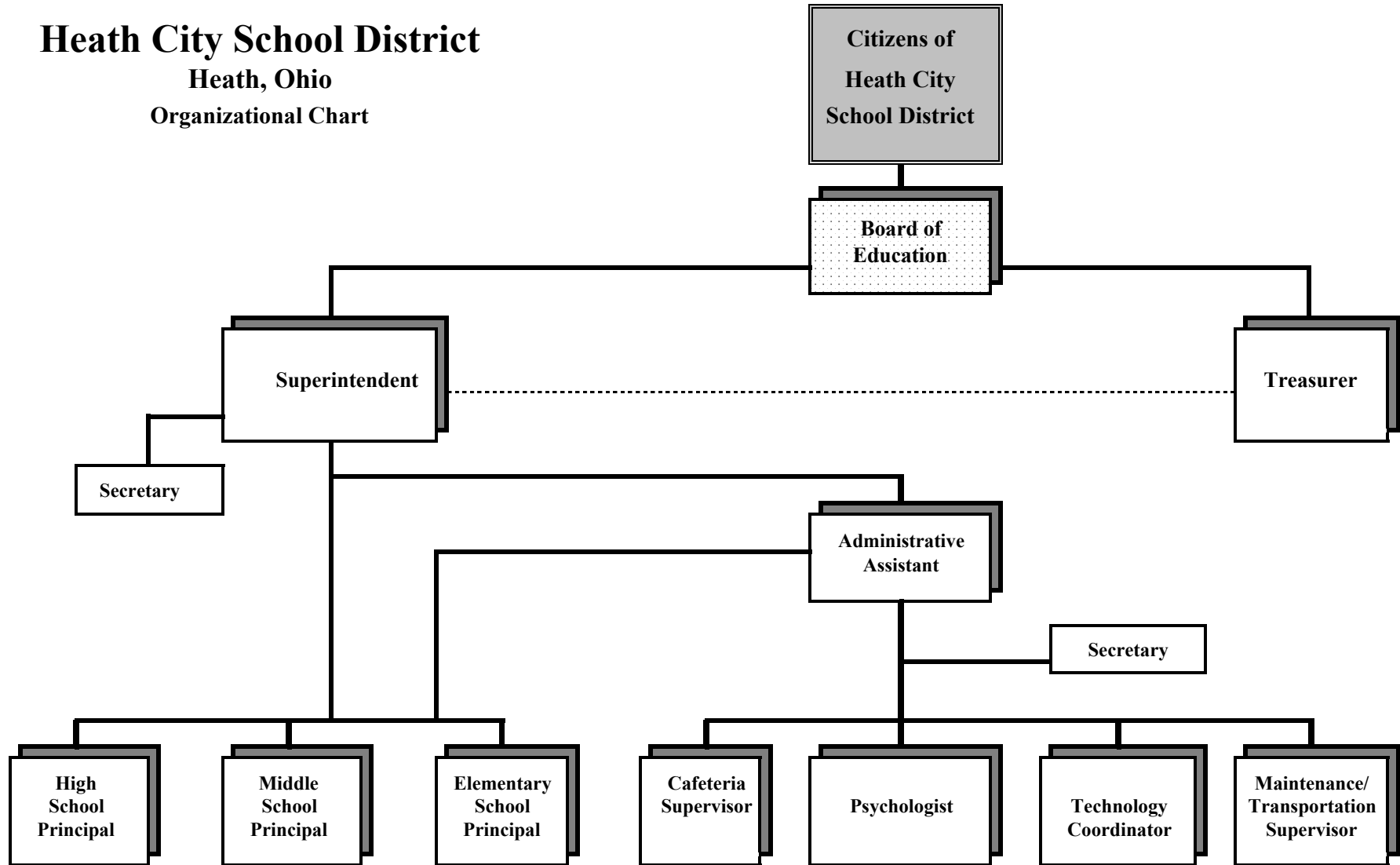


HEATH CITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
SHOWING YEARS OF SERVICE
JUNE 30, 2002

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>	
		<u>Position</u>	<u>Total</u>
<u>Board of Education</u>			
Mr. James Roberts	President	5	
Mr. James Bowers	Vice President	5	
Dr. Michael Gentry	Member	5	
Mr. Steven Carson	Member	3	
Mr. Gary Wimer	Member	1	
<u>Administration</u>			
Mr. Jay M. Gault	Superintendent	3	18
Mr. Bradley T. Hall	Treasurer	7.5	22
Mr. Thomas Forman	Administrative Assistant	3	25

Heath City School District

Heath, Ohio
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Heath City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



William Robert Pate
President

Jeffrey L. Esser
Executive Director



Heath City School District

FINANCIAL SECTION



November 6, 2002

Board of Education
Heath City School District
107 Lancaster Drive
Heath, Ohio 43056

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the Heath City School District, Licking County, Ohio as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Heath City School District, Licking County, Ohio as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types 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 a report dated November 6, 2002 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

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

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

Wilson, Shuman & Snow, Inc.

November 6, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AT JUNE 30, 2002, THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$271,459	\$157,334	\$69,993	\$174,838
Investments	0	0	0	3,579,342
Receivables (net of allowance for doubtful accounts):				
Taxes	6,225,021	0	1,315,130	225,167
Intergovernmental	0	16,964	0	0
Interest	0	0	0	5,531
Interfund Loan Receivable	4,325	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	5,014	0	0	0
Advances to Other Funds	0	0	0	162,500
Restricted Cash and Cash Equivalents	208,505	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	\$6,714,324	\$174,298	\$1,385,123	\$4,147,378
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$32,002	\$185	\$0	\$1,004,866
Accrued Wages and Benefits	720,406	10,605	0	0
Interfund Loan Payable	0	4,325	0	0
Due to Other Funds	10,900	0	0	0
Intergovernmental Payable	180,581	31	0	0
Due to Students	0	0	0	0
Retainage Payable	0	0	0	251,159
Deferred Revenue - Taxes	5,807,221	0	1,242,530	210,567
Deferred Revenue	0	4,542	0	0
Advances from Other Funds	0	0	162,500	0
General Obligation Bonds Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Compensated Absences Payable	23,365	0	0	0
Early Retirement Incentive Payable	7,882	0	0	0
Long-Term Notes Payable	0	0	0	0
Total Liabilities	6,782,357	19,688	1,405,030	1,466,592
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings - Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	141,878	11,168	0	1,703,701
Reserved for Property Taxes	417,800	0	72,600	14,600
Statutory Reserves	208,505	0	0	0
Reserved for Prepaid Items	5,014	0	0	0
Reserved for Debt Service	0	0	69,993	0
Unreserved:				
Undesignated	(841,230)	143,442	(162,500)	962,485
Total Equity and Other Credits	(68,033)	154,610	(19,907)	2,680,786
Total Liabilities, Equity and Other Credits	\$6,714,324	\$174,298	\$1,385,123	\$4,147,378

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

<i>Proprietary</i>		<i>Fiduciary</i>	<i>Account</i>		Totals (Memorandum Only)
<i>Fund Types</i>		<i>Fund Types</i>	<i>Groups</i>		
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$95,558	\$24,676	\$45,576	\$0	\$0	\$839,434
0	0	3,300	0	0	3,582,642
0	0	0	0	0	7,765,318
0	0	0	0	0	16,964
0	0	0	0	0	5,531
0	0	0	0	0	4,325
10,900	0	0	0	0	10,900
5,870	0	0	0	0	5,870
0	0	0	0	0	5,014
0	0	0	0	0	162,500
0	0	0	0	0	208,505
80,082	0	0	24,009,323	0	24,089,405
0	0	0	0	69,993	69,993
0	0	0	0	19,019,320	19,019,320
<u>\$192,410</u>	<u>\$24,676</u>	<u>\$48,876</u>	<u>\$24,009,323</u>	<u>\$19,089,313</u>	<u>\$55,785,721</u>
\$0	\$75	\$0	\$0	\$0	\$1,037,128
17,971	0	0	0	0	748,982
0	0	0	0	0	4,325
0	0	0	0	0	10,900
21,100	0	0	0	56,123	257,835
0	0	43,670	0	0	43,670
0	0	0	0	0	251,159
0	0	0	0	0	7,260,318
2,470	0	0	0	0	7,012
0	0	0	0	0	162,500
0	0	0	0	17,338,411	17,338,411
0	0	0	0	103,563	103,563
3,574	0	0	0	803,334	830,273
0	0	0	0	7,882	15,764
0	0	0	0	780,000	780,000
<u>45,115</u>	<u>75</u>	<u>43,670</u>	<u>0</u>	<u>19,089,313</u>	<u>28,851,840</u>
0	0	0	24,009,323	0	24,009,323
35,407	0	0	0	0	35,407
111,888	24,601	0	0	0	136,489
0	0	0	0	0	1,856,747
0	0	0	0	0	505,000
0	0	0	0	0	208,505
0	0	0	0	0	5,014
0	0	0	0	0	69,993
0	0	5,206	0	0	107,403
<u>147,295</u>	<u>24,601</u>	<u>5,206</u>	<u>24,009,323</u>	<u>0</u>	<u>26,933,881</u>
<u>\$192,410</u>	<u>\$24,676</u>	<u>\$48,876</u>	<u>\$24,009,323</u>	<u>\$19,089,313</u>	<u>\$55,785,721</u>



Heath City School District

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<i>Governmental Fund Types</i>			<i>Fiduciary Fund Type</i>		Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Local Sources:						
Taxes	\$5,911,882	\$0	\$1,305,347	\$97,819	\$0	\$7,315,048
Tuition	113,533	0	0	0	0	113,533
Investment Earnings	29,353	658	0	409,594	126	439,731
Extracurricular Activities	0	58,882	0	0	0	58,882
Intergovernmental - State	3,549,768	23,197	131,713	35,288	0	3,739,966
Intergovernmental - Federal	0	169,735	0	0	0	169,735
All Other Revenues	88,721	75,397	0	6,709	4,164	174,991
Total Revenues	<u>9,693,257</u>	<u>327,869</u>	<u>1,437,060</u>	<u>549,410</u>	<u>4,290</u>	<u>12,011,886</u>
Expenditures:						
Current:						
Instruction	5,875,994	76,361	0	128,106	933	6,081,394
Supporting Services:						
Pupils	503,640	66,715	0	0	0	570,355
Instructional Staff	306,416	114,586	0	0	0	421,002
Board of Education	10,571	0	0	0	0	10,571
Administration	966,867	0	0	27,690	0	994,557
Fiscal Services	363,665	0	19,065	3,801	0	386,531
Business	17,890	0	0	0	0	17,890
Operation and Maintenance of Plant	1,008,194	0	0	104,923	0	1,113,117
Pupil Transportation	314,004	0	0	0	0	314,004
Central	148,986	13,036	0	38,203	3,164	203,389
Community Services	0	1,326	0	0	0	1,326
Extracurricular Activities	219,180	72,341	0	28,995	0	320,516
Other Expenditures	43,400	0	0	0	0	43,400
Capital Outlay	23,704	0	0	13,202,855	0	13,226,559
Debt Service:						
Principal Retirements	0	0	303,350	0	0	303,350
Interest and Fiscal Charges	0	0	961,142	0	0	961,142
Total Expenditures	<u>9,802,511</u>	<u>344,365</u>	<u>1,283,557</u>	<u>13,534,573</u>	<u>4,097</u>	<u>24,969,103</u>
Excess (Deficiency) of						
Revenues Over (Under) Expenditures	(109,254)	(16,496)	153,503	(12,985,163)	193	(12,957,217)
Fund Balance (Deficit) Beginning of Year	41,221	171,106	(173,410)	15,665,949	5,013	15,709,879
Fund Balance (Deficit) End of Year	<u>(\$68,033)</u>	<u>\$154,610</u>	<u>(\$19,907)</u>	<u>\$2,680,786</u>	<u>\$5,206</u>	<u>\$2,752,662</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED JUNE 30, 2002

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Local Sources:						
Taxes	\$5,740,147	\$5,930,182	\$190,035	\$0	\$0	\$0
Tuition	110,000	113,533	3,533	0	0	0
Investment Earnings	30,000	30,953	953	0	658	658
Extracurricular Activities	0	0	0	58,000	58,882	882
Intergovernmental - State	3,539,000	3,549,768	10,768	2,000	23,197	21,197
Intergovernmental - Federal	0	0	0	0	203,251	203,251
All Other Revenues	6,196,888	88,721	(6,108,167)	50,000	75,397	25,397
Total Revenues	15,616,035	9,713,157	(5,902,878)	110,000	361,385	251,385
Expenditures:						
Current:						
Instruction	6,007,021	5,968,971	38,050	94,734	78,585	16,149
Supporting Services:						
Pupils	530,394	510,252	20,142	112,458	69,691	42,767
Instructional Staff	312,911	304,498	8,413	134,063	119,316	14,747
Board of Education	16,790	11,867	4,923	0	0	0
Administration	1,028,401	1,008,472	19,929	0	0	0
Fiscal Services	383,466	374,146	9,320	0	0	0
Business	22,460	17,423	5,037	15,000	0	15,000
Operation and Maintenance of Plant	1,109,485	1,088,844	20,641	0	0	0
Pupil Transportation	355,686	334,907	20,779	0	0	0
Central	165,093	162,469	2,624	28,679	13,036	15,643
Community Services	0	0	0	2,987	3,174	(187)
Extracurricular Activities	215,609	213,106	2,503	77,512	77,241	271
Other Expenditures	43,411	43,384	27	0	0	0
Capital Outlay	53,231	30,411	22,820	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	10,243,958	10,068,750	175,208	465,433	361,043	104,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,372,077	(355,593)	(5,727,670)	(355,433)	342	355,775
Other Financing Sources (Uses):						
Transfers In	0	163,400	163,400	0	0	0
Transfers Out	(163,400)	(163,400)	0	0	0	0
Advances In	0	4,365	4,365	0	4,325	4,325
Advances Out	(4,325)	(4,325)	0	(4,365)	(4,365)	0
Total Other Financing Sources (Uses)	(167,725)	40	167,765	(4,365)	(40)	4,325
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,204,352	(355,553)	(5,559,905)	(359,798)	302	360,100
Fund Balance at Beginning of Year	553,646	553,646	0	129,678	129,678	0
Prior Year Encumbrances	115,779	115,779	0	16,054	16,054	0
Fund Balance at End of Year	\$5,873,777	\$313,872	(\$5,559,905)	(\$214,066)	\$146,034	\$360,100

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED JUNE 30, 2002

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$1,252,154	\$1,336,447	\$84,293	\$211,762	\$89,219	(\$122,543)	\$7,204,063	\$7,355,848	\$151,785
0	0	0	0	0	0	110,000	113,533	3,533
0	0	0	625,300	790,472	165,172	655,300	822,083	166,783
0	0	0	0	0	0	58,000	58,882	882
130,000	131,713	1,713	20,000	35,288	15,288	3,691,000	3,739,966	48,966
0	0	0	0	0	0	0	203,251	203,251
1,334,771	0	(1,334,771)	100,200	6,709	(93,491)	7,681,859	170,827	(7,511,032)
2,716,925	1,468,160	(1,248,765)	957,262	921,688	(35,574)	19,400,222	12,464,390	(6,935,832)
0	0	0	185,510	128,898	56,612	6,287,265	6,176,454	110,811
0	0	0	0	0	0	642,852	579,943	62,909
0	0	0	0	0	0	446,974	423,814	23,160
0	0	0	0	0	0	16,790	11,867	4,923
0	0	0	31,301	31,301	0	1,059,702	1,039,773	19,929
25,000	19,065	5,935	5,300	3,801	1,499	413,766	397,012	16,754
0	0	0	0	0	0	37,460	17,423	20,037
0	0	0	513,149	457,829	55,320	1,622,634	1,546,673	75,961
0	0	0	0	0	0	355,686	334,907	20,779
0	0	0	85,000	55,325	29,675	278,772	230,830	47,942
0	0	0	0	0	0	2,987	3,174	(187)
0	0	0	50,000	28,995	21,005	343,121	319,342	23,779
0	0	0	0	0	0	43,411	43,384	27
0	0	0	14,414,817	14,714,399	(299,582)	14,468,048	14,744,810	(276,762)
303,350	303,350	0	0	0	0	303,350	303,350	0
961,142	961,142	0	0	0	0	961,142	961,142	0
1,289,492	1,283,557	5,935	15,285,077	15,420,548	(135,471)	27,283,960	27,133,898	150,062
1,427,433	184,603	(1,242,830)	(14,327,815)	(14,498,860)	(171,045)	(7,883,738)	(14,669,508)	(6,785,770)
0	0	0	0	0	0	0	163,400	163,400
0	0	0	0	0	0	(163,400)	(163,400)	0
0	0	0	0	162,500	162,500	0	171,190	171,190
0	(162,500)	(162,500)	0	0	0	(8,690)	(171,190)	(162,500)
0	(162,500)	(162,500)	0	162,500	162,500	(172,090)	0	172,090
1,427,433	22,103	(1,405,330)	(14,327,815)	(14,336,360)	(8,545)	(8,055,828)	(14,669,508)	(6,613,680)
47,890	47,890	0	11,570,496	11,570,496	0	12,301,710	12,301,710	0
0	0	0	3,885,964	3,885,964	0	4,017,797	4,017,797	0
\$1,475,323	\$69,993	(\$1,405,330)	\$1,128,645	\$1,120,100	(\$8,545)	\$8,263,679	\$1,649,999	(\$6,613,680)

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Tuition and Fees	\$69,924	\$7,449	\$77,373
Sales	269,852	0	269,852
Interfund Charges	0	551,072	551,072
Total Operating Revenues	<u>339,776</u>	<u>558,521</u>	<u>898,297</u>
<u>Operating Expenses:</u>			
Salaries and Wages	136,284	0	136,284
Fringe Benefits	79,367	623,801	703,168
Contractual Services	664	0	664
Materials and Supplies	239,547	4,904	244,451
Depreciation	10,316	0	10,316
Other Operating Expenses	646	1,075	1,721
Total Operating Expenses	<u>466,824</u>	<u>629,780</u>	<u>1,096,604</u>
Operating Loss	(127,048)	(71,259)	(198,307)
<u>Non-Operating Revenues:</u>			
Operating Grants	77,155	0	77,155
Federally Donated Commodities	24,854	0	24,854
Capital Contributions	7,546	0	7,546
Investment Earnings	1,600	1,212	2,812
Miscellaneous	8,960	0	8,960
Total Non-Operating Revenues	<u>120,115</u>	<u>1,212</u>	<u>121,327</u>
Net Loss	(6,933)	(70,047)	(76,980)
Retained Earnings at Beginning of Year	<u>118,821</u>	<u>94,648</u>	<u>213,469</u>
Retained Earnings at End of Year	<u>\$111,888</u>	<u>\$24,601</u>	<u>\$136,489</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$278,812	\$7,449	\$286,261
Cash Received from Tuition and Fee Payments	69,924	0	69,924
Cash Received from Interfund Charges	0	713,307	713,307
Cash Payments for Goods and Services	(216,115)	(5,994)	(222,109)
Cash Payments to Employees for Services and Benefits	(223,057)	(757,822)	(980,879)
Net Cash Used by Operating Activities	(90,436)	(43,060)	(133,496)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	77,155	0	77,155
Net Cash Provided by Noncapital Financing Activities	77,155	0	77,155
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	1,212	1,212
Net Cash Provided by Investing Activities	0	1,212	1,212
Net Decrease in Cash and Cash Equivalents	(13,281)	(41,848)	(55,129)
Cash and Cash Equivalents at Beginning of Year	108,839	66,524	175,363
Cash and Cash Equivalents at End of Year	\$95,558	\$24,676	\$120,234
<u>Reconciliation of Operating Loss to Net Cash</u>			
<u>Used by Operating Activities:</u>			
Operating Loss	(\$127,048)	(\$71,259)	(\$198,307)
Adjustments to Reconcile Operating Loss to			
Net Cash Used by Operating Activities:			
Miscellaneous Non-Operating Income	8,960	0	8,960
Depreciation Expense	10,316	0	10,316
Donated Commodities Used During the Year	24,854	0	24,854
Changes in Assets and Liabilities:			
Decrease in Due from Other Funds	0	162,235	162,235
Decrease in Inventory	2,049	0	2,049
Decrease in Accounts Payable	(150)	(15)	(165)
Increase in Accrued Wages and Benefits	454	0	454
Decrease in Due to Other Funds	(8,451)	0	(8,451)
Increase in Intergovernmental Payables	205	0	205
Decrease in Claims Payable	0	(134,021)	(134,021)
Decrease in Deferred Revenue	(2,011)	0	(2,011)
Increase in Compensated Absences	386	0	386
Total Adjustments	36,612	28,199	64,811
Net Cash Used by Operating Activities	(90,436)	(43,060)	(133,496)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2002, the Food Service Fund received \$24,854 in donated commodities from the federal government.
During fiscal year 2002, the Food Service Fund received \$7,546 of capital assets from other funds.

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

HEATH CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 56 noncertified and approximately 108 certified teaching personnel and administrative employees providing education to 1,619 students.

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

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

B. Basis of Presentation - Fund Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

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

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

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

C. Basis of Accounting

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

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

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

Current property taxes measurable at June 30, 2002, and which are not intended to finance fiscal 2002 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2002 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

D. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2002.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$109,254)	(\$16,496)	\$153,503	(\$12,985,163)
Increase (Decrease):				
Accrued Revenues at June 30, 2002, received during FY 2003	(422,125)	(12,422)	(72,600)	(182,631)
Accrued Revenues at June 30, 2001, received during FY 2002	440,465	45,938	103,700	461,778
Accrued Expenditures at June 30, 2002, paid during FY 2003	975,136	15,146	162,500	1,256,025
Accrued Expenditures at June 30, 2001, paid during FY 2002	(1,072,252)	(20,564)	(325,000)	(527,984)
FY 2001 Prepays for FY 2002	3,583	0	0	0
FY 2002 Prepays for FY 2003	(5,014)	0	0	0
Adjustment to Fair Value	0	0	0	255,631
Encumbrances Outstanding	(166,092)	(11,300)	0	(2,614,016)
Budget Basis	<u>(\$355,553)</u>	<u>\$302</u>	<u>\$22,103</u>	<u>(\$14,336,360)</u>

E. Cash and Cash Equivalents

During fiscal year 2002, cash and cash equivalents included amounts in demand deposits, short-term certificates of deposit with original maturities of three months or less, repurchase agreements and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

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

The District has invested funds in the STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002. See Note 3, "Cash, Cash Equivalents and Investments."

G. Inventory

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

H. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment - General Governmental Purposes

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

2. Property, Plant and Equipment - Proprietary Fund

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

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

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

I. Long-Term Obligations

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

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

J. Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

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

L. Interfund Transactions

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

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

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

M. Reservations of Fund Balance

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

N. Restricted Assets

Restricted assets represent cash and cash equivalents set aside to establish reserves for textbooks, capital acquisition, and budget stabilization.

O. Estimates

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

P. Total Columns on Combined Financial Statements - Overview

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

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equities

The fund deficits at June 30, 2002 of \$68,033 in the General Fund and \$2,367 in the Title I Fund (special revenue) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The fund deficit at June 30, 2002 of \$19,907 in the General Obligation Bond Retirement Fund (debt service) arose from the recognition of an interfund payable on the modified accrual basis which does not exist on the budgetary basis. A deficit does not exist under the cash basis of accounting.

B. Excess Expenditures over Appropriations

For the year ended June 30, 2002, expenditures exceeded appropriations at the fund level (i.e., the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Excess</u>
Special Revenue Fund:	
Auxiliary Services Fund	\$ 187
Debt Service Fund	156,565
Capital Projects Fund:	
Building Fund	193,542

C. Excess Appropriations over Estimated Revenues

Ohio Revised Code requires that appropriations do not exceed estimated revenues. Appropriations exceeded estimated revenues in the following funds:

<u>Fund</u>	<u>Excess</u>	<u>Fund</u>	<u>Excess</u>
Special Revenue Funds:			
Other Grants Fund	\$ 4,330	Title VI-B Fund	\$ 124,669
District Managed		Vocational Education Fund	636
Student Activity Fund	2,158	Title I Fund	65,189
SchoolNet Professional		Title VI Fund	12,248
Development Fund	4,142	Drug Free Grant Fund	8,515
OhioReads Fund	2,000	Telecommunications Fund	9,785
Title II Fund	5,318		

Under the cash basis of accounting, expenditures did not exceed revenues.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of any state,

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3. The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

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

Investments:

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

A. Deposits

At year end the carrying amount of the District's deposits was \$256,142 and the bank balance was \$506,928. Federal Deposit Insurance Corporation (FDIC) insured \$103,600 of the bank balance; the remaining deposits are classified as Category 3.

B. Investments

The District's investments at June 30, 2002 were as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Categorized Investments			
Repurchase Agreements	\$0	\$85,103	\$85,103
Federal Home Loan Mortgage Corporation	1,341,060	0	1,341,060
Federal National Mortgage Association	744,075	0	744,075
Student Loan Mortgage Association	500,679	0	500,679
Federal Agricultural Mortgage Association	497,750	0	497,750
Commercial Paper	495,778	0	495,778
Noncategorized Investments			
STAR Ohio	N/A	N/A	709,994
Total Investments	<u>\$3,579,342</u>	<u>\$85,103</u>	<u>\$4,374,439</u>

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$1,047,939	\$3,582,642
Certificates of Deposit		
(with maturities of more than 3 months)	3,300	(3,300)
Repurchase Agreements	(85,103)	85,103
STAR Ohio	(709,994)	709,994
Per GASB Statement No. 3	<u>\$256,142</u>	<u>\$4,374,439</u>

NOTE 4 - PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

NOTE 4 - PROPERTY TAXES (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Heath City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2002, upon which the 2001 levies were based, were as follows:

	<u>Assessed Values for Collection in:</u>	
	<u>2001 Second Half</u>	<u>2002 First Half</u>
Agricultural/Residential and Other Real Estate	\$172,295,770	\$178,918,700
Public Utility Personal	7,851,500	6,389,920
Tangible Personal Property	<u>44,052,160</u>	<u>45,300,500</u>
Total Assessed Value	<u>\$224,199,430</u>	<u>\$230,609,120</u>
Tax rate per \$1,000 of assessed valuation	\$48.38	\$48.22

NOTE 5 - RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, interest and interfund loan receivables.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2002, is as follows:

A. Interfund Loans Receivable/Payable

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$4,325	\$0
Special Revenue Funds:		
Title I Fund	0	3,260
Drug Free Grant Fund	<u>0</u>	<u>1,065</u>
Total Special Revenue Funds	<u>0</u>	<u>4,325</u>
Totals	<u>\$4,325</u>	<u>\$4,325</u>

B. Due to/from Other Funds

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$10,900
Enterprise Fund:		
Food Service Fund	<u>10,900</u>	<u>0</u>
Totals	<u>\$10,900</u>	<u>\$10,900</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES (Continued)

C. Advance to/from Other Funds

	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Debt Service Fund:		
General Obligation Bond Retirement Fund	\$0	\$162,500
Capital Projects Fund:		
Building Fund	162,500	0
Totals	<u>\$162,500</u>	<u>\$162,500</u>

NOTE 7 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets at June 30, 2002:

<u>Class</u>	<u>June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2002</u>
Land and Improvements	\$1,021,125	\$56,152	\$0	\$1,077,277
Buildings and Improvements	3,225,198	0	0	3,225,198
Machinery and Equipment	2,192,553	90,819	0	2,283,372
Vehicles	623,851	20,521	0	644,372
Construction In Progress	3,392,271	13,386,833	0	16,779,104
Totals	<u>\$10,454,998</u>	<u>\$13,554,325</u>	<u>\$0</u>	<u>\$24,009,323</u>

B. Proprietary Fixed Assets

Summary by Category at June 30, 2002:

<u>Category</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Machinery and Equipment	\$290,499	(\$210,417)	\$80,082
Total Property, Plant and Equipment	<u>\$290,499</u>	<u>(\$210,417)</u>	<u>\$80,082</u>

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2001, (latest information available) 4.2% was allocated to fund the pension benefit and 9.8% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2002, 2001, and 2000 were \$166,392, \$165,690, and \$162,348, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2001 employer contribution rate (latest information available) that was used to fund health care for the year 2001 was 9.8%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2002, the minimum pay has been established as \$12,400. The amount contributed to fund health care benefits, including the surcharge amounted to \$134,412.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 50,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available) were \$161,439,934 and the target level was \$242.2 million. Net assets available for payment of benefits at June 30, 2001 were \$315.7 million.

NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2001, (latest information available) 9.5% was allocated to fund the pension benefit and 4.5% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2002, 2001, and 2000 were \$722,604, \$687,420, and \$620,724, respectively, which were equal to the required contributions for each year.

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

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health Care Reserve Fund. For the fiscal year ended June 30, 2001, (latest information available) the board allocated employer contributions are equal to 4.5% of covered payroll to the Health Care Reserve Fund, which amounted to \$232,266 for the District. The balance of the Health Care Reserve Fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001, the net health care costs paid by STRS were \$369,354,000. There were 102,132 eligible benefit recipients.

NOTE 9 - COMPENSATED ABSENCES

The District provides a liability for accumulated unpaid sick leave and vacation time benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At June 30, 2002, the total accumulated unpaid sick and vacation time recorded in the General Long-Term Obligations Account Group was:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Total</u>
Liability	\$777,051	\$26,283	\$803,334

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

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Detail of the changes in the notes, bonds, intergovernmental payable, capital lease payable and compensated absences of the District for the year ended June 30, 2002 is as follows:

		Balance June 30, 2001	Issued (Retired)	Balance June 30, 2002
General Long-Term Debt:				
(Long-Term Notes Payable)				
Energy Conservation Project	6.05%	\$35,000	(\$35,000)	\$0
Permanent Improvement	4.00%	600,000	(100,000)	500,000
Energy Conservation Project	4.50%	330,000	(50,000)	280,000
Total Long-Term Notes Payable		<u>965,000</u>	<u>(185,000)</u>	<u>780,000</u>
(General Obligation Bonds Payable)				
School Improvement Bonds	6.38%	993,350	(3,350)	990,000
School Bus Bonds	5.5-6.1%	160,000	(15,000)	145,000
School Improvement Bonds	4.35-5.6%	16,248,718	(100,000)	16,148,718
		<u>17,402,068</u>	<u>(118,350)</u>	<u>17,283,718</u>
Interest Accretion		<u>21,268</u>	<u>33,425</u>	<u>54,693</u>
Total General Obligation Bonds Payable		<u>17,423,336</u>	<u>(84,925)</u>	<u>17,338,411</u>
Total General Long-Term Debt		<u>18,388,336</u>	<u>(269,925)</u>	<u>18,118,411</u>
Other General Long-Term Obligations:				
Intergovernmental Payable		58,284	(2,161)	56,123
Capital Leases		134,685	(31,122)	103,563
Compensated Absences		773,511	29,823	803,334
Early Retirement Incentive Payable		<u>17,780</u>	<u>(9,898)</u>	<u>7,882</u>
Total Other General Long-Term Obligations		<u>984,260</u>	<u>(13,358)</u>	<u>970,902</u>
Total General Long-Term Debt and Other General Long-Term Obligations		<u>\$19,372,596</u>	<u>(\$283,283)</u>	<u>\$19,089,313</u>

The intergovernmental payable represents contractually required pension contributions paid outside the available period.

NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2002, follows:

Years	Long-Term Notes Payable		General Obligation Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$150,000	\$33,402	\$175,000	\$912,695	\$29,070	\$7,203
2004	155,000	26,258	240,000	902,945	31,472	4,801
2005	155,000	18,904	250,000	891,274	34,072	2,201
2006	160,000	11,415	205,000	878,967	8,949	119
2007	160,000	3,805	520,000	862,253	0	0
2008-2012	0	0	2,990,000	3,909,330	0	0
2013-2017	0	0	1,548,718	5,341,580	0	0
2018-2022	0	0	4,415,000	2,598,722	0	0
2023-2027	0	0	5,620,000	1,193,004	0	0
2028	0	0	1,320,000	37,022	0	0
Totals	<u>\$780,000</u>	<u>\$93,784</u>	<u>\$17,283,718</u>	<u>\$17,527,792</u>	<u>\$103,563</u>	<u>\$14,324</u>

NOTE 11 - CAPITALIZED LEASES

The District leases several copiers under capital leases. The cost of the equipment obtained under capital leases is \$149,198, which is included in the General Fixed Assets Account Group and the related liability is included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2002:

Year Ending June 30,	Capital Leases
2003	\$36,273
2004	36,273
2005	36,273
2006	9,068
Minimum Lease Payments	117,887
Less: Amount representing interest at the District's incremental borrowing rate of interest	(14,324)
Present Value of minimum lease payments	<u>\$103,563</u>

NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for the operation of Food Services and Uniform School Supply Sales. The key financial information for the year ended June 30, 2002 for these enterprise activities is as follows:

	Food Service	Uniform School Supply	Total
Operating Revenues	\$269,852	\$69,924	\$339,776
Depreciation Expense	10,316	0	10,316
Operating Income (Loss)	(127,650)	602	(127,048)
Net Income (Loss)	(7,535)	602	(6,933)
Operating Grants	77,155	0	77,155
Federal Donated Commodities	24,854	0	24,854
Property, Plant and Equipment:			
Additions	7,546	0	7,546
Total Assets	146,949	45,461	192,410
Net Working Capital	25,326	45,461	70,787
Contributed Capital Additions	7,546	0	7,546
Total Equity	101,834	45,461	147,295

NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2002 the District contracted with several different insurance providers for various insurance coverages, as follows:

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

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

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

NOTE 13 - RISK MANAGEMENT (Continued)

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.

Until September 2000, the District provided group health care insurance by contracting with Medical Mutual, Inc. for commercial health care coverage. In September 2000, the District began providing group health, dental and vision benefits to employees and their eligible dependents through a self-insured program. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Self Insurance Fund (internal service fund) are available to pay claims and administrative costs. The plan is administered by a third party administrator, Medical Mutual, Inc., which monitors all claim payments. Excess loss coverage, becomes effective after \$50,000 per year per specific claim.

The claims liability of \$0 reported in the fund at June 30, 2002 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability amount in 2001 and 2002 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2001	\$0	\$902,931	(\$768,910)	\$134,021
2002	134,021	623,801	(757,822)	0

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NOTE 14 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for textbook and capital acquisition into various reserves. For the year ended June 30, 2002, the District did not calculate the set aside amounts for textbook and capital acquisition; however, some amounts were reserved. The reserve for budget stabilization became optional under state law in fiscal year 2001. The District has chosen to continue reserving amounts for budget stabilization. During the fiscal year ended June 30, 2002, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Acquisition Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance as of June 30, 2001	(\$32,607)	(\$2,613,930)	\$230,702	(\$2,415,835)
Current Year Additions	106,650	0	214	106,864
Current Year Disbursements	(105,547)	(117,055)	0	(222,602)
Transfer to Unrestricted Fund Balance	0	0	(163,400)	(163,400)
Set-aside Balance at June 30, 2002	<u>(\$31,504)</u>	<u>(\$2,730,985)</u>	<u>\$67,516</u>	<u>(\$2,694,973)</u>
Restricted Cash Balance at June 30, 2002	<u>\$40,627</u>	<u>\$100,362</u>	<u>\$67,516</u>	<u>\$208,505</u>

NOTE 15 - CONTRIBUTED CAPITAL

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

	Food Service Fund
Contributed Capital at June 30, 2002	<u>\$35,407</u>

NOTE 16 – CONSTRUCTION COMMITMENTS

As of June 30, 2002, the District had contractual purchase commitments for construction of a new school and renovation to other school buildings as follows:

<u>Company</u>	<u>Amount Remaining</u>
New High School/Middle School Renovation	\$3,617,000

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Licking Area Computer Association - The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The District paid LACA \$26,094 for services provided during the year. Financial information can be obtained from their fiscal agent, the Licking County Joint Vocational School, Cory Thompson, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

NOTE 18 – CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2002.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2002.

C. State School Funding

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 require 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 1, 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.

NOTE 18 – CONTINGENCIES (Continued)

C. State School Funding (Continued)

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 that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issues his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

NOTE 19 – SUBSEQUENT EVENT

On November 5, 2002, the District passed a 5.2 mil operating levy.

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

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

GENERAL FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Local Sources:			
Taxes	\$5,740,147	\$5,930,182	\$190,035
Tuition	110,000	113,533	3,533
Investment Earnings	30,000	30,953	953
Intergovernmental - State	3,539,000	3,549,768	10,768
All Other Revenues	6,196,888	88,721	(6,108,167)
Total Revenues	<u>15,616,035</u>	<u>9,713,157</u>	<u>(5,902,878)</u>
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,501,918	3,501,886	32
Fringe Benefits	1,330,563	1,327,783	2,780
Purchased Services	118,512	104,242	14,270
Supplies and Materials	190,122	186,273	3,849
Capital Outlay	444	444	0
Total Regular	<u>5,141,559</u>	<u>5,120,628</u>	<u>20,931</u>
Special:			
Salaries and Wages	380,341	380,330	11
Fringe Benefits	142,415	140,516	1,899
Purchased Services	5,523	2,336	3,187
Supplies and Materials	8,123	2,972	5,151
Capital Outlay	2,600	1,693	907
Total Special	<u>539,002</u>	<u>527,847</u>	<u>11,155</u>
Vocational:			
Salaries and Wages	106,976	106,974	2
Fringe Benefits	28,879	27,404	1,475
Supplies and Materials	1,300	1,185	115
Total Vocational	<u>137,155</u>	<u>135,563</u>	<u>1,592</u>
Other:			
Purchased Services	123,880	119,508	4,372
Other Expenditures	65,425	65,425	0
Total Other	<u>189,305</u>	<u>184,933</u>	<u>4,372</u>
Total Instructional Services	<u>6,007,021</u>	<u>5,968,971</u>	<u>38,050</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2002

GENERAL FUND			
	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	357,446	357,424	22
Fringe Benefits	130,006	124,677	5,329
Purchased Services	15,729	2,858	12,871
Supplies and Materials	25,813	24,000	1,813
Other Expenditures	250	150	100
Capital Outlay	1,150	1,143	7
Total Pupils	530,394	510,252	20,142
Instructional Staff:			
Salaries and Wages	192,354	192,342	12
Fringe Benefits	113,474	105,740	7,734
Supplies and Materials	7,083	6,416	667
Total Instructional Staff	312,911	304,498	8,413
Board of Education:			
Salaries and Wages	2,320	2,320	0
Fringe Benefits	3,445	2,911	534
Purchased Services	4,050	3,794	256
Supplies and Materials	925	99	826
Other Expenditures	6,050	2,743	3,307
Total Board of Education	16,790	11,867	4,923
Administration:			
Salaries and Wages	628,359	628,336	23
Fringe Benefits	306,859	296,936	9,923
Purchased Services	83,259	75,250	8,009
Supplies and Materials	6,464	5,792	672
Other Expenditures	2,710	2,158	552
Capital Outlay	750	0	750
Total Administration	1,028,401	1,008,472	19,929
Fiscal Services:			
Salaries and Wages	137,740	137,737	3
Fringe Benefits	72,193	71,534	659
Purchased Services	22,035	18,587	3,448
Supplies and Materials	5,881	5,880	1
Other Expenditures	144,302	139,896	4,406
Capital Outlay	1,315	512	803
Total Fiscal Services	383,466	374,146	9,320

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Business:			
Fringe Benefits	500	500	0
Purchased Services	18,308	16,272	2,036
Supplies and Materials	3,000	0	3,000
Other Expenditures	652	651	1
Total Business	22,460	17,423	5,037
Operation and Maintenance of Plant:			
Salaries and Wages	329,572	328,558	1,014
Fringe Benefits	164,539	160,980	3,559
Purchased Services	500,862	493,440	7,422
Supplies and Materials	79,047	73,432	5,615
Other Expenditures	1,544	1,544	0
Capital Outlay	33,921	30,890	3,031
Total Operation and Maintenance of Plant	1,109,485	1,088,844	20,641
Pupil Transportation:			
Salaries and Wages	161,267	161,262	5
Fringe Benefits	128,980	128,551	429
Purchased Services	28,427	24,081	4,346
Supplies and Materials	34,736	20,114	14,622
Other Expenditures	2,276	899	1,377
Total Pupil Transportation	355,686	334,907	20,779
Central:			
Salaries and Wages	57,082	57,080	2
Fringe Benefits	12,237	11,943	294
Purchased Services	47,260	46,406	854
Supplies and Materials	13,214	12,997	217
Other Expenditures	35,300	34,043	1,257
Total Central	165,093	162,469	2,624
Total Support Services	3,924,686	3,812,878	111,808
Extracurricular Activities:			
Academic and Subject Oriented:			
Salaries and Wages	24,830	24,830	0
Fringe Benefits	373	312	61
Purchased Services	3,800	3,140	660
Supplies and Materials	3,000	2,929	71
Capital Outlay	20,421	20,217	204
Total Academic and Subject Oriented	52,424	51,428	996

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2002

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Occupation Oriented:			
Salaries and Wages	2,252	2,252	0
Total Occupation Oriented	2,252	2,252	0
Sports Oriented:			
Salaries and Wages	128,107	128,106	1
Fringe Benefits	20,995	19,492	1,503
Total Sports Oriented	149,102	147,598	1,504
School and Public Service Co-Curricular:			
Salaries and Wages	11,681	11,681	0
Fringe Benefits	150	147	3
Total School and Public Service Co-Curricular	11,831	11,828	3
Total Extracurricular Activities	215,609	213,106	2,503
Other Expenditures:			
Salaries and Wages	2,096	2,094	2
Purchased Services	250	225	25
Other Expenditures	41,065	41,065	0
Total Other Expenditures	43,411	43,384	27
Capital Outlay	53,231	30,411	22,820
Total Expenditures	10,243,958	10,068,750	175,208
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,372,077	(355,593)	(5,727,670)
<u>Other Financing Sources (Uses):</u>			
Transfers In	0	163,400	163,400
Transfers Out	(163,400)	(163,400)	0
Advances In	0	4,365	4,365
Advances Out	(4,325)	(4,325)	0
Total Other Financing Sources (Uses):	(167,725)	40	167,765
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,204,352	(355,553)	(5,559,905)
Fund Balance at Beginning of Year	553,646	553,646	0
Prior Year Encumbrances	115,779	115,779	0
Fund Balance at End of Year	<u>\$5,873,777</u>	<u>\$313,872</u>	<u>(\$5,559,905)</u>



Heath City School District

SPECIAL REVENUE FUNDS

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

Public School Support Fund

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

Other Grants Fund

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

District Managed Student Activity Fund

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

Auxiliary Services Fund

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

Career Development Fund

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

Teacher Development Fund

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

Management Information System Fund

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

Data Communication Fund

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

(Continued)

SPECIAL REVENUE FUNDS

SchoolNet Professional Development Fund

To account for professional development subsidy grants.

OhioReads Fund

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

Summer Intervention Fund

To account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code.

Miscellaneous State Grants Fund

To account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Title II Fund

To account for grant monies to be used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B Fund

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

Vocational Education Fund

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

Title I Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Title VI Fund

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

Drug Free Grant Fund

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

Telecommunications Fund

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

Other Federal Grants Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2002

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
<u>Assets:</u>				
Cash and Cash Equivalents	\$42,417	\$8,017	\$6,718	\$2,947
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	0	0	0	0
Total Assets	<u>\$42,417</u>	<u>\$8,017</u>	<u>\$6,718</u>	<u>\$2,947</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$110	\$0	\$75	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Loan Payables	0	0	0	0
Intergovernmental Payables	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>110</u>	<u>0</u>	<u>75</u>	<u>0</u>
Fund Equity:				
Reserved for Encumbrances	2,373	55	4,936	257
Unreserved	39,934	7,962	1,707	2,690
Total Fund Equity	<u>42,307</u>	<u>8,017</u>	<u>6,643</u>	<u>2,947</u>
Total Liabilities and Fund Equity	<u>\$42,417</u>	<u>\$8,017</u>	<u>\$6,718</u>	<u>\$2,947</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2002

Career Development	Teacher Development	Management Information System	Data Communication	SchoolNet Professional Development	Summer Intervention
\$864	\$333	\$34,009	\$7,096	\$5,641	\$4,912
0	0	0	0	0	0
<u>\$864</u>	<u>\$333</u>	<u>\$34,009</u>	<u>\$7,096</u>	<u>\$5,641</u>	<u>\$4,912</u>
\$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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	59	0	0	0	0
864	274	34,009	7,096	5,641	4,912
<u>864</u>	<u>333</u>	<u>34,009</u>	<u>7,096</u>	<u>5,641</u>	<u>4,912</u>
<u>\$864</u>	<u>\$333</u>	<u>\$34,009</u>	<u>\$7,096</u>	<u>\$5,641</u>	<u>\$4,912</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2002

	Title II	Title VI-B	Vocational Education	Title I
<u>Assets:</u>				
Cash and Cash Equivalents	\$3,805	\$15,772	\$386	\$4
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	0	1,440	0	10,720
Total Assets	<u>\$3,805</u>	<u>\$17,212</u>	<u>\$386</u>	<u>\$10,724</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	2,145	0	8,460
Interfund Loan Payables	0	0	0	3,260
Intergovernmental Payables	0	31	0	0
Deferred Revenue	0	1,440	0	1,371
Total Liabilities	<u>0</u>	<u>3,616</u>	<u>0</u>	<u>13,091</u>
Fund Equity:				
Reserved for Encumbrances	388	0	0	0
Unreserved	3,417	13,596	386	(2,367)
Total Fund Equity	<u>3,805</u>	<u>13,596</u>	<u>386</u>	<u>(2,367)</u>
Total Liabilities and Fund Equity	<u>\$3,805</u>	<u>\$17,212</u>	<u>\$386</u>	<u>\$10,724</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2002

Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
\$3,737	\$536	\$15,643	\$4,497	\$157,334
0	4,804	0	0	16,964
<u>\$3,737</u>	<u>\$5,340</u>	<u>\$15,643</u>	<u>\$4,497</u>	<u>\$174,298</u>
\$0	\$0	\$0	\$0	\$185
0	0	0	0	10,605
0	1,065	0	0	4,325
0	0	0	0	31
0	1,731	0	0	4,542
0	2,796	0	0	19,688
2,565	535	0	0	11,168
1,172	2,009	15,643	4,497	143,442
<u>3,737</u>	<u>2,544</u>	<u>15,643</u>	<u>4,497</u>	<u>154,610</u>
<u>\$3,737</u>	<u>\$5,340</u>	<u>\$15,643</u>	<u>\$4,497</u>	<u>\$174,298</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
<u>Revenues:</u>				
Local Sources:				
Investment Earnings	\$0	\$0	\$658	\$0
Extracurricular Activities	0	0	58,882	0
Intergovernmental - State	0	5,000	0	2,597
Intergovernmental - Federal	0	0	0	0
All Other Revenues	49,498	8,507	7,607	0
Total Revenues	<u>49,498</u>	<u>13,507</u>	<u>67,147</u>	<u>2,597</u>
<u>Expenditures:</u>				
Current:				
Instructional Services	0	3,334	0	0
Support Services:				
Pupils	35,823	14,395	0	0
Instructional Staff	6,506	0	0	0
Central	0	0	0	0
Community Services	0	0	0	1,326
Extracurricular Activities	0	0	72,341	0
Total Expenditures	<u>42,329</u>	<u>17,729</u>	<u>72,341</u>	<u>1,326</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	7,169	(4,222)	(5,194)	1,271
Fund Balance at Beginning of Year	35,138	12,239	11,837	1,676
Fund Balance (Deficit) at End of Year	<u><u>\$42,307</u></u>	<u><u>\$8,017</u></u>	<u><u>\$6,643</u></u>	<u><u>\$2,947</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

<u>Career Development</u>	<u>Teacher Development</u>	<u>Management Information System</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>OhioReads</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	6,008	0	7,592	2,000
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>6,008</u>	<u>0</u>	<u>7,592</u>	<u>2,000</u>
0	648	0	0	9,951	0
95	0	0	0	0	0
0	0	0	0	0	2,000
0	0	0	0	0	0
0	0	0	0	0	0
<u>95</u>	<u>648</u>	<u>0</u>	<u>0</u>	<u>9,951</u>	<u>2,000</u>
(95)	(648)	6,008	0	(2,359)	0
959	981	28,001	7,096	8,000	0
<u>\$864</u>	<u>\$333</u>	<u>\$34,009</u>	<u>\$7,096</u>	<u>\$5,641</u>	<u>\$0</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Summer Intervention	Miscellaneous State Grants	Title II	Title VI-B
<u>Revenues:</u>				
Local Sources:				
Investment Earnings	\$0	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Intergovernmental - State	0	0	0	0
Intergovernmental - Federal	0	0	5,318	94,267
All Other Revenues	0	0	0	0
Total Revenues	0	0	5,318	94,267
<u>Expenditures:</u>				
Current:				
Instructional Services	399	0	0	0
Support Services:				
Pupils	0	0	0	9,504
Instructional Staff	0	1,170	5,364	97,283
Central	0	0	0	0
Community Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	399	1,170	5,364	106,787
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(399)	(1,170)	(46)	(12,520)
Fund Balance at Beginning of Year	5,311	1,170	3,851	26,116
Fund Balance (Deficit) at End of Year	\$4,912	\$0	\$3,805	\$13,596

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

Vocational Education	Title I	Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$658
0	0	0	0	0	0	58,882
0	0	0	0	0	0	23,197
637	52,681	8,117	6,780	0	1,935	169,735
0	0	0	0	9,785	0	75,397
637	52,681	8,117	6,780	9,785	1,935	327,869
478	56,909	4,642	0	0	0	76,361
0	0	0	4,963	0	1,935	66,715
0	0	2,263	0	0	0	114,586
0	0	0	0	13,036	0	13,036
0	0	0	0	0	0	1,326
0	0	0	0	0	0	72,341
478	56,909	6,905	4,963	13,036	1,935	344,365
159	(4,228)	1,212	1,817	(3,251)	0	(16,496)
227	1,861	2,525	727	18,894	4,497	171,106
<u>\$386</u>	<u>(\$2,367)</u>	<u>\$3,737</u>	<u>\$2,544</u>	<u>\$15,643</u>	<u>\$4,497</u>	<u>\$154,610</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

PUBLIC SCHOOL SUPPORT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$44,500	\$49,498	\$4,998
Total Revenues	<u>44,500</u>	<u>49,498</u>	<u>4,998</u>
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	69,143	38,209	30,934
Instructional Staff:			
Purchased Services	<u>8,531</u>	<u>6,514</u>	<u>2,017</u>
Total Expenditures	<u>77,674</u>	<u>44,723</u>	<u>32,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,174)	4,775	37,949
Fund Balance at Beginning of Year	34,707	34,707	0
Prior Year Encumbrances	452	452	0
Fund Balance at End of Year	<u><u>\$1,985</u></u>	<u><u>\$39,934</u></u>	<u><u>\$37,949</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

OTHER GRANTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$2,000	\$5,000	\$3,000
All Other Revenues	0	8,507	8,507
Total Revenues	2,000	13,507	11,507
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	2,000	2,000	0
Purchased Services	113	113	0
Supplies and Materials	1,240	1,221	19
Total Instructional Services	3,353	3,334	19
Support Services:			
Pupils:			
Supplies and Materials	15,216	14,450	766
Total Expenditures	18,569	17,784	785
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,569)	(4,277)	12,292
Fund Balance at Beginning of Year	7,296	7,296	0
Prior Year Encumbrances	4,943	4,943	0
Fund Balance at End of Year	(\$4,330)	\$7,962	\$12,292

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

DISTRICT MANAGED STUDENT ACTIVITY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$0	\$658	\$658
Extracurricular Activities	58,000	58,882	882
All Other Revenues	5,500	7,607	2,107
Total Revenues	63,500	67,147	3,647
<u>Expenditures:</u>			
Extracurricular Activities:			
Sports Oriented:			
Salaries and Wages	13,583	13,582	1
Purchased Services	28,460	28,442	18
Supplies and Materials	21,697	21,448	249
Other Expenditures	8,841	8,838	3
Capital Outlay	4,931	4,931	0
Total Expenditures	77,512	77,241	271
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,012)	(10,094)	3,918
Fund Balance at Beginning of Year	7,348	7,348	0
Prior Year Encumbrances	4,506	4,506	0
Fund Balance at End of Year	(\$2,158)	\$1,760	\$3,918

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

AUXILIARY SERVICES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$2,597	\$2,597
Total Revenues	0	2,597	2,597
<u>Expenditures:</u>			
Community Services:			
Supplies and Materials	829	829	0
Other Expenditures	0	0	0
Capital Outlay	2,158	2,345	(187)
Total Community Services	2,987	3,174	(187)
Total Expenditures	2,987	3,174	(187)
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,987)	(577)	2,410
Fund Balance at Beginning of Year	280	280	0
Prior Year Encumbrances	2,987	2,987	0
Fund Balance at End of Year	\$280	\$2,690	\$2,410

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

CAREER DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	959	95	864
Total Expenditures	959	95	864
Excess (Deficiency) of Revenues Over (Under) Expenditures	(959)	(95)	864
Fund Balance at Beginning of Year	959	959	0
Fund Balance at End of Year	\$0	\$864	\$864

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TEACHER DEVELOPMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	73	73	0
Purchased Services	988	714	274
Total Instructional Services	<u>1,061</u>	<u>787</u>	<u>274</u>
Total Expenditures	<u>1,061</u>	<u>787</u>	<u>274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,061)	(787)	274
Fund Balance at Beginning of Year	<u>1,061</u>	<u>1,061</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$274</u></u>	<u><u>\$274</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

MANAGEMENT INFORMATION SYSTEM FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$6,008	\$6,008
Total Revenues	0	6,008	6,008
<u>Expenditures:</u>			
Support Services:			
Business:			
Purchased Services	15,000	0	15,000
Total Expenditures	15,000	0	15,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	6,008	21,008
Fund Balance at Beginning of Year	28,001	28,001	0
Fund Balance at End of Year	\$13,001	\$34,009	\$21,008

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

DATA COMMUNICATION FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	7,096	7,096	0
Fund Balance at End of Year	<u>\$7,096</u>	<u>\$7,096</u>	<u>\$0</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

SCHOOLNET PROFESSIONAL DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$7,592	\$7,592
Total Revenues	0	7,592	7,592
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	1,000	0	1,000
Purchased Services	11,142	9,951	1,191
Total Expenditures	12,142	9,951	2,191
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,142)	(2,359)	9,783
Fund Balance at Beginning of Year	8,000	8,000	0
Fund Balance at End of Year	(\$4,142)	\$5,641	\$9,783

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

OHIOREADS FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

SUMMER INTERVENTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	5,311	399	4,912
Total Expenditures	5,311	399	4,912
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(5,311)	(399)	4,912
Fund Balance at Beginning of Year	5,311	5,311	0
Fund Balance at End of Year	\$0	\$4,912	\$4,912

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

MISCELLANEOUS STATE GRANTS FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TITLE II FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$5,318	\$5,318
Total Revenues	<u>0</u>	<u>5,318</u>	<u>5,318</u>
<u>Expenditures:</u>			
Instructional Staff:			
Purchased Services	9,169	5,752	3,417
Total Expenditures	<u>9,169</u>	<u>5,752</u>	<u>3,417</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,169)	(434)	8,735
Fund Balance at Beginning of Year	<u>3,851</u>	<u>3,851</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$5,318)</u></u>	<u><u>\$3,417</u></u>	<u><u>\$8,735</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TITLE VI-B FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$124,669	\$124,669
Total Revenues	0	124,669	124,669
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Purchased Services	4,000	4,000	0
Supplies and Materials	11,963	5,504	6,459
Total Pupils	15,963	9,504	6,459
Instructional Staff:			
Salaries and Wages	33,694	24,381	9,313
Fringe Benefits	19,839	19,839	0
Purchased Services	54,955	54,955	0
Total Instructional Staff	108,488	99,175	9,313
Total Expenditures	124,451	108,679	15,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,451)	15,990	140,441
<u>Other Financing Sources (Uses):</u>			
Advances Out	(220)	(220)	0
Total Other Financing Sources (Uses):	(220)	(220)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(124,671)	15,770	140,441
Fund Balance at Beginning of Year	2	2	0
Fund Balance at End of Year	(\$124,669)	\$15,772	\$140,441

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

VOCATIONAL EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$637	\$637
Total Revenues	0	637	637
<u>Expenditures:</u>			
Instructional Services:			
Vocational:			
Purchased Services	863	478	385
Total Expenditures	863	478	385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(863)	159	1,022
Fund Balance at Beginning of Year	227	227	0
Fund Balance at End of Year	(\$636)	\$386	\$1,022

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TITLE I FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$54,737	\$54,737
Total Revenues	0	54,737	54,737
<u>Expenditures:</u>			
Instructional Services:			
Special:			
Salaries and Wages	59,791	54,512	5,279
Fringe Benefits	3,834	1,917	1,917
Total Instructional Services	63,625	56,429	7,196
Total Expenditures	63,625	56,429	7,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,625)	(1,692)	61,933
<u>Other Financing Sources (Uses):</u>			
Advances In	0	3,260	3,260
Advances Out	(1,565)	(1,565)	0
Total Other Financing Sources (Uses):	(1,565)	1,695	3,260
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(65,190)	3	65,193
Fund Balance at Beginning of Year	1	1	0
Fund Balance at End of Year	(\$65,189)	\$4	\$65,193

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TITLE VI FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$12,248	\$12,248
Total Revenues	<u>0</u>	<u>12,248</u>	<u>12,248</u>
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	8,379	7,207	1,172
Support Services:			
Instructional Staff:			
Supplies and Materials	4,705	4,705	0
Total Expenditures	<u>13,084</u>	<u>11,912</u>	<u>1,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,084)	336	13,420
<u>Other Financing Sources (Uses):</u>			
Advances Out	<u>(2,580)</u>	<u>(2,580)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(2,580)</u>	<u>(2,580)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(15,664)	(2,244)	13,420
Fund Balance at Beginning of Year	250	250	0
Prior Year Encumbrances	<u>3,166</u>	<u>3,166</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$12,248)</u>	<u>\$1,172</u>	<u>\$13,420</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

DRUG FREE GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$3,707	\$3,707
Total Revenues	0	3,707	3,707
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Purchased Services	6,000	2,276	3,724
Supplies and Materials	3,242	3,222	20
Total Pupils	9,242	5,498	3,744
Total Expenditures	9,242	5,498	3,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,242)	(1,791)	7,451
<u>Other Financing Sources (Uses):</u>			
Advances In	0	1,065	1,065
Total Other Financing Sources (Uses):	0	1,065	1,065
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(9,242)	(726)	8,516
Fund Balance at Beginning of Year	727	727	0
Fund Balance at End of Year	(\$8,515)	\$1	\$8,516

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

TELECOMMUNICATIONS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$9,785	\$9,785
Total Revenues	<u>0</u>	<u>9,785</u>	<u>9,785</u>
<u>Expenditures:</u>			
Support Services:			
Central:			
Purchased Services	9,785	0	9,785
Capital Outlay	18,894	13,036	5,858
Total Central	<u>28,679</u>	<u>13,036</u>	<u>15,643</u>
Total Expenditures	<u>28,679</u>	<u>13,036</u>	<u>15,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,679)	(3,251)	25,428
Fund Balance at Beginning of Year	<u>18,894</u>	<u>18,894</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$9,785)</u></u>	<u><u>\$15,643</u></u>	<u><u>\$25,428</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

OTHER FEDERAL GRANTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$1,935	\$1,935
Total Revenues	0	1,935	1,935
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	1,935	1,935	0
Total Expenditures	1,935	1,935	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,935)	0	1,935
Fund Balance at Beginning of Year	4,497	4,497	0
Fund Balance at End of Year	\$2,562	\$4,497	\$1,935

CAPITAL PROJECTS FUNDS

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

Permanent Improvement Fund

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

Building Fund

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

Vocational Education Equipment Fund

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

SchoolNet Plus Fund

To account for monies received from state grants to provide computer workstations for all classrooms, grades K-4. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Interactive Video Distance Learning Grant Fund

To account for monies spent by the State on behalf of the District. The monies are used for fixed assets for the interactive video distance learning project.

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2002

	Permanent Improvement	Building	Vocational Education Equipment	Interactive Video Distance Learning Grant	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$97,593	\$57,964	\$598	\$18,683	\$174,838
Investments	0	3,579,342	0	0	3,579,342
Receivables (net of allowance for doubtful accounts):					
Taxes	225,167	0	0	0	225,167
Interest	0	5,531	0	0	5,531
Advances to Other Funds	0	162,500	0	0	162,500
Total Assets	<u>\$322,760</u>	<u>\$3,805,337</u>	<u>\$598</u>	<u>\$18,683</u>	<u>\$4,147,378</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$0	\$1,004,866	\$0	\$0	\$1,004,866
Retainage Payable	0	251,159	0	0	251,159
Deferred Revenue - Taxes	210,567	0	0	0	210,567
Total Liabilities	<u>210,567</u>	<u>1,256,025</u>	<u>0</u>	<u>0</u>	<u>1,466,592</u>
Fund Equity:					
Reserved for Encumbrances	514	1,703,187	0	0	1,703,701
Reserved for Property Taxes	14,600	0	0	0	14,600
Unreserved	97,079	846,125	598	18,683	962,485
Total Fund Equity	<u>112,193</u>	<u>2,549,312</u>	<u>598</u>	<u>18,683</u>	<u>2,680,786</u>
Total Liabilities and Fund Equity	<u>\$322,760</u>	<u>\$3,805,337</u>	<u>\$598</u>	<u>\$18,683</u>	<u>\$4,147,378</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Interactive Video Distance Learning Grant	Totals
<u>Revenues:</u>						
Local Sources:						
Taxes	\$97,819	\$0	\$0	\$0	\$0	\$97,819
Investment Earnings	6,652	402,942	0	0	0	409,594
Intergovernmental - State	21,919	4,669	0	0	8,700	35,288
All Other Revenues	384	6,325	0	0	0	6,709
Total Revenues	<u>126,774</u>	<u>413,936</u>	<u>0</u>	<u>0</u>	<u>8,700</u>	<u>549,410</u>
<u>Expenditures:</u>						
Instructional Services	128,071	0	0	35	0	128,106
Support Services:						
Administration	0	27,690	0	0	0	27,690
Fiscal Services	3,801	0	0	0	0	3,801
Operations and Maintenance of Plant	15,833	89,090	0	0	0	104,923
Central	0	38,203	0	0	0	38,203
Extracurricular Activities	0	28,995	0	0	0	28,995
Capital Outlay	0	13,202,855	0	0	0	13,202,855
Total Expenditures	<u>147,705</u>	<u>13,386,833</u>	<u>0</u>	<u>35</u>	<u>0</u>	<u>13,534,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,931)	(12,972,897)	0	(35)	8,700	(12,985,163)
Fund Balance at Beginning of Year	133,124	15,522,209	598	35	9,983	15,665,949
Fund Balance at End of Year	<u>\$112,193</u>	<u>\$2,549,312</u>	<u>\$598</u>	<u>\$0</u>	<u>\$18,683</u>	<u>\$2,680,786</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

PERMANENT IMPROVEMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$211,762	\$89,219	(\$122,543)
Investment Earnings	0	6,652	6,652
Intergovernmental - State	20,000	21,919	1,919
All Other Revenues	<u>100,200</u>	<u>384</u>	<u>(99,816)</u>
Total Revenues	<u>331,962</u>	<u>118,174</u>	<u>(213,788)</u>
 <u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	1,289	1,289	0
Supplies and Materials	70,641	60,009	10,632
Capital Outlay	<u>113,505</u>	<u>67,565</u>	<u>45,940</u>
Total Instructional Services	<u>185,435</u>	<u>128,863</u>	<u>56,572</u>
 Fiscal Services:			
Other Expenditures	5,300	3,801	1,499
 Operation and Maintenance of Plant Services:			
Purchased Services	<u>15,833</u>	<u>15,833</u>	<u>0</u>
Total Expenditures	<u>206,568</u>	<u>148,497</u>	<u>58,071</u>
 Excess (Deficiency) of			
Revenues Over (Under) Expenditures	125,394	(30,323)	(155,717)
 Fund Balance at Beginning of Year			
Prior Year Encumbrances	<u>21,776</u>	<u>21,776</u>	<u>0</u>
Fund Balance at End of Year	<u>\$252,796</u>	<u>\$97,079</u>	<u>(\$155,717)</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

BUILDING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$625,300	\$783,820	\$158,520
Intergovernmental - State	0	4,669	4,669
All Other Revenues	0	6,325	6,325
Total Revenues	<u>625,300</u>	<u>794,814</u>	<u>169,514</u>
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	40	0	40
Total Instructional Services	<u>40</u>	<u>0</u>	<u>40</u>
Support Services:			
Administration:			
Purchased Services	31,301	31,301	0
Operation and Maintenance of Plant Services:			
Purchased Services	111,481	56,163	55,318
Supplies and Materials	385,835	385,833	2
Total Operation and Maintenance of Plant Services	<u>497,316</u>	<u>441,996</u>	<u>55,320</u>
Central:			
Capital Outlay	85,000	55,325	29,675
Total Support Services	<u>613,617</u>	<u>528,622</u>	<u>84,995</u>
Extracurricular Activities:			
Sports Oriented:			
Capital Outlay	50,000	28,995	21,005
Capital Outlay	<u>14,414,817</u>	<u>14,714,399</u>	<u>(299,582)</u>
Total Expenditures	<u>15,078,474</u>	<u>15,272,016</u>	<u>(193,542)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,453,174)	(14,477,202)	(24,028)

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

BUILDING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Advances In	0	162,500	162,500
Total Other Financing Sources (Uses):	<u>0</u>	<u>162,500</u>	<u>162,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,453,174)	(14,314,702)	138,472
Fund Balance at Beginning of Year	11,454,254	11,454,254	0
Prior Year Encumbrances	<u>3,864,188</u>	<u>3,864,188</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$865,268</u></u>	<u><u>\$1,003,740</u></u>	<u><u>\$138,472</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

VOCATIONAL EDUCATION EQUIPMENT FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

SCHOOLNET PLUS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	35	35	0
Total Expenditures	35	35	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35)	(35)	0
Fund Balance at Beginning of Year	35	35	0
Fund Balance at End of Year	\$0	\$0	\$0

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

INTERACTIVE VIDEO DISTANCE LEARNING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$8,700	\$8,700
Total Revenues	0	8,700	8,700
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	8,700	8,700
Fund Balance at Beginning of Year	9,983	9,983	0
Fund Balance at End of Year	\$9,983	\$18,683	\$8,700

ENTERPRISE FUNDS

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

Food Service Fund

To record financial transactions associated with food service operations.

Uniform School Supply Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2002

	Food Service	Uniform School Supply	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$50,097	\$45,461	\$95,558
Due from Other Funds	10,900	0	10,900
Inventory of Supplies at Cost	5,870	0	5,870
Property Plant and Equipment	290,499	0	290,499
Less: Accumulated Depreciation	(210,417)	0	(210,417)
Net Fixed Assets	80,082	0	80,082
Total Assets	<u>\$146,949</u>	<u>\$45,461</u>	<u>\$192,410</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accrued Wages and Benefits	\$17,971	\$0	\$17,971
Intergovernmental Payables	21,100	0	21,100
Deferred Revenue	2,470	0	2,470
Compensated Absences Payable	3,574	0	3,574
Total Liabilities	<u>45,115</u>	<u>0</u>	<u>45,115</u>
Fund Equity:			
Contributed Capital	35,407	0	35,407
Retained Earnings:			
Unreserved	66,427	45,461	111,888
Total Retained Earnings	<u>66,427</u>	<u>45,461</u>	<u>111,888</u>
Total Fund Equity	<u>101,834</u>	<u>45,461</u>	<u>147,295</u>
Total Liabilities and Fund Equity	<u>\$146,949</u>	<u>\$45,461</u>	<u>\$192,410</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Food Service	Uniform School Supply	Totals
<u>Operating Revenues:</u>			
Tuition and Fees	\$0	\$69,924	\$69,924
Sales	269,852	0	269,852
Total Operating Revenues	<u>269,852</u>	<u>69,924</u>	<u>339,776</u>
<u>Operating Expenses:</u>			
Salaries and Wages	136,284	0	136,284
Fringe Benefits	79,367	0	79,367
Contractual Services	664	0	664
Materials and Supplies	170,225	69,322	239,547
Depreciation	10,316	0	10,316
Other Operating Expenses	646	0	646
Total Operating Expenses	<u>397,502</u>	<u>69,322</u>	<u>466,824</u>
Operating Income (Loss)	(127,650)	602	(127,048)
<u>Nonoperating Revenues:</u>			
Operating Grants	77,155	0	77,155
Federally Donated Commodities	24,854	0	24,854
Capital Contributions	7,546	0	7,546
Investment Earnings	1,600	0	1,600
Miscellaneous	8,960	0	8,960
Total Nonoperating Revenues	<u>120,115</u>	<u>0</u>	<u>120,115</u>
Net Income (Loss)	(7,535)	602	(6,933)
Retained Earnings at Beginning of Year	73,962	44,859	118,821
Retained Earnings at End of Year	<u>\$66,427</u>	<u>\$45,461</u>	<u>\$111,888</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Food Service	Uniform School Supply	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$278,812	\$0	\$278,812
Cash Received from Tuition and Fee Payments	0	69,924	69,924
Cash Payments for Goods and Services	(146,643)	(69,472)	(216,115)
Cash Payments to Employees for Services and Benefits	(223,057)	0	(223,057)
Net Cash Provided (Used) by Operating Activities	<u>(90,888)</u>	<u>452</u>	<u>(90,436)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	<u>77,155</u>	<u>0</u>	<u>77,155</u>
Net Cash Provided by Noncapital Financing Activities	<u>77,155</u>	<u>0</u>	<u>77,155</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,733)	452	(13,281)
Cash and Cash Equivalents at Beginning of Year	<u>63,830</u>	<u>45,009</u>	<u>108,839</u>
Cash and Cash Equivalents at End of Year	<u><u>\$50,097</u></u>	<u><u>\$45,461</u></u>	<u><u>\$95,558</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$127,650)	\$602	(\$127,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Non-Operating Income	8,960	0	8,960
Depreciation Expense	10,316	0	10,316
Donated Commodities Used During the Year	24,854	0	24,854
Changes in Assets and Liabilities:			
Decrease in Inventory	2,049	0	2,049
Decrease in Accounts Payable	0	(150)	(150)
Increase in Accrued Wages and Benefits	454	0	454
Decrease in Due to Other Funds	(8,451)	0	(8,451)
Increase in Intergovernmental Payables	205	0	205
Decrease in Deferred Revenues	(2,011)	0	(2,011)
Increase in Compensated Absences	386	0	386
Total Adjustments	<u>36,762</u>	<u>(150)</u>	<u>36,612</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$90,888)</u></u>	<u><u>\$452</u></u>	<u><u>(\$90,436)</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2002, the Food Service Fund received \$24,854 in donated commodities from the federal government.
During fiscal year 2002, the Food Service Fund received \$7,546 of capital assets from other funds.

INTERNAL SERVICE FUNDS

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

Rotary Fund

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

Employee Benefits Self Insurance Fund

To account for monies received from other funds as payment for providing medical, dental and vision employee benefits.

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2002

	Rotary	Employee Benefits Self Insurance	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$10,087	\$14,589	\$24,676
Total Assets	<u>\$10,087</u>	<u>\$14,589</u>	<u>\$24,676</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$75	\$0	\$75
Total Liabilities	<u>\$75</u>	<u>\$0</u>	<u>\$75</u>
Fund Equity:			
Retained Earnings:			
Unreserved	10,012	14,589	24,601
Total Retained Earnings	<u>10,012</u>	<u>14,589</u>	<u>24,601</u>
Total Fund Equity	<u>10,012</u>	<u>14,589</u>	<u>24,601</u>
Total Liabilities and Fund Equity	<u>\$10,087</u>	<u>\$14,589</u>	<u>\$24,676</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Rotary	Employee Benefits Self Insurance	Totals
<u>Operating Revenues:</u>			
Tuition and Fees	\$7,449	\$0	\$7,449
Interfund Charges	0	551,072	551,072
Total Operating Revenues	<u>7,449</u>	<u>551,072</u>	<u>558,521</u>
<u>Operating Expenses:</u>			
Fringe Benefits	0	623,801	623,801
Materials and Supplies	4,904	0	4,904
Other Operating Expenses	1,075	0	1,075
Total Operating Expenses	<u>5,979</u>	<u>623,801</u>	<u>629,780</u>
Operating Income (Loss)	1,470	(72,729)	(71,259)
<u>Nonoperating Revenues:</u>			
Investment Earnings	224	988	1,212
Total Nonoperating Revenues	<u>224</u>	<u>988</u>	<u>1,212</u>
Net Income (Loss)	1,694	(71,741)	(70,047)
Retained Earnings at Beginning of Year	8,318	86,330	94,648
Retained Earnings at End of Year	<u>\$10,012</u>	<u>\$14,589</u>	<u>\$24,601</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	Rotary	Employee Benefits Self Insurance	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Tuition and Fee Payments	\$7,449	\$0	\$7,449
Cash Received from Interfund Charges	0	713,307	713,307
Cash Payments for Goods and Services	(5,994)	0	(5,994)
Cash Payments to Employees for Services and Benefits	0	(757,822)	(757,822)
Net Cash Provided (Used) by Operating Activities	<u>1,455</u>	<u>(44,515)</u>	<u>(43,060)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	224	988	1,212
Net Cash Provided by Investing Activities	<u>224</u>	<u>988</u>	<u>1,212</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,679	(43,527)	(41,848)
Cash and Cash Equivalents at Beginning of Year	<u>8,408</u>	<u>58,116</u>	<u>66,524</u>
Cash and Cash Equivalents at End of Year	<u>\$10,087</u>	<u>\$14,589</u>	<u>\$24,676</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,470	(\$72,729)	(\$71,259)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities:			
Decrease in Due from Other Funds	0	162,235	162,235
Decrease in Accounts Payable	(15)	0	(15)
Decrease in Claims Payable	0	(134,021)	(134,021)
Total Adjustments	<u>(15)</u>	<u>28,214</u>	<u>28,199</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,455</u>	<u>(\$44,515)</u>	<u>(43,060)</u>

FIDUCIARY FUND TYPES

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

EXPENDABLE TRUST FUND

Special Trust Fund

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

AGENCY FUND

Student Managed Activity Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
JUNE 30, 2002

	<u><i>Expendable Trust Fund</i></u>	<u><i>Agency Fund</i></u>	
	Special Trust	Student Managed Activity	<u>Totals</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,906	\$43,670	\$45,576
Investments	3,300	0	3,300
Total Assets	<u>\$5,206</u>	<u>\$43,670</u>	<u>\$48,876</u>
<u>Liabilities and Fund Equity:</u>			
<u>Liabilities:</u>			
Due to Students	\$0	\$43,670	\$43,670
Total Liabilities	<u>0</u>	<u>43,670</u>	<u>43,670</u>
<u>Fund Equity:</u>			
Unreserved	5,206	0	5,206
Total Fund Equity	<u>5,206</u>	<u>0</u>	<u>5,206</u>
Total Liabilities and Fund Equity	<u>\$5,206</u>	<u>\$43,670</u>	<u>\$48,876</u>

HEATH CITY SCHOOL DISTRICT, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$43,674	\$99,379	(\$99,383)	\$43,670
Total Assets	<u>\$43,674</u>	<u>\$99,379</u>	<u>(\$99,383)</u>	<u>\$43,670</u>
Liabilities:				
Due to Students	\$43,674	\$99,379	(\$99,383)	\$43,670
Total Liabilities	<u>\$43,674</u>	<u>\$99,379</u>	<u>(\$99,383)</u>	<u>\$43,670</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2002

General Fixed Assets

Land and Improvements	\$1,077,277
Buildings and Improvements	3,225,198
Machinery and Equipment	2,283,372
Vehicles	644,372
Construction In Progress	16,779,104
Total General Fixed Assets	<u>\$24,009,323</u>

Investment in General Fixed Assets from:

General Fund	\$6,474,748
Special Revenue Fund	333,399
Capital Project Funds	17,201,176
Total Investment in General Fixed Assets	<u>\$24,009,323</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
JUNE 30, 2002

Function and Activity	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicles	Construction in Progress	Total
Instruction	\$344,079	\$3,076,423	\$1,612,594	\$0	\$16,779,104	\$21,812,200
Support Services:						
Pupils	0	0	105,683	0	0	105,683
Instructional Staff	0	0	190,293	0	0	190,293
Administration	1,892	100,000	187,973	0	0	289,865
Fiscal Services	0	0	1,222	0	0	1,222
Operation and Maintenance of Plant	56,152	0	46,161	46,692	0	149,005
Pupil Transportation	1,305	32,675	37,081	597,680	0	668,741
Central	0	0	10,340	0	0	10,340
Community Service	0	0	2,468	0	0	2,468
Extracurricular Activities	212,477	16,100	89,557	0	0	318,134
Facility Acquisition and Improvement	461,372	0	0	0	0	461,372
Total General Fixed Assets	<u>\$1,077,277</u>	<u>\$3,225,198</u>	<u>\$2,283,372</u>	<u>\$644,372</u>	<u>\$16,779,104</u>	<u>\$24,009,323</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Function and Activity	June 30, 2001	Additions	Deletions	June 30, 2002
Instruction	\$8,355,249	\$13,456,951	\$0	\$21,812,200
Support Services:				
Pupils	105,683	0	0	105,683
Instructional Staff	190,293	0	0	190,293
Administration	289,865	0	0	289,865
Fiscal Services	1,222	0	0	1,222
Operation and Maintenance of Plant	69,332	79,673	0	149,005
Pupil Transportation	668,741	0	0	668,741
Central	10,340	0	0	10,340
Community Service	2,468	0	0	2,468
Extracurricular Activities	300,433	17,701	0	318,134
Facility Acquisition and Improvement	461,372	0	0	461,372
Total General Fixed Assets	<u>\$10,454,998</u>	<u>\$13,554,325</u>	<u>\$0</u>	<u>\$24,009,323</u>



Heath City School District

STATISTICAL SECTION

STATISTICAL TABLES

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

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

Year		Instructional Services	Pupils	Instructional Staff	Board of Education and Administration	Fiscal Services	Business	Operation and Maintenance of Plant	Subtotal
1993	a	\$3,331,142	\$338,796	\$173,418	\$603,122	\$223,254	\$48,595	\$522,732	\$5,241,059
1994	a	3,578,046	349,984	218,906	641,105	242,199	60,937	580,060	5,671,237
1995	a	3,532,030	404,583	215,835	723,959	304,633	61,902	568,235	5,811,177
1996	a	3,754,054	440,015	228,908	714,478	259,513	74,530	577,162	6,048,660
1997	b	3,904,658	472,098	266,260	749,229	302,810	51,650	604,111	6,350,816
1998	b	3,893,379	427,074	287,335	786,174	314,891	110,929	706,486	6,526,268
1999	b	4,543,627	478,355	286,163	817,381	312,569	16,003	801,530	7,255,628
2000	b	5,007,976	503,357	356,954	915,944	382,453	32,435	810,501	8,009,620
2001	b	5,802,932	540,511	401,606	961,925	333,600	28,461	859,407	8,928,442
2002	b	5,952,355	570,355	421,002	977,438	382,730	17,890	1,008,194	9,329,964

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a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

(Continued)

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

Year		Pupil Transportation	Central	Community Service	Extracurricular Activities	Other	Debt Services	Subtotal Page 2	Total
1993	a	\$158,184	\$17,542	\$1,862	\$142,618	\$0	\$39,364	\$359,570	\$5,600,629
1994	a	188,797	14,936	2,023	170,163	0	41,034	416,953	6,088,190
1995	a	167,212	25,368	2,349	172,579	0	39,520	407,028	6,218,205
1996	b	259,467	34,757	1,114	190,348	0	45,841	531,527	6,580,187
1997	b	191,953	41,689	6,788	194,578	3,101	83,495	521,604	6,872,420
1998	b	239,337	46,123	33,909	180,415	3,053	184,632	687,469	7,213,737
1999	b	314,317	137,245	36,787	272,077	197,670 (2)	178,118	1,136,214	8,391,842
2000	b	276,831	112,203	50,762	242,938	143,408 (2)	220,218	1,046,360	9,055,980
2001	b	448,592	133,836	14,972	305,602	102,249 (2)	997,629	2,002,880	10,931,322
2002	b	314,004	162,022	1,326	291,521	67,104 (2)	1,264,492	2,100,469	11,430,433

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a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

(2) Includes Other Expenditures and Capital Outlay

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

<u>Year</u>		<u>Taxes</u>	<u>Tuition and Fees</u>	<u>Investment Earnings</u>	<u>Extracurricular Activities</u>	<u>Intergovernmental Revenues</u>	<u>All Other</u>	<u>Total</u>
1993	a	\$4,102,830	\$25,596	\$30,297	\$39,324	\$70,982	\$1,312,555	\$5,581,584
1994	a	4,506,551	14,090	32,543	43,831	102,319	1,507,424	6,206,758
1995	a	4,750,902	3,867	57,237	67,852	94,244	1,479,097	6,453,199
1996	a	4,877,788	12,333	12,083	63,531	100,185	1,422,011	6,487,931
1997	b	4,865,663	27,614	248	72,583	1,868,239	101,732	6,936,079
1998	b	5,397,330	16,155	91,570	82,074	2,096,273	124,984	7,808,386
1999	b	6,099,304	42,592	73,446	58,642	2,349,206	200,216	8,823,406
2000	b	5,654,331	61,129	76,691	54,117	2,511,861	149,965	8,508,094
2001	b	6,736,729	109,700	102,015	60,091	2,916,421	180,243	10,105,199
2002	b	7,217,229	113,533	30,011	58,882	3,874,413	164,118	11,458,186

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1992	\$4,447,752	\$4,280,825	\$71,082	\$4,351,907	97.85%	\$358,734	8.07%
1993	4,423,930	4,252,642	179,766	4,432,408	100.19%	498,088	11.26%
1994	5,009,442	4,824,689	409,858	5,234,547	104.49%	628,797	12.55%
1995	5,089,474	5,014,918	181,967	5,196,885	102.11%	346,057	6.80%
1996	5,135,951	4,919,942	135,847	5,055,789	98.44%	321,456	6.26%
1997	5,362,353	5,649,147	86,162	5,735,309	106.96%	186,266	3.47%
1998	5,855,193	5,436,190	198,193	5,634,383	96.23%	228,252	3.90%
1999	6,467,714	5,303,187	104,776	5,407,963	83.61%	1,059,752	16.39%
2000	6,782,280	6,384,904	100,674	6,485,578	95.63%	296,702	4.37%
2001	8,214,783	7,687,500	154,855	7,842,355	95.47%	372,428	4.53%

Source: Licking County Auditor

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

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

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992	\$91,399,570	\$261,141,629	\$8,008,210	\$8,008,210	\$39,982,350	\$153,778,269	\$139,390,130	\$422,928,108	32.96%
1993 *	103,406,360	295,446,743	8,127,460	8,127,460	37,941,710	151,766,840	149,475,530	455,341,043	32.83%
1994	108,987,570	311,393,057	8,314,550	8,314,550	46,991,410	187,965,640	164,293,530	507,673,247	32.36%
1995	112,909,910	322,599,743	8,049,430	8,049,430	46,029,380	184,117,520	166,988,720	514,766,693	32.44%
1996 **	126,591,240	361,689,257	7,860,160	7,860,160	47,552,130	190,208,520	182,003,530	559,757,937	32.51%
1997	132,339,250	378,112,143	7,594,650	7,594,650	47,019,450	188,077,800	186,953,350	573,784,593	32.58%
1998	145,418,700	415,482,000	8,135,630	8,135,630	42,289,650	169,158,600	195,843,980	592,776,230	33.04%
1999 *	169,063,570	483,038,771	7,546,730	7,546,730	44,507,210	178,028,840	221,117,510	668,614,341	33.07%
2000	172,295,770	492,273,629	7,851,500	7,851,500	44,052,160	176,208,640	224,199,430	676,333,769	33.15%
2001	178,918,700	511,196,286	6,389,920	6,389,920	45,300,500	181,202,000	230,609,120	698,788,206	33.00%

Source: Licking County Auditor

* Reappraisal

** Update

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

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

Tax Year	Heath City School District				City of Heath	Joint Vocational School	Licking County	Total
	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Total				
1992	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1993	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1994	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1995	38.90	0.00	1.20	40.10	3.90	2.00	6.70	52.70
1996	38.90	0.00	1.20	40.10	3.90	2.00	7.20	53.20
1997	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
1998	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
1999	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
2000	41.90	5.28	1.20	48.38	5.40	2.00	7.20	62.98
2001	41.90	5.12	1.20	48.22	5.40	2.00	7.20	62.82

Source: Licking County Auditor
Licking County Treasurer

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2002

Net Assessed Valuation	\$230,609,120
Legal Debt Limitation (%) (1)	9.00%
Legal Debt Limitation (\$) (1)	20,754,821
Applicable District Debt Outstanding	17,838,411
Less: Applicable Debt Service Fund Amounts	<u>(69,993)</u>
Net Indebtedness Subject to Limitation	<u>17,768,418</u>
Overall Legal Debt Margin	<u><u>\$2,986,403</u></u>
Legal Debt Limitation (%) (1)	0.10%
Legal Debt Limitation (\$) (1)	230,609
Applicable District Debt Outstanding	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$230,609</u></u>
Legal Debt Limitation (%) (1)	0.90%
Legal Debt Limitation (\$) (1)	2,075,482
Applicable District Debt Outstanding	<u>(280,000)</u>
Unvoted Energy Conservation Notes Legal Debt Margin	<u><u>\$1,795,482</u></u>

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
2000	8,527	\$221,117,510	\$1,168,350	\$91,824	\$1,076,526	0.49%	\$126.25
2001	8,527	224,199,430	17,423,336	47,890	17,375,446	7.75%	2,037.70
2002	8,527	230,609,120	17,838,411	69,993	17,768,418	7.70%	2,083.78

NOTE: The District has had no general obligation bonded debt prior to 2000.

- (1) City of Heath 2000 Census.
- (2) Source: Licking County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.

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

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
2000	\$0	\$0	\$0	\$9,055,980	0.00%
2001	15,000	751,440	766,440	10,931,322	7.01%
2002	118,350	918,735	1,037,085	11,430,433	9.07%

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
JUNE 30, 2002

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Heath City School District</u>	<u>Amount Applicable to Heath City School District</u>
Direct			
Heath City School District	\$17,768,418	100.00%	\$17,768,418
Overlapping Subdivisions			
City of Heath	5,950,000	94.15%	5,601,925
Licking County	15,825,276	8.56%	<u>1,354,644</u>
		Subtotal	<u>6,956,569</u>
		Total	<u><u>\$24,724,987</u></u>
Total			

Source: Licking County Auditor and Fiscal Officers of Subdivision.

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

<u>Year</u>		<u>Heath City Population (1)</u>	<u>Licking County Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate Licking County (4)</u>
1993	a	7,452	134,860	1,296	6.3%
1994	a	7,500	137,417	1,291	5.7%
1995	a	7,650	140,020	1,321	4.8%
1996	a	8,000	142,678	1,369	5.1%
1997	a	8,100	145,384	1,434	3.9%
1998	a	8,100	148,140	1,471	3.8%
1999	a	8,100	150,951	1,535	3.8%
2000	b	8,527	154,520	1,537	3.6%
2001	b	8,527	154,520	1,566	3.2%
2002	b	8,527	154,520	1,619	3.6%

Source: (1) U.S. Bureau of Census of Polulation - (a) Estimated 1992 through 1999 (b) City of Heath 2000 Census
(2) Newark Chamber of Commerce
(3) Heath City School District, Board of Education
(4) State Department of Labor

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1992	30	\$2,549,800	4	\$3,371,000
1993	32	2,844,701	2	2,615,000
1994	56	6,245,628	5	6,587,000
1995	53	6,655,138	6	779,286
1996	45	7,037,765	10	5,310,100
1997	28	4,646,240	7	3,645,000
1998	43	5,738,269	15	8,315,306
1999	56	8,326,708	10	8,827,000
2000	49	7,063,709	13	15,440,000
2001	34	5,118,088	9	2,436,000

Source: City of Heath Building Department

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS (TANGIBLE PERSONAL PROPERTY TAX)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 Meritor Automotive, Inc.	Heavy Truck Axles	\$8,625,820	19.04%
2 Kaiser Aluminum and Chemical Corporation	Aluminum Products	5,447,590	12.03%
3 Lowes	Home Improvement Center	1,991,620	4.40%
4 Wal*Mart Stores, Inc.	Retail Store	1,545,100	3.41%
5 Mathews Ford, Inc.	Automotive Sales and Service	1,368,450	3.02%
6 Koch Materials Company	Manufacturing	1,147,010	2.53%
7 Marathon Ashland Petroleum	Petroleum Products	898,300	1.98%
8 Sears Roebuck & Company	Retail Store	857,220	1.89%
9 JLH Automotive, Inc.	Automotive	816,110	1.80%
10 Newark Chrysler Plymouth	Automobile Retail	790,730	1.75%
	Sub-Total	23,487,950	51.85%
	All Others	21,812,550	48.15%
	Total	\$45,300,500	100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2001

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)
DECEMBER 31, 2001

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 Glimcher Properties Limited Partnership	Shopping Mall	\$17,984,330	9.71%
2 Cross Creek Limited Partnership	Shopping Center	3,651,800	1.97%
3 Ohio Power Co.	Utility Company - Electric	3,302,120	1.78%
4 Southgate Association Limited Partnership	Shopping Center	3,257,240	1.76%
5 Heathwood Village Ltd Partnership	Apartments	3,046,780	1.64%
6 Kaiser Aluminum and Chemical Corporation	Aluminum Processing	2,717,540	1.47%
7 Heath-Newark-Licking County Port Authority	Real Estate - Leasing	2,717,190	1.47%
8 Rockwell/Meritor Heavy Vehicle System	Manufacturer	2,526,830	1.36%
9 Alltel Ohio, Inc.	Utility Company - Telephone	2,300,630	1.24%
10 H & D Holding Company	Nursing and Convalescent Home	1,693,300	0.91%
	Sub-Total	43,197,760	23.31%
	All Others	142,110,860	76.69%
	Total	\$185,308,620	100.00%

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2001

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001

		Number of Employees		
Employer	Type of Business	Full Time	Part Time	Total
1	Central Ohio Aerospace and Technology Center	997	0	997
2	Rockwell/Meritor Heavy Vehicle Systems	661	0	661
3	Kaiser Aluminum and Chemical Corporation	259	4	263
4	Wal*Mart Stores	187	69	256
5	Krogers	124	77	201
6	Heath Nursing Home	175	25	200
7	Lowe's Home Center	111	74	185
8	Englefield Oil	141	29	170
9	Heath City Schools	166	0	166
10	Sears	52	109	161

Source: City of Heath Income Tax Department

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICS
JUNE 30, 2002

Date of Incorporation	1922
Form of Government	School - Political Subdivision
Area (square miles)	11.29
Miles traveled by Transportation Fleet for the 2001-2002 School Year	134,034
Meals Served by Food Service Department for the 2001-2002 School Year	110,907

<u>School Buildings</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Heath High School	9 - 12	473
Fulton Middle School	6 - 8	404
Stevenson Elementary School	3 - 5	390
Garfield Elementary School	K - 2	352

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
STAFF STATISTICS
JUNE 30, 2002

Average classroom teacher salary	\$43,432
Average classroom teacher experience	14.33 years
Districtwide student/teacher ratio	16.2 : 1

Certified Staff

Classroom Teachers	100
Instructional Support	5
Administrators and Supervisors	8

Support Staff

Administration	2
Operations	2
Maintenance	9
Transportation	14
Clerical	11
Aides	6
Food Service	17

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
TEACHERS EDUCATION AND EXPERIENCE STATISTICS
JUNE 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	18	18.0%
Bachelor + 15	30	30.0%
Master's Degree	40	40.0%
Master's + 15	6	6.0%
Master's + 30	6	6.0%
Total	100	100.0%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	31	31.0%
6 - 10	17	17.0%
11 - 15	10	10.0%
16 - 20	10	10.0%
21 - 25	18	18.0%
26 and over	14	14.0%
Total	100	100.0%

Source: District Treasurer's Office

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

<u>Fiscal Year</u>	<u>General Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>
1993	\$5,600,629	1,296	\$4,321
1994	6,088,190	1,291	4,716
1995	6,218,205	1,321	4,707
1996	6,580,187	1,369	4,807
1997	6,872,420	1,434	4,792
1998	7,213,737	1,471	4,904
1999	8,391,842	1,535	5,467
2000	9,055,980	1,537	5,892
2001	10,931,322	1,566	6,980
2002	11,430,433	1,619	7,060

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
TRANSPORTATION STATISTICS
JUNE 30, 2002

Number of assigned school buses in fleet	16
Average age of school buses in fleet	12.6
Number of bus drivers	14
Number of miles driven per day	753
Number of miles driven annually	134,034
Average miles per bus	8,377

Students Transported per Day

Public School	1,203
Non-public School	13
Handicapped	21
Preschool	<u>10</u>
Total	1,247
Percent of student enrollment transported	77.0%

Source: District Treasurer's Office

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

Fiscal Year	K	1	2	3	4	5	6	7	8	9	10	11	12	JVS	Total
1992	101	88	104	96	98	102	103	93	82	93	80	94	101	46	1,281
1993	87	101	94	105	98	93	110	108	93	91	80	81	106	49	1,296
1994	94	96	94	96	105	101	97	112	100	89	89	86	84	48	1,291
1995	92	99	96	100	99	119	102	103	115	90	85	88	86	47	1,321
1996	86	106	97	101	116	102	128	110	103	121	87	89	78	45	1,369
1997	97	100	103	111	109	129	111	124	102	109	112	95	86	46	1,434
1998	97	113	102	111	127	114	129	119	134	118	113	84	69	41	1,471
1999	98	107	128	101	114	131	127	134	126	140	115	94	80	40	1,535
2000	110	121	108	143	107	111	137	128	127	127	121	80	78	39	1,537
2001	109	124	132	100	155	112	115	143	122	121	125	85	72	51	1,566
2002	114	117	121	130	106	154	128	128	148	126	123	85	82	57	1,619

Source: District Treasurer's Office



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HEATH CITY SCHOOL DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2003**