

**NEWBURY LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**NEWBURY LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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

Board of Education
Newbury Local School District
Geauga County
14775 Auburn Road
Newbury, Ohio 44065

We have audited the financial statements of the Newbury Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002, wherein we noted the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the District in a separate letter date December 13, 2002.

Internal Control Over Financial Reporting

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

December 13, 2002

Newbury Local School District
Newbury Township, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002

Prepared by

Treasurer's Office
Stephanie Swain
Treasurer

Newbury Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002
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NEWBURY LOCAL SCHOOL DISTRICT

14775 Auburn Road • Newbury, OH 44065-9745

1928–2003: Celebrating 75 Years of Excellence

December 13, 2002

Board of Education Members
Newbury Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Newbury Local School District for the fiscal year ended June 30, 2002. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Newbury Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Report of Independent Accountants and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section which presents social and economic data, financial trends and the fiscal capacity of the Newbury Local School District.

The School District

The Newbury Local School District is located in Geauga County in northeastern Ohio, in the center of Geauga County. Newbury Local School District encompasses Newbury Township. The School District's area is approximately twenty-five square miles.

The first class graduated from Newbury High School in 1930. A new High School was constructed at 14775 Auburn Road in 1928, and students moved in January 1, 1929. Newbury Local School District is currently located at this site. There are two schools in the School District, one high school/elementary and one intermediate school.

Newbury Local Schools does not discriminate on the basis of race, color, national origin, sex, religion, or disability in its educational programs, activities, employment policies, or admission policies and practices as required by law.

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Board of Education

Kenneth C. Blair
L. Judd Douglas
Richard F. Endres
Cathleen V. McBride
Sue G. Nelson

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services mandated by State and Federal agencies.

The Reporting Entity and Services Provided

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

Excluded from the reporting entity because they are fiscally independent of the School District are the Township of Newbury, the Geauga County Public Library, the Newbury Booster Clubs, the Parent Teacher Organization and the Newbury Joint Recreation Council.

The School District participates in six jointly governed organizations. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, the East Shore Center, the East Shore Regional Transportation System and the Ohio Schools Council. These organizations are presented in Note 16 to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition And Outlook

The Newbury Local School District is located entirely in Newbury Township, which is located about 30 miles east of Cleveland. The current population estimate is approximately 5,805 and current assessed valuation of property within the township is \$152,398,140.

Newbury residents enjoy a semi-rural atmosphere, with most residential areas zoned at a three-acre minimum lot size. Housing types range from modest homes, which may sell for under \$100,000 to multi-million dollar estates. The township has enjoyed a steady growth in residential housing, with several new large-lot subdivisions opening up in the last few years.

Newbury residents also enjoy the presence of the Punderson State Park, located entirely within the Township and the source of a 3 percent township hotel tax, as well as a variety of recreational activities. The Township has recently purchased an 88-acre parcel of land adjoining the northern border of Newbury Local School District's property on Auburn Road. This property will be used both for recreational purposes and potential future school expansion.

Major employers in the Township include commercial and industrial concerns such as Kinetico, Saint Fobain, and Unity Rubber, several transportation firms including Manfredi Motor Transit, Kuhnle Brothers, Circle Transport and Precious Cargo and a large variety of service organizations based primarily along the Route 87 corridor which runs west to east through the center of the Township. The departure of Newbury Industries several years ago was countered by the expansion of Kinetico into Newbury Industries' former plant. The more recent departure of Great Lakes Cheese to a new facility in Troy Township has created the prospect of a temporary decrease in property tax revenues, but the new owner of the former Great Lakes Cheese plant is aggressively seeking new tenants for that building. Township zoning regulations are designed to strike a balance between preservation of a rural atmosphere and encouragement of the development of clean commercial/industrial enterprises that will provide new jobs and economic growth.

Newbury Township operates on an annual budget of over \$1.5 million dollars per year, providing maintenance over 35 miles of township roads, enforcement of township zoning, maintenance of four township cemeteries, funding of the activities of a volunteer fire department and maintaining a part-time police department out of general fund revenues.

Major Initiatives

The Newbury Local School District has maintained the strong image of a public school in a private school setting since 1928.

The Newbury Local School District has achieved an “Excellent” status based on the state of Ohio’s Report Card by having met 22 of 22 standards (2001-2002 data) including proficiency test scores, dropout and graduation rates.

The School District completely renovated the secondary complex’s heating system in the summer of 1999. More energy efficient lighting was placed throughout the School District, including enhancements for handicapped accessibility and the replacement of the stadium lighting. These improvements have resulted in savings and the energy audit completed by the Brewer-Garrett Company has estimated the energy savings over the last 3 years at approximately \$85,000. The superstructure of the stadium bleachers was renovated in the summer of 2000. During this time period, the gymnasium floor was replaced after 30 years of use. Roofs at the high school/elementary facility have been replaced in the summers of 2001 and 2002, along with locker replacement in the junior/senior high school, the rekeying of the junior/senior high school building to attain a higher level of security standards and a significant renovation to a junior/senior high school classroom so that students would have the benefit of an additional laboratory science.

In anticipating the repairs in the upcoming years, the School District placed a 1 mill permanent improvement replacement levy on the November 7, 2000 ballot. Voters approved this issue by a wide margin bringing an additional \$70,000 into the School District on an annual basis for the care and repair of our buildings and grounds. In the May, 2002 primary election, Newbury voters also renewed a 5.25 emergency levy that generates \$800,000 annually with 69 percent of the vote.

Assigning the High School Principal leadership responsibilities in grades 7-12 and creating the position of Junior/Senior High School Principal recently completed administrative realignment. The Board of Education also created the position of Junior/Senior High School Assistant Principal to create a more cohesive unit in the secondary building.

The Newbury Local School District continues the journey toward continuous improvement. Over the past four years the School District has called together representative groups of parents, faculty, staff, students, business leaders and the community at large to plan for the future. In the fall of 1999, a three-day retreat was held to develop the formal plan and in October 2002 a representative group consisting of teachers, administrators, faculty, staff, students, business and community leaders updated the plan for the current school year.

Parental involvement continues to be a key component for the success of the Newbury Local School District. There is a very active Parent Teacher Organization at the elementary level that supports the educational process in many meaningful ways including fund raising, tutoring, and serving as a liaison with the School District’s administration. During the last school year our Parent Teacher Organization, Geauga Soil and Water Conservation District and our School District partnered to author a grant that funded an observation deck in a wetlands area on the School District’s property. The total cost of the project is estimated at approximately \$7,000 with \$3,000 coming from the Soil and Water Conservation grant and the balance being funded by the Parent Teacher Organization. The School District has also been the benefactor of several local grants over the past year. These grants have assisted our teachers by providing additional resources to promote innovative programming in language arts and literacy development. The grants have also been used to assist junior high school students with their library and internet skills. Additional grants helped teachers gain more resources to support inquiry-based learning in science and mathematics. There is also a Booster Group that serves the academic and athletic needs in the secondary school. Additionally there is a Music Booster Group that assists in supporting vocal and instrumental music throughout the School District.

In the past two years the Newbury Educational Foundation has been formed to assist the School District in supporting efforts financially that are consistent with the Foundation’s mission.

The Newbury Schools support a wide range of athletic, music and co-curricular activities. Students also have opportunities for domestic and foreign travel.

Over the past four years SchoolMatch, an organization that reviews school districts for clients that may be moving to different locations across the nation have honored the Newbury Local School District with the “What Parents Want” award for three consecutive years. The award is based on the following seven criteria: (1) competitive in academic test scores and are academically solid, but not so rigorous as to intimidate their children, (2) accredited, (3) recognized for excellence by a national foundation or by the U.S. Department of Education, (4) competitive in teacher salaries, (5) above average in instructional expenditures on a national percentile basis, (6) above average in expenditures for library/media services on a national percentile basis, and (7) known for small class size.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds utilized by Newbury Local School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition

This is the first year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. Newbury Local School District does not have any business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons This statement presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion appears after the Report of Independent Accountants in the financial section of this report. The Management Discussion and Analysis provides an assessment of the School District's finances for 2002.

Cash Management

The Board has established a cash management program that expedites the collection of local and State funds through electronic fund transfers and daily deposits. Funds are deposited in local financial institutions insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned for the year ended June 30, 2002, was \$56,155 of which \$55,335 was credited to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Board and designated third party trustees of the financial institutions.

Risk Management

The School District contracts for general liability insurance. The School District also carries a single occurrence \$2,000,000 limit for professional liability with no deductible and automobile liability which has a \$2,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1981 fiscal year.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Newbury Local School District for its Comprehensive Annual Report for fiscal year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

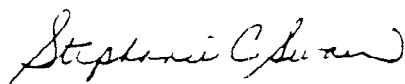
The publication of this report is a significant step toward professionalizing the Newbury Local School District's financial reporting. It enhances the School District's accountability to the residents of the Newbury Local School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

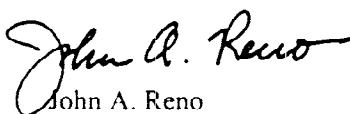
Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



Stephanie C. Swain
Treasurer



John A. Reno
Superintendent

Newbury Local School District

Principal Officials

June 30, 2002

Board of Education

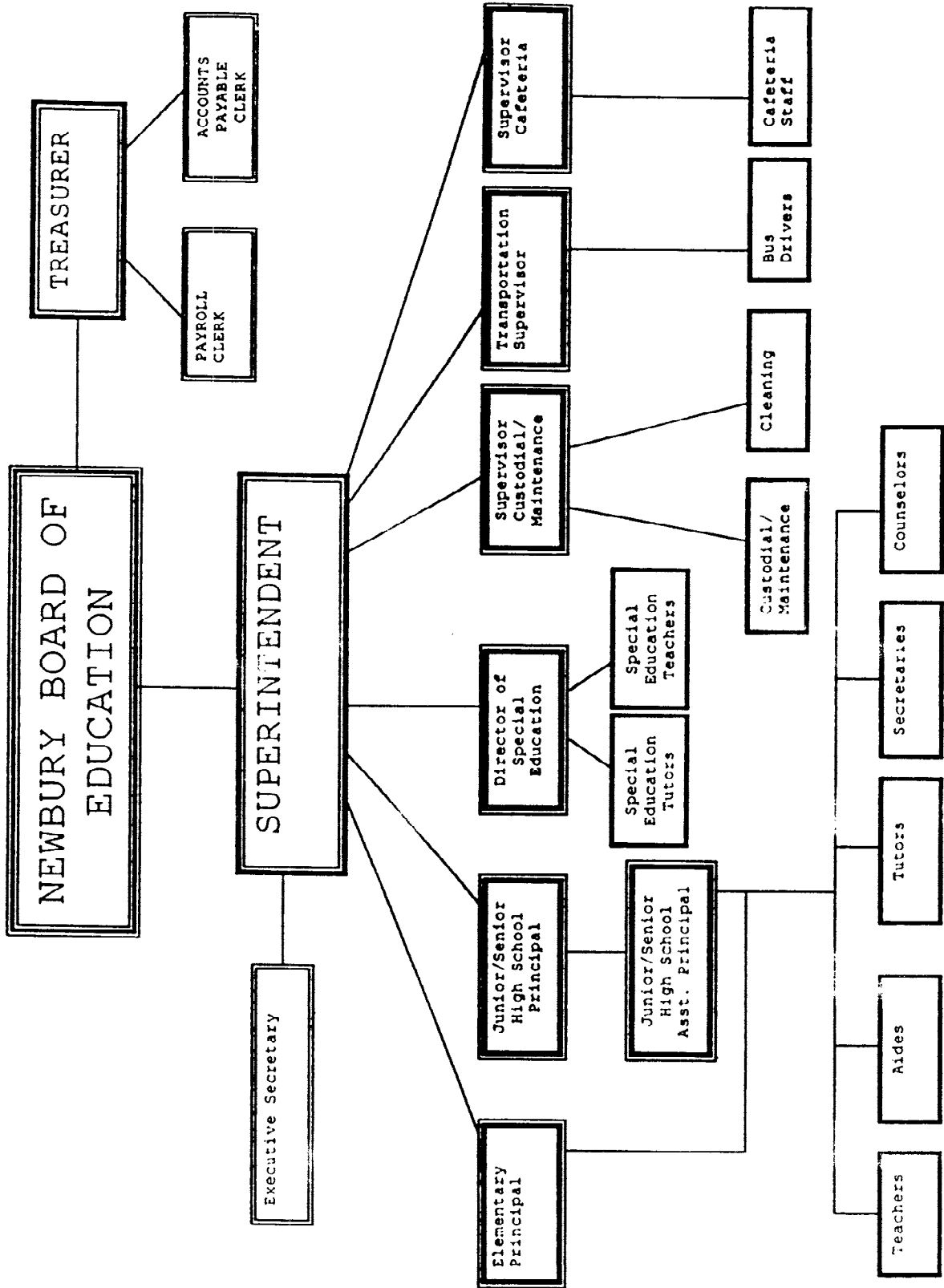
Ms. Sue Nelson President
Mr. L. Judd Douglas Vice President
Mr. Kenneth Blair Jr. Member
Ms. Cathleen McBride..... Member
Mr. Richard Endres Member

Treasurer

Ms. Stephanie C. Swain

Superintendent

Mr. John A. Reno



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Newbury Local 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.



Timothy A. Crave
President

Jeffrey L. Esler
Executive Director



STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Newbury Local School District
Geauga County
14775 Auburn Road
Newbury, Ohio 44065

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Newbury Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Newbury Local School District, Geauga County, Ohio, as of June 30, 2002, and the respective changes in financial position and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2002, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and

individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

Jim Petro
Auditor of State

December 13, 2002

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

It is a privilege to present to you the financial picture of Newbury Local School District. The discussion and analysis of Newbury Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2002 are as follows:

- ◆ In total, net assets of governmental activities decreased \$908,509, which represents a 21.4 percent decrease from 2001.
- ◆ Revenues for governmental activities totaled \$6,447,335 in 2002. Of this total, \$5,737,647 or 89.0 percent consisted of General revenues while Program revenues accounted for the balance of \$709,688 or 11 percent.
- ◆ Total assets of governmental activities decreased by \$479,769 which includes a cash and cash equivalent decrease of \$657,545 and an increase in taxes receivable of \$77,741.
- ◆ The School District had \$7,355,844 in expenses related to governmental activities; only \$709,688 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$5,737,647 helped to provide for these programs.
- ◆ Program expenses totaled \$7,355,844. Instructional expenses made up \$3,939,050 or 53.6 percent of this total while support services accounted for \$2,708,220 or 36.8 percent. Other expenses, \$708,574 rounded out the remaining 9.6 percent.

Using the Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Newbury Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Newbury Local School District, the general fund is by far the most significant fund.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why?" or "Why not?". The *Statement of Net Assets* and the *Statement of Activities* answers these questions. These statements include *all assets and liabilities* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the readers that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is classified into governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of non-instructional activities and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

The School District as a Whole

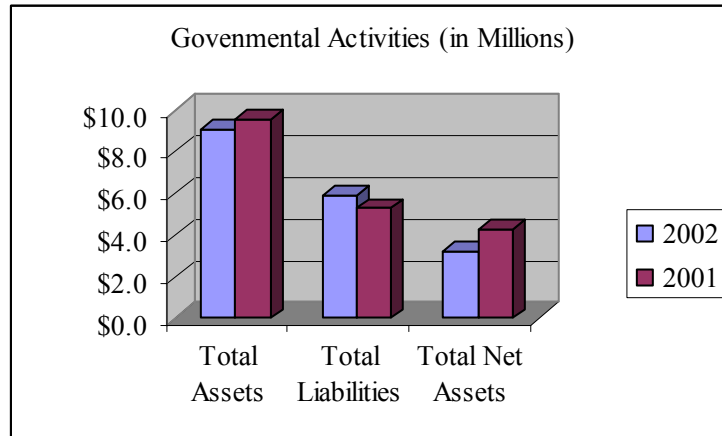
You may recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2002 compared to 2001:

Net Assets Governmental Activities		2002	2001
Assets			
Current and Other Assets		\$5,569,710	\$6,120,489
Capital Assets, Net		3,572,687	3,501,677
<i>Total Assets</i>		<i>9,142,397</i>	<i>9,622,166</i>
Liabilities			
Current Liabilities		4,826,379	4,392,998
Long-term Liabilities			
Due within One Year		77,060	63,619
Due Within More Than One Year		892,410	910,492
<i>Total Liabilities</i>		<i>5,795,849</i>	<i>5,367,109</i>
Net Assets			
Invested in Capital Assets, Net of Related Debt		3,104,997	2,981,065
Restricted For:			
Capital Projects		99,151	92,705
Set Asides		31,149	31,149
Other Purposes		98,463	71,570
Unrestricted		12,788	1,078,568
<i>Total Net Assets</i>		<i>\$3,346,548</i>	<i>\$4,255,057</i>

Graph 1
(in millions)

	2002	2001
Total Assets	\$9.1	\$9.6
Total Liabilities	5.8	5.4
Total Net Assets	\$3.3	\$4.2

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
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Total assets decreased \$479,769. The majority of this decrease can be attributed to a decrease in cash caused by increased spending for salaries and benefits mainly in regular and special instruction and pupils, administration, fiscal, and pupil transportation support services.

Total liabilities increased by \$428,740. The most notable area that increased was wages and benefits and was due to the addition of a teacher to the staff and a 30 percent increase in the cost of medical benefits.

The vast majority of revenues supporting governmental activities is general revenue. General revenue totaled \$5,737,647 or 89 percent of total revenue. The most significant portion of the general revenue is local property tax which is 61.0 percent of total revenue and intergovernmental revenue (consisting of state foundation, homestead and rollback, and personal property tax exemption) which is 26.6 percent of total revenue. Interest income, contributions, and miscellaneous revenue account for 1.4 percent of total revenue. The remaining amount of revenue received was in the form of program revenues, which equated \$709,688 or only 11 percent of total revenue.

Table 2 shows the changes in net assets for fiscal year 2002. Since this is the first year the School District has prepared financial statements following GASB 34, revenue and expense comparisons to fiscal year 2001 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

Table 2
 Governmental Activities

Program Revenues	
Charges for Services	\$296,266
Operating Grants, and Contributions	363,714
Capital Grants and Contributions	49,708
<i>Total Program Revenues</i>	<u>709,688</u>
General Revenues	
Property Taxes	3,932,727
Grants and Entitlements	1,712,723
Investments	55,335
Contributions and Donations	525
Miscellaneous	36,337
<i>Total General Revenues</i>	<u>5,737,647</u>
<i>Total Revenues</i>	<u>6,447,335</u>
Program Expenses	
Instruction:	
Regular	3,231,699
Special	651,462
Vocational	55,889
Support Services	
Pupil	312,852
Instructional Staff	158,852
Board of Education	121,230
Administration	558,543
Fiscal	256,111
Business	1,435
Operations and Maintenance of Plant	669,286
Pupil Transportation	545,094
Central	84,817
Operation of Non-Instructional Services	364,471
Extracurricular Activities	314,781
Interest and Fiscal Charges	29,322
<i>Total Program Expenses</i>	<u>7,355,844</u>
Decrease in Net Assets	<u><u>(\$908,509)</u></u>

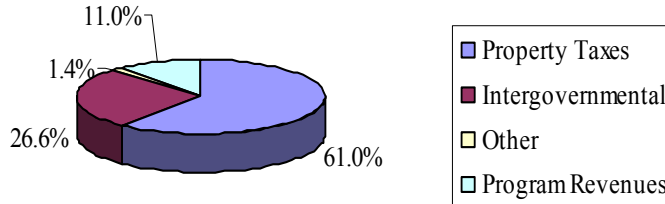
Governmental Activities

The School District has carefully planned its financial existence by forecasting its revenues and expenditures over the next five years. The School District's revenue growth is mostly dependent upon property tax increases and new construction. Property taxes made up 61.0 percent of revenues for governmental activities for Newbury Local School District in fiscal year 2002. Although the School

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
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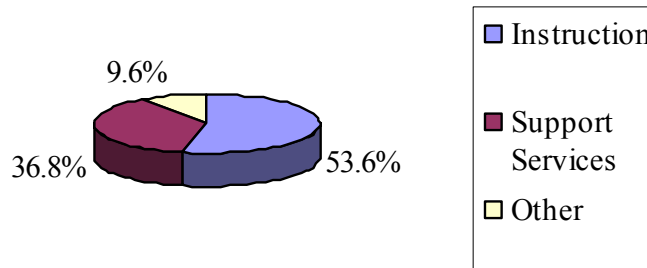
District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating cost.

Revenues



Instruction comprises 53.6 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 36.8 percent. The remaining 9.6 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges.

Program Expenses



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
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Table 3
 Governmental Activities

	Total Cost of Services 2002	Net Cost of Services 2002
Instruction:		
Regular	\$3,231,699	\$3,158,223
Special	651,462	511,218
Vocational	55,889	55,839
Support Services:		
Pupils	312,852	292,256
Instructional Staff	158,852	158,852
Board of Education	121,230	121,230
Administration	558,543	558,543
Fiscal	256,111	256,111
Business	1,435	1,435
Operation and Maintenance of Plant	669,286	669,286
Pupil Transportation	545,094	495,386
Central	84,817	77,817
Operation of Non-Instructional Services	364,471	15,842
Extracurricular Activities	314,781	244,796
Interest and Fiscal Charges	29,322	29,322
Total	<u>\$7,355,844</u>	<u>\$6,646,156</u>

The dependence upon tax revenues for governmental activities is apparent. Over 53 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs support 23.3 percent, while investment and other miscellaneous type revenues support 1.2 percent of the costs. Program revenues only account for 9.6 percent of all governmental expenses. Program revenues include charges for services grants and contributions that are program specific. Surrounding schools with resident students attending Newbury Local School District pay the School District \$4,294 per pupil under Ohio's open enrollment plan. The community, as a whole, is the primary support for Newbury Local School District students.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$6,462,276 and expenditures of \$7,435,928.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant fund to be budgeted is the main operating fund of the School District, the general fund.

During the course of fiscal 2002, the School District amended its general fund budget several times. The most significant amendments occurred due to changes in the increase in salary expenditures. For the general fund, the final budget basis revenue was \$5,701,360 representing a \$140,071 decrease from the original budget estimate of \$5,841,431. Most of this difference is due to property taxes decreases. The original budget estimate was amended with the June 2002 amended certificate of resources. The School District's general fund unencumbered cash balance at the end of the fiscal year was \$1,158,135 reflecting additional funds budgeted but not expended or encumbered.

For the other non-significant budget amendments, the School District uses a site-based style of budgeting and has in place systems that are designed to tightly control site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbooks, instructional materials and equipment.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2002, the School District had \$3,572,687 invested in land, buildings, equipment, and vehicles. Table 4 shows fiscal 2002 values compared to 2001.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2002	2001
Land	\$248,900	\$248,900
Building and Improvements	2,590,886	2,592,391
Furniture and Equipment	369,325	327,676
Vehicles	363,576	332,710
Total Capital Assets	\$3,572,687	\$3,501,677

All capital assets, except land, are reported net of depreciation. As one can see, the main changes in capital assets during the fiscal year occurred in furniture and equipment. The increase in furniture and equipment was due primarily to a large net change in assets of \$83,425 and a small net change in depreciation of \$41,776 for an overall change of \$41,649. For additional information on capital assets see Note 10.

For fiscal year 2002, Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials. For fiscal years 2001 and 2002, the School District had qualifying disbursements or offsets exceeding both the capital and maintenance requirement and the textbook and instructional requirement.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
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Debt

At June 30, 2002, the School District had \$467,690 in energy conservation bonds outstanding with \$56,007 due within one year. At June 30, 2001, the School District had \$520,612 in energy conservation bonds outstanding with \$52,922 due within one year.

At June 30, 2002, the School District's overall legal debt margin was \$13,715,833 with an unvoted debt margin of \$152,398. The School District maintains an Aaa bond rating. For additional information see Note 11.

School District Outlook

Newbury Local School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. Recent national events and their impact on the Newbury Local School District and the surrounding area are very much under review and analysis. Economic recession has yet to impact our primary industries, but that could be a seasonal phenomena resulting from our agricultural and housing industry strengths. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its five year forecast.

The financial future of the School District is not without its challenges though. These challenges are internal and external in nature. The internal challenges will continue to exist, as the School District must rely heavily on local property taxes to fund its operations. Due to economic growth, the School District has not had to ask for a new operating levy since 1992. Thus management must diligently plan expenses from this growth, staying carefully within its five-year forecast. Additional revenues, than what was estimated, must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast.

Externally, the State of Ohio was found by the Ohio Supreme court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme again ruled that while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate.' The court directed the Government and the legislature to address the fundamental issue creating inequities. In September 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding system. The decision identified aspects of the current plan that require modification.

Newbury Local School District has not anticipated any meaningful growth in State revenue. The concern is that, to meet the requirements of the court, the State may require the redistribution of commercial and industrial property taxes. With 52.03 percent of the taxes for the School District coming from local businesses and industry, one can see the significant impact this change would have on the School District and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, it is imperative that the School District's management continue to carefully and prudently plan to provide the resources required to meet student needs over the next several years.

Newbury Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2002
Unaudited

In conclusion, Newbury Local School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 2000 and the Auditor's Award for Excellence in Financial Reporting since 2000.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Stephanie Swain, Treasurer at Newbury Local School District, 14775 Auburn Road, Newbury, Ohio 44065.

Basic Financial Statements

Newbury Local School District

Statement of Net Assets

June 30, 2002

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,396,068
Accounts Receivable	3,330
Intergovernmental Receivable	6,692
Accrued Interest Receivable	796
Prepaid Items	3,705
Inventory Held for Resale	5,739
Materials and Supplies Inventory	22,609
Taxes Receivable	4,130,771
Nondepreciable Capital Assets	248,900
Depreciable Capital Assets, Net	<u>3,323,787</u>
<i>Total Assets</i>	<u>9,142,397</u>
Liabilities	
Accounts Payable	43,130
Accrued Wages and Benefits	703,892
Intergovernmental Payable	237,552
Deferred Revenue	3,839,600
Accrued Interest Payable	2,205
Long-Term Liabilities:	
Due Within One Year	77,060
Due In More Than One Year	<u>892,410</u>
<i>Total Liabilities</i>	<u>5,795,849</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	3,104,997
Restricted for:	
Capital Projects	99,151
Set Asides	31,149
Other Purposes	98,463
Unrestricted	<u>12,788</u>
<i>Total Net Assets</i>	<u><u>\$3,346,548</u></u>

See accompanying notes to the basic financial statements

Newbury Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues				Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants		Governmental Activities
			Contributions and Interest	Capital Grants and Contributions	
Governmental Activities					
Instruction:					
Regular	\$3,231,699	\$32,729	\$40,747	\$0	(\$3,158,223)
Special	651,462	10,629	129,615	0	(511,218)
Vocational	55,889	50	0	0	(55,839)
Support Services:					
Pupils	312,852	0	20,596	0	(292,256)
Instructional Staff	158,852	0	0	0	(158,852)
Board of Education	121,230	0	0	0	(121,230)
Administration	558,543	0	0	0	(558,543)
Fiscal	256,111	0	0	0	(256,111)
Business	1,435	0	0	0	(1,435)
Operation and Maintenance of Plant	669,286	0	0	0	(669,286)
Pupil Transportation	545,094	0	0	49,708	(495,386)
Central	84,817	0	7,000	0	(77,817)
Operation of Non-Instructional Services	364,471	182,873	165,756	0	(15,842)
Extracurricular Activities	314,781	69,985	0	0	(244,796)
Interest and Fiscal Charges	29,322	0	0	0	(29,322)
<i>Total Governmental Activities</i>	<u>\$7,355,844</u>	<u>\$296,266</u>	<u>\$363,714</u>	<u>\$49,708</u>	<u>(6,646,156)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					3,739,546
Debt Service					82,596
Capital Outlay					110,585
Grants and Entitlements not Restricted to Specific Program					1,712,723
Unrestricted Contributions					525
Investment Earnings					55,335
Miscellaneous					<u>36,337</u>
<i>Total General Revenues</i>					<u>5,737,647</u>
Change in Net Assets					(908,509)
<i>Net Assets Beginning of Year - See Note 3</i>					<u>4,255,057</u>
<i>Net Assets End of Year</i>					<u><u>\$3,346,548</u></u>

See accompanying notes to the basic financial statements

Newbury Local School District

Balance Sheet

Governmental Funds

June 30, 2002

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,139,029	\$176,182	\$1,315,211
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	80,857	0	80,857
Taxes Receivable	3,911,275	219,496	4,130,771
Accounts Receivable	1,916	1,414	3,330
Accrued Interest Receivable	796	0	796
Intergovernmental Receivable	444	6,248	6,692
Prepaid Items	3,335	370	3,705
Inventory Held for Resale	0	5,739	5,739
Materials and Supplies Inventory	21,544	1,065	22,609
<i>Total Assets</i>	<u>\$5,159,196</u>	<u>\$410,514</u>	<u>\$5,569,710</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$41,872	\$1,258	\$43,130
Accrued Wages and Benefits	681,243	22,649	703,892
Intergovernmental Payable	188,137	1,859	189,996
Deferred Revenue	3,726,975	211,065	3,938,040
<i>Total Liabilities</i>	<u>4,638,227</u>	<u>236,831</u>	<u>4,875,058</u>
 Fund Balances			
Reserved for Encumbrances	19,879	21,170	41,049
Reserved for Property Taxes	184,300	8,800	193,100
Reserved for Budget Stabilization	31,149	0	31,149
Reserved for School Bus Purchase	49,708	0	49,708
Unreserved:			
Undesignated, Reported in:			
General Fund	235,933	0	235,933
Special Revenue Funds	0	77,358	77,358
Debt Service Fund	0	92	92
Capital Projects Funds	0	66,263	66,263
<i>Total Fund Balances</i>	<u>520,969</u>	<u>173,683</u>	<u>694,652</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,159,196</u>	<u>\$410,514</u>	<u>\$5,569,710</u>

See accompanying notes to the basic financial statements

Newbury Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2002*

Total Governmental Funds Balances	\$694,652
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	3,572,687
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	98,071
Intergovernmental	<u>369</u>
Total	98,440
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(467,690)
Compensated Absences	<u>(501,780)</u>
Total	(969,470)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, and interest expenditure is reported when due.	(2,205)
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	<u>(47,556)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$3,346,548</u></u>

See accompanying notes to the basic financial statements

Newbury Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	\$3,743,158	\$191,728	\$3,934,886
Intergovernmental	1,749,469	381,983	2,131,452
Interest	55,335	820	56,155
Tuition and Fees	11,909	0	11,909
Extracurricular Activities	0	91,216	91,216
Contributions and Donations	525	6,655	7,180
Charges for Services	28,145	164,996	193,141
Miscellaneous	24,062	12,275	36,337
<i>Total Revenues</i>	<u>5,612,603</u>	<u>849,673</u>	<u>6,462,276</u>
Expenditures			
Current:			
Instruction:			
Regular	3,133,756	41,624	3,175,380
Special	503,086	136,175	639,261
Vocational	55,356	0	55,356
Support Services:			
Pupils	276,628	33,701	310,329
Instructional Staff	156,446	0	156,446
Board of Education	121,230	0	121,230
Administration	523,455	1,762	525,217
Fiscal	252,097	0	252,097
Business	1,435	0	1,435
Operation and Maintenance of Plant	676,810	0	676,810
Pupil Transportation	570,849	0	570,849
Central	77,817	7,000	84,817
Operation of Non-Instructional Services	203,988	332,798	536,786
Extracurricular Activities	0	130,310	130,310
Capital Outlay	0	117,101	117,101
Debt Service:			
Principal	0	52,922	52,922
Interest and Fiscal Charges	0	29,582	29,582
<i>Total Expenditures</i>	<u>6,552,953</u>	<u>882,975</u>	<u>7,435,928</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(940,350)</u>	<u>(33,302)</u>	<u>(973,652)</u>
Other Financing Sources (Uses)			
Transfers In	0	45,330	45,330
Transfers Out	(45,330)	0	(45,330)
<i>Total Other Financing Sources (Uses)</i>	<u>(45,330)</u>	<u>45,330</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(985,680)	12,028	(973,652)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>1,506,649</u>	<u>161,655</u>	<u>1,668,304</u>
<i>Fund Balances End of Year</i>	<u>\$520,969</u>	<u>\$173,683</u>	<u>\$694,652</u>

See accompanying notes to the basic financial statements

Newbury Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2002*

Net Change in Fund Balances - Total Governmental Funds (\$973,652)

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which capital
outlays exceeded depreciation in the current period.

Capital Outlay	285,180
Depreciation	<u>(212,534)</u>

Total	72,646
-------	--------

Governmental funds only report the disposal of fixed assets
to the extent proceeds are received from the sale. In the
statement of activities, a gain or loss is reported for each
disposal. (1,636)

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the funds.

Property Taxes	(2,159)
Intergovernmental	<u>(12,782)</u>

Total	(14,941)
-------	----------

Some expenses reported in the statement of activities do not
require the use of current financial resources and therefore
are not reported as expenditures in governmental funds:

Pension Obligation	4,173
Compensated Absences	<u>(48,281)</u>

Total	(44,108)
-------	----------

Repayment of bond principal is an expenditure in the
governmental funds, but the repayment reduces
long-term liabilities in the statement of net assets 52,922

In the statement of activities, interest is accrued on
outstanding bonds, whereas in governmental funds,
the governmental funds is reported as an increase in the
an interest expenditure is reported when due. 260

Change in Net Assets of Governmental Activities (\$908,509)

See accompanying notes to the basic financial statements

Newbury Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$3,975,339	\$3,835,268	\$3,836,758	\$1,490
Intergovernmental	1,748,793	1,748,793	1,748,793	0
Interest	52,110	52,110	54,539	2,429
Tuition and Fees	12,723	12,723	11,909	(814)
Contributions and Donations	525	525	525	0
Charges for Services	28,129	28,129	28,145	16
Miscellaneous	23,812	23,812	23,812	0
<i>Total Revenues</i>	5,841,431	5,701,360	5,704,481	3,121
Expenditures				
Current:				
Instruction:				
Regular	2,950,724	3,102,082	3,035,736	66,346
Special	511,979	511,979	479,842	32,137
Vocational	54,800	54,800	52,463	2,337
Support Services:				
Pupils	278,083	278,083	269,607	8,476
Instructional Staff	163,834	163,834	152,596	11,238
Board of Education	123,800	123,800	116,745	7,055
Administration	499,544	499,544	493,756	5,788
Fiscal	268,910	268,910	241,127	27,783
Business	3,500	3,500	2,358	1,142
Operation and Maintenance of Plant	765,606	765,606	676,762	88,844
Pupil Transportation	562,092	562,092	549,087	13,005
Central	77,817	77,817	77,817	0
Extracurricular Activities	209,298	209,298	201,595	7,703
Capital Outlay	23,553	23,553	0	23,553
<i>Total Expenditures</i>	6,493,540	6,644,898	6,349,491	295,407
<i>Excess of Revenues Under Expenditures</i>	(652,109)	(943,538)	(645,010)	298,528
Other Financing Uses				
Transfers Out	(45,330)	(45,330)	(45,330)	0
<i>Net Change in Fund Balance</i>	(697,439)	(988,868)	(690,340)	298,528
<i>Fund Balance Beginning of Year</i>	1,723,965	1,723,965	1,723,965	0
Prior Year Encumbrances Appropriated	124,510	124,510	124,510	0
<i>Fund Balance End of Year</i>	\$1,151,036	\$859,607	\$1,158,135	\$298,528

See accompanying notes to the basic financial statements.

Newbury Local School District
Combined Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2002

	<u>Agency</u>
Assets	
Equity Pooled in Cash and Cash Equivalents	<u>\$14,433</u>
Liabilities	
Undistributed Monies	\$3,427
Due to Students	<u>11,006</u>
<i>Total Liabilities</i>	<u>\$14,433</u>

See accompanying notes to the basic financial statements

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 1 - Description of the School District and Reporting Entity

Newbury Local School District (the School District) operates under a locally-elected Board form of government and provides educational services authorized by state and federal agencies. This Board controls the School District's 2 instructional/support facilities staffed by 35 non-certified employees, 59 certificated full time teaching personnel and 8 administrative employees to provide services to 791 students and other community members.

The School District was established in 1815 through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District serves an area of approximately 25 square miles. It is located in Geauga County, including all of Newbury Township, Ohio. The School District is the 541st largest in the State of Ohio (among 613 school districts) in terms of enrollment. It currently operates one intermediate instructional building (grades 4, 5, and 6) and one administrative/instructional building (board offices and all other grades).

Reporting Entity

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

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

The School District participates in six jointly governed organizations. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, the East Shore Center, the East Shore Regional Transportation System and the Ohio Schools' Council. These organizations are discussed in Note 16 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The general fund is the School District's only major governmental fund:

General Fund The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Fiduciary Fund Types Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds. The School District's agency funds are employee benefits and student activities.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, tuition, grants, fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash and Cash Equivalents

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

During fiscal year 2002, the School District's investments were limited to STAROhio, the State Treasurer's Investment Pool and a non-negotiable certificate of deposit which is reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$55,335, which includes \$6,962 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set aside to create a reserve for budget stabilization and unexpended resources restricted for the purchase of buses. See Note 18 for additional information regarding set-asides.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis and is recorded as an expenditure when the inventory is used. Inventory in governmental funds consists of expendable supplies held for consumption and donated and purchased food.

I. Capital Assets

All capital assets of the School District are general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life, are not.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 99 years
Furniture and Equipment	5-10 years
Vehicles	10 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

M. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, budget stabilization and school bus purchase.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Q. Estimates

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

R. Budgetary Data

All funds, other than agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Note 3 - Change in Accounting Principle and Restatement of Fund Balance

Changes in Accounting Principles For fiscal year 2002, the School District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB Statement No. 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

On the government-wide financial statements, the beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2001, caused by the reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

Restatement of Fund Balance It was determined that enterprise funds should be reclassified and reported as special revenue funds. The new standards for reporting fund obligations for compensated absences in Interpretation 6 also caused changes in previously reported fund balances. These restatements had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Nonmajor	Total
Fund Balances, June 30, 2001	\$1,495,952	\$136,002	\$1,631,954
Fund Reclassification	0	16,345	16,345
Interpretation 6:			
Compensated Absences Payable	10,697	9,308	20,005
Adjusted Fund Balance, June 30, 2001	\$1,506,649	\$161,655	1,668,304
Gasb 34 Adjustments:			
Capital Assets			3,501,677
Compensated Absences			(453,499)
Intergovernmental Payables			(51,729)
Accrued Interest			(2,465)
Long-Term Debt			(520,612)
Long-Term (Deferred) Assets			113,381
Governmental Activities Net Assets, June 30, 2001			\$4,255,057

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 4 – Accountability and Compliance

A. Accountability

Fund balances at June 30, 2002 included the following individual fund deficits:

<i>Special Revenue Funds</i>	
Auxiliary Services	\$2,025
Title VI	46
Drug Free Schools Grant	244

The special revenue fund deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

B. Compliance

The following fund had original appropriations in excess of estimated resources and carryover balance contrary to Section 5705.39, Revised Code: This was corrected by fiscal year end.

Fund	Estimated Resources	Appropriations	Excess
<i>Special Revenue Funds</i>			
Special Trust Fund	\$71	\$655	(\$584)

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Net Change in Fund Balance

GAAP Basis	(\$985,680)
Net Adjustment for Revenue Accruals	91,879
Net Adjustment for Expenditure Accruals	265,212
Adjustment for Encumbrances	<u>(61,751)</u>
Budget Basis	<u><u>(\$690,340)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bill, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian

Undeposited Cash At year-end, the School District had \$50 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$98,250 and the bank balance was \$144,608. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$44,608 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments GASB Statement No. 3 requires the School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

department or agent but not in the School District's name. The School District invests in STAROhio, which is an unclassified investment that is not evidenced by securities that exist in physical or book entry form. STAROhio's fair value at June 30, 2002 is \$1,312,201.

The classification of cash and cash equivalents, and investments on the fund financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$1,410,501	\$0
Cash on Hand	(50)	0
Investments:		
STAROhio	(1,312,201)	1,312,201
GASB Statement No. 3	\$98,250	\$1,312,201

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 2002 taxes were collected are:

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$131,524,890	87.77%	\$133,495,680	87.60%
Public Utility Personal	6,048,000	4.04	5,400,690	3.54
Tangible Personal Property	12,264,750	8.19	13,501,770	8.86
Total	\$149,837,640	100.00%	\$152,398,140	100.00%
 Tax rate per \$1,000 of assessed valuation	 \$55.31		 \$55.15	

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Newbury Local School District. The County Auditor periodically advances to the School District its portion of taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable include real, personal property and public utility taxes which are measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current fiscal current year operations. The amount available to the School District as an advance at June 30 is recognized as revenue. At June 30, 2002, \$184,300 was available as an advance to the general fund and \$8,800 was available to the permanent improvement capital projects fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

Note 8 - Receivables

Receivables at June 30, 2002, consisted of taxes, accounts (rent, student fees and tuition), intergovernmental grants, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

	Amounts
Federal Reimbursement	\$5,879
Workers' Compensation Refund	444
Eisenhower Grant	369
Total	\$6,692

Note 9 - Interfund Transfers

Transfers made during the year ended June 30, 2002 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$0	\$45,330
All other Governmental Funds	45,330	0
Total	\$45,330	\$45,330

These transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance June 30, 2001	Additions	Deletions	Balance June 30, 2002
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$248,900	\$0	\$0	\$248,900
<i>Depreciable Capital Assets</i>				
Building and Improvements	4,914,077	94,338	11,120	4,997,295
Furniture and Equipment	997,248	92,977	9,552	1,080,673
Vehicles	632,676	97,865	90,160	640,381
<i>Total Capital Assets, being depreciated</i>	6,544,001	285,180	110,832	6,718,349
Less Accumulated Depreciation				
Building and Improvements	(2,321,686)	(93,666)	(8,943)	(2,406,409)
Furniture and Equipment	(669,572)	(60,885)	(19,109)	(711,348)
Vehicles	(299,966)	(57,983)	(81,144)	(276,805)
<i>Total Accumulated Depreciation</i>	(3,291,224)	(212,534) *	(109,196)	(3,394,562)
<i>Total Capital Assets, being depreciated, Net</i>	3,252,777	72,646	1,636	3,323,787
<i>Governmental Activities Capital Assets, Net</i>	\$3,501,677	\$72,646	\$1,636	\$3,572,687

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$132,936
Special	1,258
Support Services:	
Pupils	1,214
Instructional Staff	1,691
Administration	2,236
Fiscal	830
Operation and Maintenance of Plant	3,835
Pupil Transportation	64,027
Operation of Non Instruction Services	1,212
Extracurricular Activities	3,295
Total Depreciation Expense	\$212,534

Note 11 - Long Term Obligations

The changes in the School District's long-term obligations were during the year consist of the following:

	Principal Outstanding 06/30/01	Additions	Deletions	Principal Outstanding 06/30/02	Amounts Due in One Year
Governmental Activities					
5.748% Energy Conservaton Bonds	\$520,612	\$0	\$52,922	\$467,690	\$56,007
Compensated Absences	453,499	476,525	428,244	501,780	21,053
Total Governmental Activities Long-Term Liabilities	\$974,111	\$476,525	\$481,166	\$969,470	\$77,060

On July 1, 1999, the School District issued \$620,759 of House Bill 264 Energy Conservation Improvement Bonds at a rate of 5.748 percent for 10 years for various improvements in the School District. All bonds will be paid from property taxes.

The compensated absences will be paid from the general fund and auxiliary service, title I and food service special revenue funds.

The School District's overall legal debt margin was \$13,715,833 with and unvoted debt margin of \$152,398 at June 30, 2002. Principal and interest requirements to retire the energy conservation bonds outstanding at June 30, 2002 are as follows:

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Fiscal Year Ending June 30, 2002	Principal	Interest	Total
2003	\$56,007	\$26,455	\$82,462
2004	59,272	23,204	82,476
2005	62,728	19,639	82,367
2006	66,386	15,931	82,317
2007	70,257	12,007	82,264
2008-2009	153,040	11,332	164,372
Total	\$467,690	\$108,568	\$576,258

Note 12 - Risk Management

A. Property and Liability

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

Company	Type of Coverage	Coverage
Crum & Forster Company	Building and Contents-Replacement Cost	\$15,415,050
	Inland Marine Coverage	687,761
Travelers Property Casualty	Boiler and Machinery	30,000,000
Ohio Casualty Insurance Company	Crime Insurance	255,000
Coregis	Automobile Liability	
	Per Occurance	2,000,000
	Uninsured Motorist	1,000,000
Nationwide Insurance	General Liability	
	Per Occurance	2,000,000
	Total per year	5,000,000

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

B. Workers' Compensation

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

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 13 - Employee Benefits

A. Compensated Absences

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

B. Health Care Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through OSC Life Insurance Group through Ohio Schools' Council. The School District has contracted with Medical Mutual to provide employee medical/surgical and dental benefits. The School District pays \$799.46 per family coverage and \$313.64 per single coverage per month which represents 90 percent of the family premium and 100 percent of the single premium. This premium covers medical/surgical and major medical portion of the insurance.

Note 14 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$49,463, \$35,218, and \$43,338, respectively; 56.99 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$21,271 representing the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$288,915, \$278,911, and \$161,381 respectively; which represents 67.40 percent for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$94,174 representing the unpaid contribution for fiscal year 2002. The balance outstanding is reflected as an intergovernmental payable.

C. Social Security System

Effective July 1, 1991, employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/ State Teachers Retirement System of Ohio. As of June 30, 2002, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 15 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$136,854 for fiscal year 2002.

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

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established as \$12,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2002 fiscal year equaled \$85,541.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001, (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 16 - Jointly Governed Organizations

Auburn Career Center The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven School Districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of Auburn Career Center is not dependent on the School District's continued participation. The School District did not make a contribution to the Auburn Career Center during fiscal year 2002. Financial information can be obtained from 8140 Auburn Road, Painesville, Ohio 44077.

Lake Geauga Computer Association The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on Newbury Local School District's continued participation. The School District made no payment to the Lake Geauga Computer Association during fiscal year 2002. To obtain financial information, write to Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Newbury Joint Recreation Council The Newbury Joint Recreation Council (the "Council") is a jointly governed organization. The School District appoints three members of the seven-member board. The purpose of the Council is to further athletic and recreational opportunities. The School District has made financial contributions to the Council in prior years, but not during fiscal year ended June 30, 2002. The School District's degree of control is limited to its representation on the board. The Council's continued existence is not dependent on the School District's continued participation. To obtain financial information, write to Newbury Joint Recreation Board, Newbury Town Hall, Newbury, Ohio 44065.

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

East Shore Center The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school district. The degree of control exercised by any participating school district is limited to its representation of the governing board. East Shore Center is not accumulating significant resources or experiencing fiscal distress, which would cause additional financial benefit of burden on the School District. The School District did not make a contribution to East Shore Center during fiscal year 2002. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, Ohio 44060.

East Shore Regional Transportation System The East Shore Regional Transportation System (the "ESRTA") is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the 16 member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by Newbury Local School District is limited to its representation on the governing board. The continued existence of ESRTA is not dependent on the School District's continued participation. The School District did not make a contribution to East Shore Regional Transportation System during fiscal year 2002. To obtain financial information, write to Kirkland Board of Education, 9252 Chillicothe Road, Kirkland, Ohio 44094

Ohio Schools' Council The Ohio Schools' Council (OSC) is a jointly governed organization among ninety-one School Districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to member districts. Each district supports the OSC by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district limited to its representation on the Board. In fiscal year 2002, the School District paid \$350 to the Council. Financial information can be obtained by contacting Albert Vasek, Executive Secretary/Treasurer, Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

amount, if any, of its contributions to the operating fund, which are not encumbered for its share of program administrative costs.

Note 17 - Contingencies

A. Grants

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

B. Litigation

The School District is not party to any legal proceedings.

Note 18 - Set asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Textbook Instructional Materials Reserve	Capital Improvements Reserve	Budget Stabilization Reserve
	<u> </u>	<u> </u>	<u> </u>
Set-aside Reserve Balance as of June 30,2001	(\$274,687)	\$0	\$31,149
Current Year Set-aside Requirement	107,729	107,729	0
Qualifying Disbursements	<u>(245,026)</u>	<u>(400,703)</u>	<u>0</u>
Total	<u>(\$411,984)</u>	<u>(\$292,974)</u>	<u>\$0</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$411,984)</u>	<u>\$0</u>	<u>\$31,149</u>
Set-aside Reserve Balance as of June 30, 2002	<u>\$0</u>	<u>\$0</u>	<u>\$31,149</u>

Newbury Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This amount may be used to reduce the set-aside requirement of future years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. These negative balances are therefore not presented as being carried forward to future years.

Note 19 – State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Combining Statements and Individual Fund Schedules

Combining Statements-Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose. Following is a description of the School District's nonmajor special revenue funds:

Special Trust Fund – This fund accounts for monies from local donations for the purpose of scholarships for students.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for assemblies, and other activity costs.

Athletics/District Managed Fund - This fund accounts for gate receipts and other revenues from athletic events and costs (except supplemental coaching contracts) of the athletic program, including transportation.

Auxiliary Services Fund - This fund accounts for State grant monies that provide services and materials to pupils attending non-public schools within the School District.

Teacher Development Fund - This fund accounts for State monies used to provide seminars and workshops for staff development.

Educational Management Information Systems Fund - This fund accounts for State monies which support the costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid Fund – This fund accounts for State monies received for disadvantaged pupil impact aid.

Data Communications Fund - This fund accounts for State monies provided for Ohio Educational Computer Network connections

SchoolNet Professional Development Fund - This fund accounts for State monies to assist staff in gaining knowledge of technology.

Ohio Reads Grant Fund - This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention Fund – This fund accounts for State monies used for the Summer School program.

School Security Fund – This fund accounts for State monies used to install a hotline for students to help ensure the safety of the students.

Eisenhower Math and Science Fund - This fund accounts for State monies used to improve the skills of teachers and the quality of instruction in mathematics, science, and computer learning.

(continued)

Combining Statements-Nonmajor Funds (continued)

Nonmajor Special Revenue Fund (continued)

Title VI-B Fund – This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the pre school, elementary, and secondary levels.

Title I Fund - This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title VI Fund - This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Grant Fund – This fund accounts for Federal revenues which support the implementation of programs for drug abuse education and prevention.

Class Size Reduction Fund - This fund accounts for Federal monies used to reduce class sizes in elementary schools.

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the School District.

Nonmajor Debt Service Fund

Bond Retirement Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

Permanent Improvement - This fund accounts for property taxes levied to be used for various capital improvements within the School District.

SchoolNet Plus Fund - This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Newbury Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$89,074	\$92	\$87,016	\$176,182
Taxes Receivable	0	82,461	137,035	219,496
Accounts Receivable	1,414	0	0	1,414
Intergovernmental Receivable	6,248	0	0	6,248
Prepaid Items	370	0	0	370
Inventory Held for Resale	5,739	0	0	5,739
Materials and Supplies Inventory	1,065	0	0	1,065
<i>Total Assets</i>	<u>\$103,910</u>	<u>\$82,553</u>	<u>\$224,051</u>	<u>\$410,514</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,258	\$0	\$0	\$1,258
Accrued Wages and Benefits	22,649	0	0	22,649
Intergovernmental Payable	1,859	0	0	1,859
Deferred Revenue	369	82,461	128,235	211,065
<i>Total Liabilities</i>	<u>26,135</u>	<u>82,461</u>	<u>128,235</u>	<u>236,831</u>
Fund Balances				
Reserved for Encumbrances	417	0	20,753	21,170
Reserved for Property Taxes	0	0	8,800	8,800
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	77,358	0	0	77,358
Debt Service Fund	0	92	0	92
Capital Projects Funds	0	0	66,263	66,263
<i>Total Fund Balances</i>	<u>77,775</u>	<u>92</u>	<u>95,816</u>	<u>173,683</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$103,910</u>	<u>\$82,553</u>	<u>\$224,051</u>	<u>\$410,514</u>

Newbury Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$0	\$82,596	\$109,132	\$191,728
Intergovernmental	369,021	0	12,962	381,983
Interest	820	0	0	820
Extracurricular Activities	91,216	0	0	91,216
Contributions and Donations	6,655	0	0	6,655
Charges for Services	164,996	0	0	164,996
Miscellaneous	12,275	0	0	12,275
<i>Total Revenues</i>	<u>644,983</u>	<u>82,596</u>	<u>122,094</u>	<u>849,673</u>
Expenditures				
Current:				
Instruction:				
Regular	41,624	0	0	41,624
Special	136,175	0	0	136,175
Support Services:				
Pupils	33,701	0	0	33,701
Administration	1,762	0	0	1,762
Central	7,000	0	0	7,000
Operation of Non-Instructional Services	332,798	0	0	332,798
Extracurricular Activities	130,310	0	0	130,310
Capital Outlay	0	0	117,101	117,101
Debt Service:				
Principal Retirement	0	52,922	0	52,922
Interest and Fiscal Charges	0	29,582	0	29,582
<i>Total Expenditures</i>	<u>683,370</u>	<u>82,504</u>	<u>117,101</u>	<u>882,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(38,387)	92	4,993	(33,302)
Other Financing Sources				
Transfers In	45,330	0	0	45,330
<i>Net Change in Fund Balances</i>	6,943	92	4,993	12,028
<i>Fund Balances Beginning of Year</i>	<u>70,832</u>	<u>0</u>	<u>90,823</u>	<u>161,655</u>
<i>Fund Balances End of Year</i>	<u><u>\$77,775</u></u>	<u><u>\$92</u></u>	<u><u>\$95,816</u></u>	<u><u>\$173,683</u></u>

Newbury Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Special Trust	Public School Support	Athletics/ District Managed	Auxiliary Services
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$344	\$9,210	\$25,915	\$1,744
Accounts Receivable	0	0	1,007	354
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	370
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$344</u>	<u>\$9,210</u>	<u>\$26,922</u>	<u>\$2,468</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$193	\$99	\$368
Accrued Wages and Benefits	0	0	0	3,838
Intergovernmental Payable	0	0	27	287
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>193</u>	<u>126</u>	<u>4,493</u>
Fund Balances				
Reserved for Encumbrances	0	0	31	340
Unreserved, Undesignated (Deficit)	344	9,017	26,765	(2,365)
<i>Total Fund Balances (Deficit)</i>	<u>344</u>	<u>9,017</u>	<u>26,796</u>	<u>(2,025)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$344</u>	<u>\$9,210</u>	<u>\$26,922</u>	<u>\$2,468</u>

<u>Educational Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Eisenhower Math and Science</u>
\$9,710	\$180	\$3,909	\$582	\$908
0	0	0	0	0
0	0	0	0	369
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$9,710</u>	<u>\$180</u>	<u>\$3,909</u>	<u>\$582</u>	<u>\$1,277</u>
\$0	\$0	\$0	\$0	\$0
2,123	8	0	0	0
0	16	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>369</u>
<u>2,123</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>369</u>
0	0	0	0	46
<u>7,587</u>	<u>156</u>	<u>3,909</u>	<u>582</u>	<u>862</u>
<u>7,587</u>	<u>156</u>	<u>3,909</u>	<u>582</u>	<u>908</u>
<u>\$9,710</u>	<u>\$180</u>	<u>\$3,909</u>	<u>\$582</u>	<u>\$1,277</u>

(continued)

Newbury Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2002

	Title VI-B	Title I	Title VI	Drug Free Schools Grant
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$523	\$10,930	\$0	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items				
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$523</u>	<u>\$10,930</u>	<u>\$0</u>	<u>\$0</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	7,072	0	0
Intergovernmental Payable	254	427	46	244
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>254</u>	<u>7,499</u>	<u>46</u>	<u>244</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	269	3,431	(46)	(244)
<i>Total Fund Balances (Deficit)</i>	<u>269</u>	<u>3,431</u>	<u>(46)</u>	<u>(244)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$523</u>	<u>\$10,930</u>	<u>\$0</u>	<u>\$0</u>

<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$9,260	\$15,859	\$89,074
0	53	1,414
5,879	0	6,248
		370
5,739	0	5,739
1,065	0	1,065
<u>\$21,943</u>	<u>\$15,912</u>	<u>\$103,910</u>
\$598	\$0	\$1,258
9,608	0	22,649
558	0	1,859
0	0	369
<u>10,764</u>	<u>0</u>	<u>26,135</u>
0	0	417
<u>11,179</u>	<u>15,912</u>	<u>77,358</u>
<u>11,179</u>	<u>15,912</u>	<u>77,775</u>
<u>\$21,943</u>	<u>\$15,912</u>	<u>\$103,910</u>

Newbury Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Special Trust	Public School Support	Athletics/ District Managed	Auxiliary Services
Revenues				
Intergovernmental	\$0	\$0	\$0	\$111,130
Interest	0	0	0	605
Extracurricular Activities	0	21,231	69,985	0
Contributions and Donations	655	6,000	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	11,921	354
<i>Total Revenues</i>	<u>655</u>	<u>27,231</u>	<u>81,906</u>	<u>112,089</u>
Expenditures				
Current:				
Instruction:				
Regular	332	9,983	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	115,219
Extracurricular Activities	0	17,877	112,433	0
<i>Total Expenditures</i>	<u>332</u>	<u>27,860</u>	<u>112,433</u>	<u>115,219</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	323	(629)	(30,527)	(3,130)
Other Financing Sources				
Transfers In	0	0	25,330	0
<i>Net Change in Fund Balances</i>	323	(629)	(5,197)	(3,130)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>21</u>	<u>9,646</u>	<u>31,993</u>	<u>1,105</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$344</u></u>	<u><u>\$9,017</u></u>	<u><u>\$26,796</u></u>	<u><u>(\$2,025)</u></u>

Educational Management Information Systems	Disadvantaged Pupil Impact Aid	Data Communications	SchoolNet Professional Development	Ohio Reads Grant	Summer Intervention
\$5,000	\$9,754	\$7,000	\$4,817	\$2,000	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
5,000	9,754	7,000	4,817	2,000	0
0	0	0	2,402	1,928	0
0	9,984	0	0	0	988
16,284	0	0	0	0	0
1,762	0	0	0	0	0
0	0	7,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
18,046	9,984	7,000	2,402	1,928	988
(13,046)	(230)	0	2,415	72	(988)
20,000	0	0	0	0	0
6,954	(230)	0	2,415	72	(988)
633	386	0	1,494	510	988
\$7,587	\$156	\$0	\$3,909	\$582	\$0

(continued)

Newbury Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

	School Security	Eisenhower Math and Science	Title VI-B	Title I
Revenues				
Intergovernmental	\$776	\$3,585	\$53,789	\$93,943
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>776</u>	<u>3,585</u>	<u>53,789</u>	<u>93,943</u>
Expenditures				
Current:				
Instruction:				
Regular	776	935	0	0
Special	0	0	37,640	87,563
Support Services:				
Pupils	0	2,413	10,167	1,577
Administration	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	4,817	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>776</u>	<u>3,348</u>	<u>52,624</u>	<u>89,140</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	237	1,165	4,803
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	237	1,165	4,803
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>671</u>	<u>(896)</u>	<u>(1,372)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$908</u>	<u>\$269</u>	<u>\$3,431</u>

Title VI	Drug Free Schools Grant	Class Size Reduction	Food Service	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$5,171	\$3,016	\$21,247	\$47,793	\$0	\$369,021
0	0	0	215	0	820
0	0	0	0	0	91,216
0	0	0	0	0	6,655
0	0	0	128,948	36,048	164,996
0	0	0	0	0	12,275
<u>5,171</u>	<u>3,016</u>	<u>21,247</u>	<u>176,956</u>	<u>36,048</u>	<u>644,983</u>
4,021	0	21,247	0	0	41,624
0	0	0	0	0	136,175
0	3,260	0	0	0	33,701
0	0	0	0	0	1,762
0	0	0	0	0	7,000
1,196	0	0	177,400	34,166	332,798
0	0	0	0	0	130,310
<u>5,217</u>	<u>3,260</u>	<u>21,247</u>	<u>177,400</u>	<u>34,166</u>	<u>683,370</u>
(46)	(244)	0	(444)	1,882	(38,387)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,330</u>
(46)	(244)	0	(444)	1,882	6,943
<u>0</u>	<u>0</u>	<u>0</u>	<u>11,623</u>	<u>14,030</u>	<u>70,832</u>
<u>(\$46)</u>	<u>(\$244)</u>	<u>\$0</u>	<u>\$11,179</u>	<u>\$15,912</u>	<u>\$77,775</u>

Newbury Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues			
Property and Other Local Taxes	\$109,132	\$0	\$109,132
Intergovernmental	12,962	0	12,962
<i>Total Revenues</i>	122,094	0	122,094
Expenditures			
Capital Outlay	100,101	17,000	117,101
<i>Net Change in Fund Balances</i>	21,993	(17,000)	4,993
<i>Fund Balances Beginning of Year</i>	73,823	17,000	90,823
<i>Fund Balances End of Year</i>	<u>\$95,816</u>	<u>\$0</u>	<u>\$95,816</u>

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following are the School District's fiduciary fund type:

Agency Funds

Employee Benefits Fund – This fund accounts for monies withheld from employee's paychecks for future child health services purchased by the employee.

Student Managed Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Newbury Local School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2002

	Balance 06/30/01	Additions	Deductions	Balance 06/30/02
Employee Benefits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,553	\$11,742	\$9,868	\$3,427
Liabilities				
Undistributed Monies	\$1,553	\$11,742	\$9,868	\$3,427
 Student Managed Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,749	\$16,377	\$15,120	\$11,006
Liabilities				
Due to Students	\$9,749	\$16,377	\$15,120	\$11,006
 Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,302	\$28,119	\$24,988	\$14,433
Liabilities				
Undistributed Monies	\$1,553	\$11,742	\$9,868	\$3,427
Due to Students	9,749	16,377	15,120	11,006
<i>Total Liabilities</i>	\$11,302	\$28,119	\$24,988	\$14,433

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity -
Budget (Non-GAAP Basis) and Actual**

Newbury Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$3,975,339	\$3,835,268	\$3,836,758	\$1,490
Intergovernmental	1,748,793	1,748,793	1,748,793	0
Interest	52,110	52,110	54,539	2,429
Tuition and Fees	12,723	12,723	11,909	(814)
Contributions and Donations	525	525	525	0
Charges for Services	28,129	28,129	28,145	16
Miscellaneous	23,812	23,812	23,812	0
<i>Total Revenues</i>	5,841,431	5,701,360	5,704,481	3,121
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,070,616	2,121,974	2,090,158	31,816
Fringe Benefits	513,893	613,893	613,893	0
Purchased Services	142,528	142,528	134,731	7,797
Materials and Supplies	167,766	167,766	151,888	15,878
Capital Outlay - New	42,921	42,921	33,734	9,187
Capital Outlay - Replacement	13,000	13,000	11,332	1,668
Total Regular	2,950,724	3,102,082	3,035,736	66,346
Special:				
Salaries and Wages	217,664	217,664	198,607	19,057
Fringe Benefits	63,350	63,350	54,276	9,074
Purchased Services	223,383	223,383	220,465	2,918
Materials and Supplies	6,232	6,232	5,340	892
Capital Outlay - New	1,350	1,350	1,154	196
Total Special	511,979	511,979	479,842	32,137
Vocational:				
Salaries and Wages	39,000	39,000	38,508	492
Fringe Benefits	15,700	15,700	13,955	1,745
Purchased Services	100	100	0	100
Total Vocational	54,800	54,800	52,463	2,337
Total Instruction	\$3,517,503	\$3,668,861	\$3,568,041	\$100,820

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$145,134	\$145,134	\$145,134	\$0
Fringe Benefits	52,856	52,856	52,855	1
Purchased Services	70,793	70,793	69,812	981
Materials and Supplies	6,300	6,300	1,806	4,494
Capital Outlay - New	3,000	3,000	0	3,000
Total Pupils	278,083	278,083	269,607	8,476
Instructional Staff:				
Salaries and Wages	93,000	93,000	92,004	996
Fringe Benefits	23,284	23,284	23,284	0
Purchased Services	22,000	22,000	13,471	8,529
Materials and Supplies	20,550	20,550	19,238	1,312
Capital Outlay - New	5,000	5,000	4,599	401
Total Instructional Staff	163,834	163,834	152,596	11,238
Board of Education:				
Salaries and Wages	4,800	4,800	4,640	160
Fringe Benefits	1,000	1,000	741	259
Purchased Services	117,500	117,500	111,121	6,379
Materials and Supplies	500	500	243	257
Total Board of Education	123,800	123,800	116,745	7,055
Administration:				
Salaries and Wages	334,240	334,240	334,240	0
Fringe Benefits	141,224	141,224	141,224	0
Purchased Services	16,100	16,100	10,528	5,572
Materials and Supplies	7,980	7,980	7,764	216
Total Administration	\$499,544	\$499,544	\$493,756	\$5,788

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$97,989	\$97,989	\$97,989	\$0
Fringe Benefits	50,750	50,750	48,464	2,286
Purchased Services	22,545	22,545	10,369	12,176
Materials and Supplies	2,000	2,000	1,638	362
Capital Outlay - New	3,800	3,800	2,629	1,171
Other	91,826	91,826	80,038	11,788
Total Fiscal	268,910	268,910	241,127	27,783
Business:				
Purchased Services	3,000	3,000	2,146	854
Materials and Supplies	500	500	212	288
Total Business	3,500	3,500	2,358	1,142
Operation and Maintenance of Plant:				
Salaries and Wages	248,781	248,781	248,781	0
Fringe Benefits	93,200	93,200	89,962	3,238
Purchased Services	372,883	372,883	303,383	69,500
Materials and Supplies	36,996	36,996	25,975	11,021
Capital Outlay - New	13,746	13,746	8,661	5,085
Total Operation and Maintenance of Plant	765,606	765,606	676,762	88,844
Pupil Transportation:				
Salaries and Wages	231,528	231,528	230,933	595
Fringe Benefits	127,724	127,724	127,724	0
Purchased Services	31,334	31,334	28,668	2,666
Materials and Supplies	71,693	71,693	63,045	8,648
Capital Outlay - New	99,813	99,813	98,717	1,096
Total Pupil Transportation	562,092	562,092	549,087	13,005
Central:				
Purchased Services	67,340	67,340	67,340	0
Materials and Supplies	10,477	10,477	10,477	0
Total Central	77,817	77,817	77,817	0
Total Support Services	\$2,743,186	\$2,743,186	\$2,579,855	\$163,331

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$32,564	\$32,564	\$32,534	\$30
Fringe Benefits	700	700	359	341
Total Academic Oriented Activities	33,264	33,264	32,893	371
Sports Oriented Activities:				
Salaries and Wages	143,834	143,834	143,666	168
Fringe Benefits	21,200	21,200	21,110	90
Purchased Services	9,000	9,000	2,981	6,019
Materials and Supplies	1,000	1,000	0	1,000
Capital Outlay - New	1,000	1,000	945	55
Total Sport Oriented Activities	176,034	176,034	168,702	7,332
Total Extracurricular Activities	209,298	209,298	201,595	7,703
Capital Outlay:				
Building Improvement:				
Purchased Services	23,553	23,553	0	23,553
<i>Total Expenditures</i>	6,493,540	6,644,898	6,349,491	295,407
<i>Excess of Revenues Under Expenditures</i>	(652,109)	(943,538)	(645,010)	298,528
Other Financing Uses				
Transfers Out	(45,330)	(45,330)	(45,330)	0
<i>Net Change in Fund Balance</i>	(697,439)	(988,868)	(690,340)	298,528
<i>Fund Balance Beginning of Year</i>	1,723,965	1,723,965	1,723,965	0
Prior Year Encumbrances Appropriated	124,510	124,510	124,510	0
<i>Fund Balance End of Year</i>	\$1,151,036	\$859,607	\$1,158,135	\$298,528

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$50	\$655	\$655	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>655</u>	<u>655</u>	<u>332</u>	<u>323</u>
<i>Net Change in Fund Balance</i>	(605)	0	323	323
<i>Fund Balance Beginning of Year</i>	<u>21</u>	<u>21</u>	<u>21</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$584)</u></u>	<u><u>\$21</u></u>	<u><u>\$344</u></u>	<u><u>\$323</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Extracurricular Activities	\$19,000	\$21,216	\$21,231	\$15
Contributions and Donations	6,000	6,000	6,000	0
Total Revenues	<u>25,000</u>	<u>27,216</u>	<u>27,231</u>	<u>15</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	500	500	500	0
Materials and Supplies	10,191	10,191	9,483	708
Total Instruction	<u>10,691</u>	<u>10,691</u>	<u>9,983</u>	<u>708</u>
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	9,692	9,692	7,814	1,878
Materials and Supplies	9,308	14,000	10,063	3,937
Total Extracurricular Activities	<u>19,000</u>	<u>23,692</u>	<u>17,877</u>	<u>5,815</u>
Total Expenditures	<u>29,691</u>	<u>34,383</u>	<u>27,860</u>	<u>6,523</u>
Net Change in Fund Balance	(4,691)	(7,167)	(629)	6,538
Fund Balance Beginning of Year	<u>9,646</u>	<u>9,646</u>	<u>9,646</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,955</u></u>	<u><u>\$2,479</u></u>	<u><u>\$9,017</u></u>	<u><u>\$6,538</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics/District Managed Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$97,737	\$67,244	\$69,635	\$2,391
Miscellaneous	11,913	11,913	11,921	8
<i>Total Revenues</i>	<u>109,650</u>	<u>79,157</u>	<u>81,556</u>	<u>2,399</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	400	400	105	295
Materials and Supplies	9,753	9,752	9,250	502
Total Academic and Subject Oriented Activities	<u>10,153</u>	<u>10,152</u>	<u>9,355</u>	<u>797</u>
Sports Oriented Activities:				
Salaries and Wages	5,800	5,800	5,160	640
Fringe Benefits	20,477	20,477	19,311	1,166
Purchased Services	16,895	16,895	14,808	2,087
Materials and Supplies	14,409	14,409	13,954	455
Capital Outlay - New	27,143	27,143	22,358	4,785
Total Sports Oriented Activities	<u>84,724</u>	<u>84,724</u>	<u>75,591</u>	<u>9,133</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	47,727	27,905	27,568	337
Materials and Supplies	1,762	1,762	922	840
Total School and Public Service Co-Curricular Activities	<u>49,489</u>	<u>29,667</u>	<u>28,490</u>	<u>1,177</u>
<i>Total Expenditures</i>	<u>144,366</u>	<u>124,543</u>	<u>113,436</u>	<u>11,107</u>
<i>Excess of Revenues Under Expenditures</i>	(34,716)	(45,386)	(31,880)	13,506
Other Financing Sources				
Operating Transfers In	25,350	25,350	25,330	(20)
<i>Net Change in Fund Balance</i>	(9,366)	(20,036)	(6,550)	13,486
<i>Fund Balance Beginning of Year</i>	23,517	23,517	23,517	0
Prior Year Encumbrances Appropriated	8,821	8,821	8,821	0
<i>Fund Balance End of Year</i>	<u>\$22,972</u>	<u>\$12,302</u>	<u>\$25,788</u>	<u>\$13,486</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$115,919	\$111,130	\$111,130	\$0
Interest	605	605	605	0
<i>Total Revenues</i>	<u>116,524</u>	<u>111,735</u>	<u>111,735</u>	<u>0</u>
Expenditures				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	25,247	41,982	41,982	0
Fringe Benefits	14,010	14,010	14,010	0
Purchased Services	28,965	28,965	28,645	320
Materials and Supplies	28,053	28,053	27,338	715
<i>Total Expenditures</i>	<u>96,275</u>	<u>113,010</u>	<u>111,975</u>	<u>1,035</u>
<i>Net Change in Fund Balance</i>	20,249	(1,275)	(240)	1,035
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,275</u>	<u>1,275</u>	<u>1,275</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,524</u></u>	<u><u>\$0</u></u>	<u><u>\$1,035</u></u>	<u><u>\$1,035</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,541	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,541	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	18,730	18,698	14,611	4,087
Fringe Benefits	256	256	256	0
Total Pupils	18,986	18,954	14,867	4,087
Administration:				
Purchased Services	610	610	610	0
Capital Outlay - New	1,152	1,152	1,152	0
Total Administration	1,762	1,762	1,762	0
<i>Total Expenditures</i>	20,748	20,716	16,629	4,087
<i>Excess of Revenues Under Expenditures</i>	(15,748)	(15,716)	(11,629)	4,087
Other Financing Sources				
Transfers In	20,000	20,000	20,000	0
<i>Net Change in Fund Balance</i>	4,252	4,284	8,371	4,087
<i>Fund Balance Beginning of Year</i>	1,339	1,339	1,339	0
<i>Fund Balance End of Year</i>	<u>\$5,591</u>	<u>\$5,623</u>	<u>\$9,710</u>	<u>\$4,087</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$9,754	\$9,754	\$9,754	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	8,439	8,354	8,354	0
Fringe Benefits	1,799	1,799	1,704	95
<i>Total Expenditures</i>	<u>10,238</u>	<u>10,153</u>	<u>10,058</u>	<u>95</u>
<i>Net Change in Fund Balance</i>	(484)	(399)	(304)	95
<i>Fund Balance Beginning of Year</i>	<u>484</u>	<u>484</u>	<u>484</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$85</u></u>	<u><u>\$180</u></u>	<u><u>\$95</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,000	\$7,000	\$7,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	7,000	7,000	7,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,142	\$3,142	\$4,817	\$1,675
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	4,636	4,636	2,402	2,234
<i>Net Change in Fund Balance</i>	(1,494)	(1,494)	2,415	3,909
<i>Fund Balance Beginning of Year</i>	1,344	1,344	1,344	0
Prior Year Encumbrances Appropriated	150	150	150	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,909</u>	<u>\$3,909</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,000	\$2,000	\$2,000	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Purchased Services	<u>2,510</u>	<u>2,510</u>	<u>1,928</u>	<u>582</u>
<i>Net Change in Fund Balance</i>	(510)	(510)	72	(582)
<i>Fund Balance Beginning of Year</i>	<u>510</u>	<u>510</u>	<u>510</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$582</u></u>	<u><u>(\$582)</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	988	988	988	0
<i>Net Change in Fund Balance</i>	(988)	(988)	(988)	0
<i>Fund Balance Beginning of Year</i>	988	988	988	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Security Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$776	\$776	\$776	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>776</u>	<u>776</u>	<u>776</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,690	\$3,585	\$3,585	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	680	680	680	0
Materials and Supplies	255	255	255	0
Total Instruction	935	935	935	0
Support Services:				
Pupils:				
Purchased Services	2,343	2,770	2,014	756
Materials and Supplies	296	551	445	106
Total Support Services	2,639	3,321	2,459	862
<i>Total Expenditures</i>	3,574	4,256	3,394	862
<i>Net Change in Fund Balance</i>	116	(671)	191	862
<i>Fund Balance Beginning of Year</i>	671	671	671	0
<i>Fund Balance (Deficit) End of Year</i>	\$787	\$0	\$862	\$862

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$53,789	\$53,789	\$53,789	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	34,634	34,634	34,111	523
Fringe Benefits	7,720	7,720	7,720	0
Total Instruction	42,354	42,354	41,831	523
Support Services:				
Pupils:				
Salaries and Wages	10,052	10,052	10,052	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,817	4,817	4,817	0
<i>Total Expenditures</i>	<u>57,223</u>	<u>57,223</u>	<u>56,700</u>	<u>523</u>
<i>Net Change in Fund Balance</i>	(3,434)	(3,434)	(2,911)	523
<i>Fund Balance Beginning of Year</i>	<u>3,434</u>	<u>3,434</u>	<u>3,434</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$523</u>	<u>\$523</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$92,281	\$93,943	\$93,943	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	74,280	74,280	66,510	7,770
Fringe Benefits	18,960	18,960	18,960	0
Purchased Services	3,109	3,109	3,109	0
Total Instruction	96,349	96,349	88,579	7,770
Support Services:				
Pupils:				
Salaries and Wages	2,000	2,000	1,000	1,000
Fringe Benefits	310	310	150	160
Total Support Services	2,310	2,310	1,150	1,160
<i>Total Expenditures</i>	98,659	98,659	89,729	8,930
<i>Net Change in Fund Balance</i>	(6,378)	(4,716)	4,214	8,930
<i>Fund Balance Beginning of Year</i>	6,715	6,715	6,715	0
<i>Fund Balance End of Year</i>	\$337	\$1,999	\$10,929	\$8,930

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$5,171</u>	<u>\$5,171</u>	<u>\$5,171</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,975	3,975	3,975	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>1,196</u>	<u>1,196</u>	<u>1,196</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,171</u>	<u>5,171</u>	<u>5,171</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,016	\$3,016	\$3,016	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	1,289	1,289	1,289	0
Materials and Supplies	1,727	1,727	1,727	0
<i>Total Expenditures</i>	3,016	3,016	3,016	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$21,247	\$21,247	\$21,247	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,247	21,247	21,247	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$35,820	\$35,820	\$35,820	\$0
Interest	215	215	215	0
Charges for Services	135,965	129,148	129,148	0
Total Revenues	172,000	165,183	165,183	0
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	77,720	81,208	81,208	0
Fringe Benefits	24,500	24,500	17,475	7,025
Purchased Services	3,292	3,291	3,061	230
Materials and Supplies	66,327	66,327	66,009	318
Total Expenditures	171,839	175,326	167,753	7,573
Net Change in Fund Balance	161	(10,143)	(2,570)	7,573
Fund Balance Beginning of Year	10,590	10,590	10,590	0
Prior Year Encumbrances Appropriated	339	339	339	0
Fund Balance End of Year	\$11,090	\$786	\$8,359	\$7,573

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$68,000	\$35,847	\$36,351	\$504
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Service:				
Purchased Services	6,160	6,160	5,425	735
Materials and Supplies	41,290	38,190	31,341	6,849
<i>Total Expenditures</i>	47,450	44,350	36,766	7,584
<i>Net Change in Fund Balance</i>	20,550	(8,503)	(415)	8,088
<i>Fund Balance Beginning of Year</i>	13,674	13,674	13,674	0
<i>Fund Balance End of Year</i>	\$34,224	\$5,171	\$13,259	\$8,088

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$82,504	\$82,596	\$82,596	\$0
Expenditures				
Debt Service:				
Principal Retirement	52,922	52,922	52,922	0
Interest and Fiscal Charges	29,582	29,582	29,582	0
<i>Total Expenditures</i>	82,504	82,504	82,504	0
<i>Net Change in Fund Balance</i>	0	92	92	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$92	\$92	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$105,534	\$106,132	\$106,132	\$0
Intergovernmental	12,962	12,962	12,962	0
Total Revenues	118,496	119,094	119,094	0
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	2,000	2,000	1,688	312
Operation and Maintenance:				
Purchased Services	161,894	161,894	97,168	64,726
Capital Outlay - New	1,245	1,245	1,245	0
Total Operation and Maintenance	163,139	163,139	98,413	64,726
Total Support Services	165,139	165,139	100,101	65,038
Capital Outlay:				
Other Facilities Acquisition and Construction Services:				
Capital Outlay - New	20,753	20,753	20,753	0
Total Expenditures	185,892	185,892	120,854	65,038
Net Change in Fund Balance	(67,396)	(66,798)	(1,760)	(65,038)
Fund Balance Beginning of Year	8,376	8,376	8,376	0
Prior Year Encumbrances Appropriated	59,647	59,647	59,647	0
Fund Balance End of Year	\$627	\$1,225	\$66,263	(\$65,038)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	17,000	17,000	17,000	0
<i>Net Change in Fund Balance</i>	(17,000)	(17,000)	(17,000)	0
<i>Fund Balance Beginning of Year</i>	7,130	7,130	7,130	0
Prior Year Encumbrances Appropriated	9,870	9,870	9,870	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Statistical Section

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

Newbury Local School District
General Fund
Revenues by Source and Expenditures by Function (1)
Last Ten Fiscal Years (2)

	2002	2001	2000	1999
Revenues				
Property and Other Local Taxes	\$3,743,158	\$3,801,261	\$3,617,068	\$3,879,673
Intergovernmental	1,749,469	1,700,615	1,772,208	1,597,965
Interest	55,335	146,475	140,627	106,860
Tuition and Fees	11,909	14,544	64,458	45,874
Contributions and Donations	525	1,125	655	6,674
Charges for Services	28,145	27,050	1,495	2,689
Miscellaneous	24,062	18,594	25,733	22,474
Other Financing Sources	0	0	0	0
<i>Total</i>	<u>\$5,612,603</u>	<u>\$5,709,664</u>	<u>\$5,622,244</u>	<u>\$5,662,209</u>
Expenditures				
Current:				
Instruction				
Regular	\$3,133,756	\$2,978,525	\$2,618,078	\$2,497,458
Special	503,086	443,584	401,305	329,803
Vocational	55,356	48,527	45,822	31,399
Support Services:				
Pupils	276,628	189,917	238,786	203,657
Instructional Staff	156,446	141,977	173,014	164,614
Board of Education	121,230	62,200	59,408	45,667
Administration	523,455	488,706	511,464	491,427
Fiscal	252,097	215,803	149,703	168,952
Business	1,435	2,131	0	0
Operation and				
Maintenance of Plant	676,810	705,558	589,718	588,920
Pupil Transportation	570,849	407,046	497,518	382,934
Central	77,817	44,357	0	0
Operation of Non-				
Extracurricular Activities	203,988	191,482	164,695	194,792
Capital Outlay	0	0	0	0
Debt Service	0	0	16,862	0
Other Financing Uses	45,330	25,430	25,200	23,705
<i>Total</i>	<u>\$6,598,283</u>	<u>\$5,945,243</u>	<u>\$5,491,573</u>	<u>\$5,123,328</u>

Source: School District Financial Records

(1) Information is based on modified accrual. Information for full accrual for governmental activities will be presented when there are enough years of information to make comparisons.

(2) 1996 through 2002 reported on a GAAP Basis; All others on Cash Basis.

1998	1997	1996	1995	1994	1993
\$3,749,886	\$3,917,184	\$3,465,154	\$2,893,636	\$2,904,576	\$2,949,161
1,377,358	1,428,652	1,381,906	1,288,435	1,261,535	1,233,773
110,745	111,302	108,294	84,733	43,572	31,225
29,878	24,955	44,844	63,804	50,249	96,574
32,888	2,508	2,014	0	0	0
0	0	0	0	0	0
5,218	35,387	9,571	6,022	8,399	(23,888)
253,771	0	0	3,207	37,034	554
<u>\$5,559,744</u>	<u>\$5,519,988</u>	<u>\$5,011,783</u>	<u>\$4,339,837</u>	<u>\$4,305,365</u>	<u>\$4,287,399</u>
\$2,328,924	\$2,605,541	\$2,412,201	\$1,569,815	\$1,558,978	\$2,052,917
277,836	313,137	195,633	244,335	234,165	232,723
41,854	34,459	0	9,223	61,972	72,224
199,614	205,707	178,029	174,107	159,847	156,370
157,622	125,112	79,142	100,956	121,477	108,539
32,694	137,832	93,774	58,387	17,580	25,860
465,108	514,335	460,085	414,197	422,167	437,570
154,728	141,667	176,203	121,635	120,670	118,950
0	0	0	0	0	0
626,400	626,203	582,803	542,220	544,640	522,761
559,421	516,190	483,811	515,953	395,831	392,321
0	0	0	0	0	0
209,696	194,887	139,934	131,924	133,067	126,203
0	234,083	242,806	0	0	0
2,078	2,265	21,055	3,509	0	0
55,835	203,400	31,080	55,500	36,000	40,254
<u>\$5,111,810</u>	<u>\$5,854,818</u>	<u>\$5,096,556</u>	<u>\$3,941,761</u>	<u>\$3,806,394</u>	<u>\$4,286,692</u>

Newbury Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Nine Years

Year (2)	Current Levy	Delinquent Levy	Total Levy	Current Collections
2001	\$4,486,772	\$338,655	\$4,825,427	\$4,350,924
2000	4,345,418	328,744	4,674,162	4,250,663
1999	4,155,927	437,443	4,593,370	4,067,845
1998	4,189,801	471,022	4,660,823	4,096,132
1997	4,097,777	444,271	4,542,048	4,011,528
1996	4,176,192	454,190	4,630,382	4,069,767
1995	4,039,572	449,928	4,489,500	3,945,660
1994	3,886,351	410,937	4,297,288	3,756,226
1993	4,053,640	419,879	4,473,519	3,748,268

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through State and reported as Intergovernmental Revenue.
- (2) Represents the collection year. The 2002 information cannot be presented because all collections have not been made by June 30. Information prior to 1993 is not available.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection (3)</u>	<u>Total Collection as a Percent of Current Levy</u>
96.97%	\$106,567	\$4,457,491	99.35%
97.82	101,709	4,352,372	100.16
97.88	178,492	4,246,337	102.18
97.77	138,977	4,235,109	101.08
97.90	132,906	4,144,434	101.14
97.45	130,889	4,200,656	100.59
97.68	170,108	4,115,768	101.89
96.65	119,398	3,875,624	99.72
97.40	154,206	3,902,474	101.20

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2002	\$133,495,680	\$381,416,227	\$5,400,690	\$6,137,148
2001	131,524,890	375,785,400	6,048,000	6,872,727
2000	128,589,730	367,399,229	6,132,380	6,968,614
1999	106,308,400	303,738,286	6,715,750	7,631,534
1998	104,101,180	297,431,943	6,837,170	7,769,511
1997	101,757,350	290,735,286	6,774,760	7,698,591
1996	91,254,450	260,727,000	7,031,240	7,990,045
1995	89,193,340	254,838,114	7,935,120	9,017,182
1994	85,623,090	244,637,400	6,972,270	7,923,034
1993	71,968,880	205,625,371	7,024,470	7,982,352

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at various rates ranging from 25 to 88 percent of actual value.
 Tangible personal property is assessed at 25 percent of actual value.

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
\$13,501,770	\$54,007,080	\$152,398,140	\$441,560,455
12,264,750	49,059,000	149,837,640	431,717,127
12,645,100	50,580,400	147,367,210	424,948,242
14,450,520	57,802,080	127,474,670	369,171,900
13,687,130	54,748,520	124,625,480	359,949,974
15,188,090	60,752,360	123,720,200	359,186,237
13,559,180	54,236,720	111,844,870	322,953,765
13,124,468	52,497,872	110,252,928	316,353,168
12,706,240	50,824,960	105,301,600	303,385,394
12,773,300	51,093,200	91,766,650	264,700,924

Newbury Local School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

Year	School Levy	JVS	Newbury Township	Library	County Levy	Total Levy	Debt Service Included in Total Levy		
							County	Township	Total
2002	\$55.15	\$1.50	\$9.00	\$1.00	\$14.40	\$81.05	\$0.00	\$0.30	\$0.30
2001	55.31	1.50	9.00	1.00	12.65	79.46	0.00	0.30	0.30
2000	55.31	1.50	9.00	1.00	12.45	79.26	0.00	0.30	0.30
1999	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1998	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1997	56.70	1.50	10.00	1.00	12.85	82.05	0.20	0.30	0.50
1996	57.80	1.50	10.00	1.00	10.85	81.15	0.30	0.30	0.60
1995	57.90	1.50	10.00	1.00	10.85	81.25	0.50	0.60	1.10
1994	62.55	1.50	10.00	1.00	10.20	85.25	0.40	0.30	0.70
1993	53.90	1.50	10.30	1.00	10.20	76.90	0.60	0.30	0.90

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2002	\$467,690	\$152,398,140	5,805	0.31%	\$80.57
2001	520,612	149,837,640	5,805	0.35	89.68
2000	570,618	147,367,210	6,059	0.39	94.18
1999	0	127,474,670	5,997	0.00	0.00
1998	0	124,625,480	5,925	0.00	0.00
1997	0	123,720,200	5,823	0.00	0.00
1996	0	111,844,870	5,745	0.00	0.00
1995	17,688	110,252,928	5,653	0.02	3.13
1994	46,941	105,301,600	5,694	0.04	8.24
1993	85,763	91,766,650	5,753	0.09	14.91

Source:

(1) School District Financial Records

(2) Geauga County Auditor

(3) U.S.Census Population

Newbury Local School District
Computation of Legal Debt Margin
June 30, 2002

Assessed Valuation	\$152,398,140
Debt Limit - 9% of Assessed Value (1)	\$13,715,833
Amount of Debt Applicable to Debt Limit:	
Energy Conservation Bonds	(467,690)
Exemptions:	
Energy Conservation Bonds	467,690
Overall Voted Debt Margin	\$13,715,833
Debt Limit - 0.1% of Assessed Value (1)	\$152,398
Amount of Debt Applicable	0
All Other Unvoted Debt Margin	\$152,398
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit- .9% of Assessed Value	\$1,371,583
Energy Conservaton Bonds	467,690
Additional Unvoted Debt Margin	\$903,893

Source: Geauga County Auditor and School District Financial Records

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

Newbury Local School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2001

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Newbury Local School District	\$467,690	100.00%	\$467,690
<u>Overlapping:</u>			
Geauga County	<u>1,575,000</u>	6.43	<u>101,273</u>
Total	<u>\$2,042,690</u>		<u>\$568,963</u>

Source: Geauga County Auditor and Newbury Local School District-Data is presented on a calendar year basis because that is the manner in which information is maintained.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2001 collection year.

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

Year (1)	Principal	Interest	Total Debt Service	Total General Fund Expenditures (2)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2002	\$52,922	\$29,582	\$82,504	\$6,598,283	1.25%
2001	50,006	32,538	82,544	5,945,243	1.39
2000	70,141	33,192	103,333	5,491,573	1.88
1999	20,000	1,850	21,850	5,121,328	0.43
1998	20,000	3,250	23,250	5,111,810	0.45
1997	20,000	4,550	24,550	5,854,835	0.42
1996	20,000	5,850	25,850	5,096,556	0.51
1995	25,000	7,281	32,281	3,941,761	0.82
1994	50,000	9,500	59,500	3,806,394	1.56
1993	50,000	12,375	62,375	4,286,692	1.46

Source: School District Financial Records

(1) Fiscal Years 1996 - 2002 are reported on a GAAP basis, all other years are reported on the cash basis.

(2) Includes other financing uses.

Newbury Local School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Newbury LSD Area Population(1)</u>	<u>Geauga County Population(2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2002	5,805	92,180	791	3.7%
2001	5,805	90,895	782	2.9
2000	6,059	89,598	761	2.8
1999	5,997	87,913	772	3.0
1998	5,925	86,054	773	3.5
1997	5,823	86,054	826	3.6
1996	5,745	84,260	839	3.8
1995	5,653	83,400	868	3.8
1994	5,694	83,241	863	5.1
1993	5,753	82,094	844	5.8

Sources: (1) U.S. Census of Population, 2001 Federal Census, 2000 Federal Census

(2) Estimated Figure from Geauga County

(3) School District Records

(4) Ohio Department of UnEmployment Services

Newbury Local School District
*Property Value, Financial Institution Deposits
and Building Permits
Last Nine Years (1)*

Year	Property Value (2) (Real Estate Only)	Financial Institution Deposits Banks	Permits Issued Geauga County	Permits Issued Newbury Township
2001	\$133,495,680	\$255,568,000	\$125,428,875	\$4,301,473
2000	131,524,890	222,518,000	199,824,566	8,355,171
1999	128,589,730	249,478,000	65,015,002	7,599,292
1998	106,308,400	254,641,000	47,503,140	6,614,115
1997	104,101,180	222,203,000	38,142,850	5,683,467
1996	101,757,350	212,614,000	41,162,110	5,230,706
1995	91,254,450	194,409,000	35,438,050	7,702,412
1994	89,193,340	188,020,000	28,009,880	7,737,576
1993	85,623,090	184,462,000	23,820,980	6,260,070

Sources: Geauga County Auditor, Federal Reserve Bank of Cleveland and building department reports.

(1) Information prior to 1993 is unavailable.

(2) Represents assessed value.

Newbury Local School District

Principal Taxpayers

Real Estate Tax

December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Kinetico Incorporated	\$2,347,880	1.76%
White Properties Limited	1,411,520	1.06
Blaine and Janet Kaufman	1,006,590	0.75
Little Acre Nursing Home	808,470	0.61
Mill Run Properties	579,310	0.43
Newbury Kinsman LLC	552,530	0.41
Teague Brothers	518,150	0.39
Louise Profughi	513,210	0.38
Mike Reljanovic	487,910	0.37
J and F Distributing	<u>486,960</u>	<u>0.37</u>
Total	<u><u>\$8,712,530</u></u>	<u><u>6.53%</u></u>
Total Real Estate Valuation	<u><u>\$133,495,680</u></u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2002

Newbury Local School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Kinetico Incorporated	\$1,633,360	12.10%
Unity Rubber Company Limited	577,020	4.27
Manfredi Motor Transit Company	335,090	2.48
Creative Mold and Machine Incorporated	274,920	2.04
Hostar International Incorporated	255,360	1.89
Saint Fobain Norton Industrial Ceramics Incorporated	219,120	1.62
Dash Tree Service Incorporated	190,050	1.41
Wilson Piston Company Incorporated	188,640	1.40
Key Corporate Capital Incorporated	186,620	1.38
Van Ness Landscaping Incorporated	179,110	1.33
Total	<u>\$4,039,290</u>	<u>29.92%</u>
Total Tangible Assessed Valuation	<u>\$13,501,770</u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2002

Newbury Local School District

Principal Taxpayers

Public Utilities Tax

December 31, 2001

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$2,786,020	51.59%
Western Reserve Telephone Company	1,456,240	26.96
American Transmission	361,480	6.69
East Ohio Gas	<u>199,760</u>	<u>3.70</u>
Total	<u>\$4,803,500</u>	<u>88.94%</u>
Total District Public Utility Assessed Value	<u>\$5,400,690</u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2002

Newbury Local School District

Cost Per Pupil

Last Ten Fiscal Years

<u>Year (1)</u>	<u>General Fund Expenditures (2)</u>	<u>Average Daily Student Enrollment</u>	<u>Cost Per Pupil</u>
2002	\$6,598,283	791	\$8,342
2001	5,945,243	782	7,603
2000	5,491,573	761	7,216
1999	5,121,328	772	6,634
1998	5,111,810	773	6,613
1997	5,854,835	826	7,088
1996	5,096,556	839	6,075
1995	3,941,761	868	4,541
1994	3,806,394	863	4,411
1993	4,286,692	844	5,079

Source: District Financial Records

(1) Fiscal Years 1996 - 2002 are reported on a GAAP basis, all other years are reported on the cash basis.

(2) Includes other financing uses.

Newbury Local School District
Teacher Education and Experience
 June 30, 2002

Degree	Number of Teachers	Percent of Total
Bachelor's Degree	8	13.56%
Bachelor's Degree + 12 Hours	4	6.78
Bachelor's Degree + 24 Hours	24	40.67
Master's Degree	8	13.57
Master's Degree + 18 Hours	5	8.47
Master's Degree + 36 Hours	10	16.95
Total	59	100.00%

Years of Experience	Number of Teachers	Percent of Total
0 -5	15	25.42%
6 -10	12	20.34
11 and Over	32	54.24
Total	59	100.00%

Source: School District Records

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STATE OF OHIO
OFFICE OF THE AUDITOR

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NEWBURY LOCAL SCHOOL DISTRICT

GEAUGA 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**