



**NORDONIA HILLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

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

To the Board of Education:

We have audited the general purpose financial statements of Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated January 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated January 12, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 12, 2000.

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

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

Jim Petro
Auditor of State

January 12, 2000



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

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

To the Board of Education:

Compliance

We have audited the compliance of Nordonia Hills City School District, Summit County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Receipts and Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated January 12, 2000. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



Jim Petro
Auditor of State

January 12, 2000

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed through Ohio Dept of Education:						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A	\$0	\$26,259	\$0	\$34,840
National School Breakfast Program	10.553	050047-05-PU-00	7,596	0	7,596	0
National School Lunch Program	10.555	050047-03-PU-00	40,226	0	40,226	0
		050047-04-PU-00	57,469	0	57,469	0
Total National School Lunch Program			97,695	0	97,695	0
Total U.S. Department of Agriculture-Nutrition Cluster			105,291	26,259	105,291	34,840
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Direct:						
Telecommunication Grant-E Rate Program	84.XXX	N/A	18,769	0	0	0
Passed Through Ohio Dept of Education:						
Special Education Cluster:						
Special Education-Grants to States	84.027	050047-BSF-98P	0	0	25,745	0
		050047-BSF-99P	177,665	0	142,555	0
Total Special Education Grants to States			177,665	0	168,300	0
Special Education-Preschool Grant	84.173	050047-PGS1-98P	0	0	9,314	0
		050047-PGS1-99P	19,773	0	11,021	0
Total Special education-Preschool Grant			19,773	0	20,335	0
Total Special Education Cluster			197,438	0	188,635	0
Title I Grants to Local Educational Agencies	84.010	050047-C1S1-98	19,992	0	48,588	0
		050047-C1S1-99	63,563	0	20,029	0
Total Title I Grants to Local Educational Agencies			83,555	0	68,617	0
Innovative Education Program Strategies	84.298	050047-C2S1-98	0	0	12,755	0
		050047-C2S1-99	15,037	0	2,006	0
Total Inovative Education Program Strategies			15,037	0	14,761	0
Safe and Drug Free Schools and Communities-State Grants	84.186	050047-DRS1-98	0	0	2,424	0
		050047-DRS1-99	16,629	0	13,095	0
Total Safe and Drug Free Schools and Communities-State Grants			16,629	0	15,519	0
Goals 2000-State and Local Education Systemic Improvement	84.276	050047-G2-A2-00	1,615	0	1,615	0
Technology Literacy Challenge Fund Grants	84.318	050047-TF-31-99	150,000	0	0	0
Comprehensive School Reform Demonstration	84.332	050047-RF-S1-99	75,000	0	765	0
Eisenhower Professional Development State Grants	84.281	050047-MS-S199	9,243	0	2,232	0
Total U.S. Department of Education			567,286	0	292,144	0
Totals			<u>\$672,577</u>	<u>\$26,259</u>	<u>\$397,435</u>	<u>\$34,840</u>

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 1999**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

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

JUNE 30, 1999

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

Nordonia Hills City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 1999

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

**ORDONIA
HHS
CITY
SCHOOL
DISTRICT
OHIO**



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

**THE FISCAL YEAR
ENDING JUNE 30, 1999**

Nordonia Hills City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1999

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Nordonia Hills City School District
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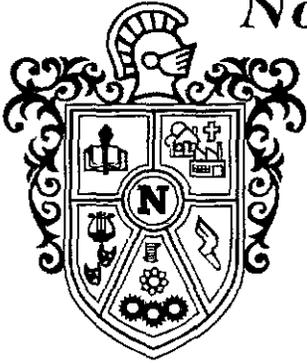
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Comprehensive Annual Financial Report
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Nordonia Hills

*a community of
lifelong learners
preparing for the
challenges of
today and tomorrow*



Nardonia Hills City School District

A Community of Lifelong Learners Preparing for the Challenges of Today and Tomorrow

OFFICE OF THE TREASURER

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January 12, 2000

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

The Comprehensive Annual Financial Report (CAFR) of the Nardonia Hills City School District (the "School District"), for the fiscal year ended June 30, 1999, is hereby submitted. This report, prepared by the Treasurer's Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 1998-99 fiscal year.

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

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

This CAFR is presented in three sections:

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

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

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

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

The Reporting Entity

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

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

DESCRIPTION OF THE SCHOOL DISTRICT

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

Today the municipalities of Macedonia, Northfield Center, Northfield Village and Sagamore Hills occupy the boundaries of what was once known as "Olde Northfield Township" which was established in 1819. It was one of the early communities of the Connecticut Western Reserve known as Town 5, Range 11, and occupied approximately 27 square miles. A complete history of Olde Northfield Township was written by Bessie Goosman and published in 1973. Olde Northfield Township's population grew to 1,076 where it remained through 1905 when several clusters of development began to occur. In 1912, the eastern side of the township became the Village of Macedonia and the Township reorganized into a village. In 1932 the western portion of the Olde Northfield Village separated and became Sagamore Hills Township. A few years later in 1935, the middle section located between Macedonia and Sagamore Hills became Northfield Center when another group of residents broke away from what is known today as Northfield Village.

The Nordonia Hills City Schools has its roots in a one-room log schoolhouse built in 1827. The first Macedonia school was established in 1833 and located on Valley View Road at the present site of the Pavilion Building. In 1881, identical schools known as the "Old Brick Schools" were built in Macedonia and Northfield. Centralization of schools began in 1908 and students were educated in a variety of locations in the communities until a complete consolidation occurred in 1948. Soon thereafter the area began to grow in population and Lee Eaton Elementary, Ledgeview Elementary, Rushwood Elementary and the new Nordonia High School were constructed. The School District evolved into an all-time high student enrollment of 5,700 pupils in 1971, then declined to a low of 2,800 in 1991. Following this period of declining enrollment, the School District has grown more than 22%. Growth in enrollment in the School District is projected to increase by 10% over the next ten years. During the 1998-99 school year the School District housed a student enrollment of 3,659 in six community schools: Northfield Elementary (1-4), Rushwood Elementary (K-4), Ledgeview Elementary (K-4), Lee Eaton Elementary (5-6), Nordonia Middle School (6-8) and Nordonia High School (9-12).

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board employs a Superintendent and Treasurer to manage the daily affairs of the School District. Each position has responsibilities conferred upon it by state statute and by local board policies. The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. Mr. Paul E. Pendleton was appointed Superintendent of the School District on August 1, 1993 with a total of twenty-six years of experience in education. The Treasurer is the chief fiscal officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. Ms. Carolyn J. Bennett was appointed as Treasurer of the School District on June 1, 1991 with a total of eleven years of experience.

ECONOMIC CONDITION AND FUTURE OUTLOOK

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

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

GRACO Children's Products Inc.
Patio Enclosures Inc.
Nordonia Hills City School District
W.W. Grainger Inc.
Excello Specialty Company
Norandex Inc.

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

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Development of Five Year Strategic Plan

Five years ago, a district strategic planning committee made up of members of the business community, staff, student body, and parents was given the task of analyzing the needs and strengths of the Nordonia Hills City School District. The year long effort resulted in a strategic plan "Blueprint for Progress" including belief, vision and mission statements and benchmarks to measure the plan. As a result of the expiring "Blueprint for Progress", a state directive, and the perception by community members that more is needed, continuous improvement teams have been created in Nordonia allowing all stakeholders to create a new strategic plan by the year 2000.

Establishment of Board Governance Policies

The Board began its planning work by meeting over a six month period with a representative of a local education foundation "Summit Education Initiative" and utilizing John Carver's governance model identified six governance ends policies that would guide the School District's school improvement processes. These ends are formalized in the Board's Bylaws and Policy Manual and include: a district culture that recognizes children as a precious resource; a safe, secure environment that supports learning within world-class standards and expectations; world-class standards and expectations; a district culture that values and respects the diversity of individual learners; stewardship of district resources; and the development of lifelong learners.

Selection of Models for Improvement

The School District has embraced the Standard Bearer Model for School Improvement (Phillip Schlechy) as a framework for developing the system capacities for improvement. All educational staff have been trained in understanding the three capacities of the Standard Bearer Process: *future orientation, design and focus, and strategic action*. Consultants from the Center for Leadership in School Reform as well as visitations to the Center for Leadership in School Reform have been used to train staff members both in district level meetings and in building based meetings during the past three years. Simultaneously, the School District implemented a continuous improvement planning process as defined by the State Board of Education of Ohio. During the 1998-99 school year, the building level Continuous Improvement Process teams comprised of parents, staff and business community members attended a series of training sessions facilitated by consultant Dr. Margaret Searle. These sessions were designed to teach group process skills and to instruct in the state designed Continuous Improvement Process. The teams were prepared for the development of building level goal setting sessions conducted in the Fall of 1999 and to monitor the building developed goals through an audit process administered by the Summit County Education Service Center acting as an external auditor.

Teaching and Learning Goals & Strategies

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

Strategies to improve classroom instructional practices have included the study and implementation of best instructional practices (Zemelman & Daniels, 1993). While this goal has not been totally met, the process for improving instruction has begun. Study groups of administrators and teachers occurred during the 1997-98 school year. Consultants from area universities and the Center for Leadership in School Reform presented staff development sessions both at a district level and in individual buildings on best instructional practices. Grant monies will provide an opportunity for the School District to initiate a "retooling" academy that will permit ongoing staff development in best practices for a cohort group of teachers and administrators. During the cycle of the grant, all Nordonia teachers could experience the academy with the expectation that best practices will be implemented in all classrooms.

Staff Development and Technical Support

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

Financial Commitment

The School District has committed significant financial resources to the Board's “Ends Policies” including: the Local Professional Development Block Grant (\$10,000) and the Eisenhower Grant (\$9,800) to support the technical assistance needed to support the efforts of the building Continuous Improvement Process as well as the Nordonia Professional Development Committee (LPDC). In addition to these grant monies, the general fund supports the School District level consultant fees (\$15,000). A grant from the East Region Professional Development Center (\$1,000) has also been earned to help support the Continuous Improvement Process efforts. This School District has received significant grant support from the Ohio Department of Education in the form of the Demonstration Reform Grants (\$525,000) allocated to Rushwood, Lee Eaton and Nordonia Middle School. These buildings were judged to be most prepared to implement school reform initiatives. The grant funds will be utilized for technology equipment and software, staff development and Continuous Improvement Process activities at the building level.

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. The Treasurer must approve all purchase order requests and necessary funds are then encumbered and purchase orders released to vendors. Management may make budgetary modifications as long as the total fund appropriation is not affected.

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

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

General Government Functions

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

The following schedule presents a summary of revenues for all general government funds for fiscal year ended June 30, 1999, and the amount and percentage of increases (decreases) in relation to the 1998 fiscal year.

<i>Revenue by Source</i>	<i>1998 Amount</i>	<i>1999 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Taxes	\$ 17,005,369	\$ 17,779,112	65.63%	\$ 773,743	4.55%
Intergovernmental	7,281,193	7,994,596	29.51%	713,403	9.80%
Interest	400,241	426,259	1.57%	26,018	6.50%
Tuition and fees	406,117	193,086	0.71%	(213,031)	-52.46%
Extracurricular activities	239,257	466,251	1.72%	226,994	94.87%
Contributions and donations	101,831	78,787	0.29%	(23,044)	-22.63%
Rentals	20,441	20,018	0.07%	(423)	-2.07%
Miscellaneous	189,595	131,900	0.49%	(57,695)	-30.43%
	<u>\$ 25,644,044</u>	<u>\$ 27,090,009</u>	<u>100.00%</u>	<u>\$ 1,445,965</u>	<u>5.64%</u>

Local property tax revenue is the major funding component of the School District, making up about 66% of total governmental fund revenue. Taxes increased due to increased inside millage collection and other growth from new property valuation included in the tax duplicate. The School District realized a 6.4% increase in the total valuation or a dollar figure of \$38,169,710 between tax year 1997 and 1998. As a comparison, the average change in the previous three non-reappraisal years was 6.6 %.

Rising interest rates and an increasing interim cash balance during the year accounted for the increase of \$26,018 in interest income over the previous year. An overnight sweep account in repurchase agreements enabled the School District to maintain daily cash balances earning interest at a locally competitive rate with STAR (State Treasury Asset Reserve) Ohio. Additionally, the School District purchases certificates of deposit from approved local banking institutions.

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

Tuition and fees include tuition charged for enrolled students residing outside of the School District and student fines and classroom fees. Tuition revenue decreased due to a change in the invoicing structures in 1998 to districts participating in a four-district compact for the purpose of special education instruction.

Extracurricular activities are comprised primarily of gate receipts and ticket sales from student events, fund raising activities and funds donated by the local student activity booster organizations and general fund transfer support. Extracurricular activities revenues increased primarily due to additional fund raising activities in the 1998-99 fiscal year.

The following schedule presents a summary of general government expenditures for the fiscal year ended June 30, 1999, and the amount and percentage of increases (decreases) in relation to the 1998 fiscal year.

<i>Expenditures by Function</i>	<i>1998 Amount</i>	<i>1999 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Instruction	\$ 12,813,108	\$ 13,484,771	55.73%	\$ 671,663	5.24%
Pupil support	1,780,347	1,963,749	8.12%	183,402	10.30%
Instructional staff	714,039	757,796	3.13%	43,757	6.13%
Board of education	107,750	119,605	0.49%	11,855	11.00%
Administration	1,944,860	1,802,060	7.45%	(142,800)	-7.34%
Fiscal	586,684	628,847	2.60%	42,163	7.19%
Business	307,346	264,855	1.09%	(42,491)	-13.83%
Operation of maintenance and plant	2,521,715	2,462,910	10.18%	(58,805)	-2.33%
Pupil transportation	1,148,630	1,327,326	5.49%	178,696	15.56%
Central	26,180	26,512	0.11%	332	1.27%
Non-instructional	235,312	301,580	1.25%	66,268	28.16%
Extracurricular activities	707,776	740,776	3.06%	33,000	4.66%
Capital outlay	558,021	291,407	1.20%	(266,614)	-47.78%
Debt service	72,343	25,375	0.10%	(46,968)	-64.92%
	<u>\$ 23,524,111</u>	<u>\$ 24,197,569</u>	<u>100.00%</u>	<u>\$ 673,458</u>	<u>2.86%</u>

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

The administrative function includes activities concerned with establishing and administering policy in connection with the School District. Expenditures in this category, accounting for \$.07 of every dollar spent, include salaries of the board of education, school building and central office administrators, and the necessary materials and equipment to perform those jobs.

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

Plant operations accounted for just under \$.11 of every dollar spent. In addition to the salary and benefit costs of the maintenance and custodial staff, large expenditures for utilities and repair/maintenance projects are incurred on an annual basis.

Transportation and related functions account for over \$.05 of every dollar spent. In addition to salaries and benefits for the supervisor, drivers, and mechanics this area covers fuel costs, maintenance, repair, and materials in connection with transportation of 3,659 students on a daily basis. Significant activity in the major funds of each Governmental Fund Type is highlighted below.

General Fund

The School District ended the 1999 fiscal year with a general fund unencumbered cash balance of \$6,241,621. With the passage of a 7.2 mill operating levy in 1993 the Board of Education has demonstrated fiscal responsibility through conservative spending practices and efficiencies in dollar cost savings.

Special Revenue Funds

The special revenue funds account for revenue derived primarily from grants and entitlements restricted by law to expenditures for specific purposes, or other formal actions to expend for a specific purpose. For the fiscal year ended June 30, 1999, special revenue funds had combined revenues of \$1,295,124 and expenditures of \$957,883.

Capital Projects Funds

The capital projects funds are used to account for all transactions related to acquiring, constructing or improving of capital assets. During the year \$313,522 was expended for these purposes, including: scheduled roofing projects, paving throughout the School District, classroom furniture, High School kitchen electrical wiring, and food service technology equipment purchases.

Enterprise Funds

The enterprise funds are the Food Service, Uniform School Supplies, Adult Education and the High School Bookstore Sales Funds. These operations are similar to activities found in the private sector and it is the management's desire to track the profit and loss of these functions. All enterprise operations had a total net loss in fiscal year 1999 of \$33,658.

Fiduciary Funds

The fiduciary funds account for assets held by the School District as an agent for individuals, other District organizations, or other funds. The School District maintains two agency funds. On June 30, 1999, assets held in fiduciary funds amounted to \$66,238.

General Fixed Assets

The general fixed assets of the School District are used to carry on the main educational and support functions of the School District and as such are not financial resources available for expenditure. The School District contracted with an appraisal firm to update all fixed assets of the School District in 1991. That appraisal has been the foundation of capitalization. The total general fixed assets at June 30, 1999 was \$17,387,533. These assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

DEBT ADMINISTRATION

The School District retired all bonded debt in fiscal year 1994. Over the next four fiscal years the School District issued and repaid tax anticipation notes for HB264 Energy Conservation projects including heating, lighting and electrical upgrades. The School District had no outstanding debt at June 30, 1999.

CASH MANAGEMENT

The School District has taken a conservative approach to the cash management program in previous years. Due to continued lower interest rates at the beginning of the fiscal period, investments of funds were maintained locally through the School District's major financial depository institution. Competitive interest rates provided comparative yields with STAR Ohio. Total amount of interest earned was \$435,915. This was an increase of \$26,018 over the previous year.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits, to secure the repayment of all public moneys deposited in a financial institution. A detailed description of the School District's investment functions is described in Note 5 to the financial statements.

RISK MANAGEMENT

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

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

All employees of the School District are covered by workers compensation. Effective January 1, 1995, the School District joined a group-rating program through the Ohio School Board Association in an effort to control these costs. Over 421 school districts in Ohio are members. The program has generated in-group savings of over ten million dollars during the 1999 calendar year. The School District has realized, on an individual basis, savings of \$26,010 or 34% premium reduction based on District cost without pooling, during the 1999 fiscal year.

PENSION PLANS

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

School District contributions for 1999 were \$1,664,744 as the employer portion to STRS and \$494,838 in employer contributions to SERS. Included in the SERS remittance is an annual employer surcharge. Starting in 1988-89 an additional employer charge (surcharge) was levied on salaries of lower-paid SERS members. Minimum annual compensation is determined annually by the System's actuaries and was \$12,400 for fiscal 1999. Surcharge is calculated at fourteen percent of the difference between the member's annual compensation and the minimum compensation level. For the 1998/99 fiscal year, a surcharge of \$57,947 was incurred.

OTHER INFORMATION

DeRolph Case

More than six months after the Ohio Supreme Court ruled that Ohio's system of funding public education was unconstitutional, illegal, and discriminatory, no real progress as yet has been seen in determining what a thorough and efficient education should be in Ohio.

On July 8 and 9, 1997, Dr. John M. Goff, State Superintendent of Public Instruction, addressed the Senate and House Finance Committees on school funding task force proposals as they relate to the historic DeRolph case. As Dr. Goff noted, "this decision will impact more than the financing and quality of schooling in our state, it will shape the opportunities we give our children for the future as well as determine the strength of Ohio's economy and society well into the 21st century."

Dr. Goff focused on strengths, improvement opportunities, and weaknesses of the plan currently being proposed. Increased academic expectations, higher graduation standards, and school performance standards are important to the basic foundation. Fiscal accountability as it relates to budget forecasts, comprehensive annual report cards, and the establishment of "rainy day" accounts to protect school district financial solvency are plan objectives. A new funding framework using a performance-based model tied to measurable and successful student performance for defining the basic cost of an adequate education are highlights.

The answer lies in a comprehensive package of education reform initiatives, getting all stakeholders to recognize that education is a mutual responsibility, realization that money alone is not the answer for Ohio's schools, and that this is a process requiring systemic change. Critical elements meant for a critical issue - the future of Ohio's children.

Independent Audit

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

The State Auditor's unqualified opinion rendered on the School District's general purpose financial statements and combining and individual fund statements and schedules for fiscal year 1999 is included in the financial section of this Comprehensive Annual Financial Report.

GFOA Certificate of Achievement

The School District has submitted this report for consideration of the Governmental Finance Officers' Association of the United States and Canada (GFOA) award for Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

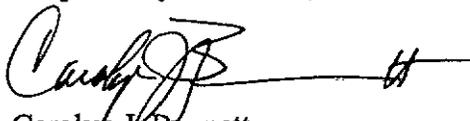
A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this first Comprehensive Annual Financial Report a reality. Special recognition goes to Nordonia's Assistant Treasurer, Ms. Donna Snider. This accomplishment would not have been possible without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the School District.

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

Respectfully submitted,



Carolyn J. Bennett
Treasurer

Nordonia Hills City School District
Public Officials Roster
Year Ended June 30, 1999

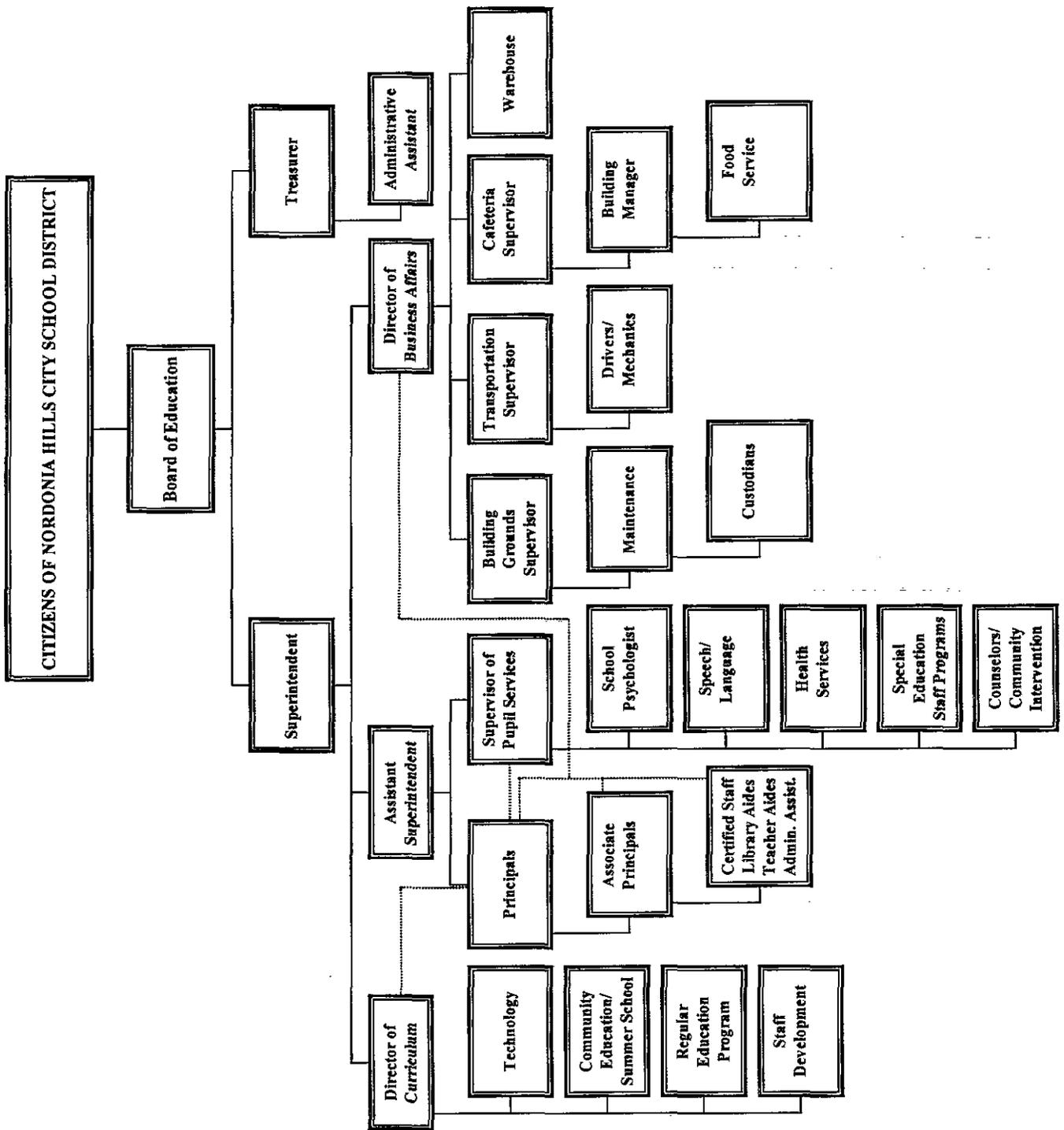
Board of Education

Mrs. Gayle Gardiner	President 1/96 – 12/99
Mrs. Nancy Fike	Vice President 1/98 – 12/01
Mr. Richard Hamad	Member 1/96 – 12/99
Mr. Michael King	Member 1/98 – 12/01
Ms. Claudine Steinfurth	Member 1/98 – 12/01

Administration

Mr. Paul E. Pendleton	Superintendent 8/96 – 7/99
Ms. Carolyn J. Bennett	Treasurer 1/98 – 12/01

**Nordonia Hills City School District
Organization Chart**



Mission Statement

Nordonia Hills City Schools will provide an environment of lifelong learning for our entire community.

We, the parents, students, community and staff...

- ▶ **Recognize children as our community's most precious resource;**
- ▶ **Create world-class learning standards and expectations;**
- ▶ **Provide all learners with a safe, secure environment in which they can successfully meet those standards and expectations;**
- ▶ **Strive to continually raise standards and expectations;**
- ▶ **Provide meaningful activities that lead to learning which is socially and culturally valued; and**
- ▶ **Value and respect the diversity of individual learners.**



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

111 2nd Street, NW, 4th Floor
Canton, Ohio 44702

Telephone 330-438-0617
800-443-9272

Facsimile 330-471-0001

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board of Education
Nordonia Hills City School District
Report of Independent Accountants
Page 2

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

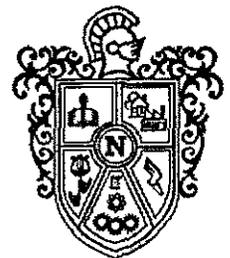
We did not audit the data included in the statistical section of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", is written over the printed name and title.

Jim Petro
Auditor of State

January 12, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS



Nordonia Hills City School District
Combined Balance Sheet
All Fund Types and Account Groups
As of June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 6,705,073	\$ 626,229	\$ -	\$ 502,397
Cash and cash equivalents in segregated accounts	-	759	-	-
Cash and cash equivalents with fiscal agents	-	-	15,975	-
<u>Receivables:</u>				
Taxes	17,712,817	-	-	563,943
Accounts	17,196	1,500	-	-
Intergovernmental	6,455	-	-	-
Interfund receivable	14,275	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	101,532	-	-	-
Equity in pooled cash and cash equivalents (restricted)	378,293	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	\$ 24,935,641	\$ 628,488	\$ 15,975	\$ 1,066,340
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 150,878	\$ 31,403	\$ -	\$ 28,060
Accrued wages	1,844,453	38,170	-	-
Compensated absences payable	27,393	-	-	-
Interfund payable	-	14,275	-	-
Intergovernmental payable	510,249	7,381	-	-
Deferred revenue	17,126,215	-	-	545,425
Due to students	-	-	-	-
Matured bonds payable	-	-	15,000	-
Matured interest payable	-	-	975	-
Capital leases payable	-	-	-	-
Retirement incentive bonus payable	-	-	-	-
Total liabilities	19,659,188	91,229	15,975	573,485
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
<u>Retained earnings:</u>				
Unreserved	-	-	-	-
<u>Fund balance:</u>				
Reserved for encumbrances	713,159	49,062	-	148,688
Reserved for inventory	101,532	-	-	-
Reserved for budget stabilization	322,143	-	-	-
Reserved for bus purchases	56,150	-	-	-
Reserved for property taxes	586,602	-	-	18,518
Unreserved, undesignated	3,496,867	488,197	-	325,649
Total fund equity and other credits	5,276,453	537,259	-	492,855
Total liabilities, fund equity and other credits	\$ 24,935,641	\$ 628,488	\$ 15,975	\$ 1,066,340

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$ 162,703	\$ 66,238	\$ -	\$ -	\$ 8,062,640
-	-	-	-	759
-	-	-	-	15,975
-	-	-	-	18,276,760
-	-	-	-	18,696
17,109	-	-	-	23,564
-	-	-	-	14,275
19,574	-	-	-	19,574
6,211	-	-	-	107,743
-	-	-	-	378,293
56,778	-	17,387,533	-	17,444,311
-	-	-	2,579,550	2,579,550
<u>\$ 262,375</u>	<u>\$ 66,238</u>	<u>\$ 17,387,533</u>	<u>\$ 2,579,550</u>	<u>\$ 46,942,140</u>
\$ 1,891	\$ 3,345	\$ -	\$ -	\$ 215,577
31,358	-	-	-	1,913,981
16,155	-	-	1,805,712	1,849,260
-	-	-	-	14,275
31,062	-	-	223,308	772,000
3,754	-	-	-	17,675,394
-	62,893	-	-	62,893
-	-	-	-	15,000
-	-	-	-	975
-	-	-	10,530	10,530
-	-	-	540,000	540,000
<u>84,220</u>	<u>66,238</u>	<u>-</u>	<u>2,579,550</u>	<u>23,069,885</u>
-	-	17,387,533	-	17,387,533
1,195	-	-	-	1,195
176,960	-	-	-	176,960
-	-	-	-	910,909
-	-	-	-	101,532
-	-	-	-	322,143
-	-	-	-	56,150
-	-	-	-	605,120
-	-	-	-	4,310,713
<u>178,155</u>	<u>-</u>	<u>17,387,533</u>	<u>-</u>	<u>23,872,255</u>
<u>\$ 262,375</u>	<u>\$ 66,238</u>	<u>\$ 17,387,533</u>	<u>\$ 2,579,550</u>	<u>\$ 46,942,140</u>

Nordonia Hills City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 17,258,614	\$ -	\$ -	\$ 520,498
Intergovernmental	6,961,592	980,808	-	52,196
Interest	421,458	4,801	-	-
Tuition and fees	192,653	433	-	-
Extracurricular activities	249,612	216,639	-	-
Contributions and donations	33,115	45,672	-	-
Rental	20,018	-	-	-
Miscellaneous	81,273	46,772	-	3,855
Total revenues	25,218,335	1,295,125	-	576,549
Expenditures:				
Current:				
Instruction:				
Regular	11,131,406	97,032	-	-
Special	1,859,968	82,382	-	-
Vocational	313,983	-	-	-
Support services:				
Pupils	1,818,979	144,770	-	-
Instructional staff	672,152	85,644	-	-
Board of education	119,605	-	-	-
Administration	1,802,060	-	-	-
Fiscal	628,347	500	-	-
Business	264,855	-	-	-
Operation and maintenance of plant	2,462,910	-	-	-
Pupil transportation	1,327,326	-	-	-
Central	26,512	-	-	-
Operation of non-instructional services	-	301,580	-	-
Extracurricular activities	494,801	245,975	-	-
Capital outlay	-	-	-	291,407
Debt service:				
Principal retirement	2,316	-	-	21,612
Interest and fiscal charges	944	-	-	503
Total expenditures	22,926,164	957,883	-	313,522
Excess of revenues over expenditures	2,292,171	337,242	-	263,027
Other financing sources (uses):				
Operating transfers in	-	24,860	-	-
Operating transfers out	(24,860)	-	-	-
Total other financing sources (uses)	(24,860)	24,860	-	-
Excess of revenues and other financing sources over expenditures and other financing uses	2,267,311	362,102	-	263,027
Fund balances at beginning of year	2,994,626	175,157	-	229,828
Increase in reserve for inventory	14,516	-	-	-
Fund balances at end of year	\$ 5,276,453	\$ 537,259	\$ -	\$ 492,855

See accompanying notes to the general purpose financial statements

Totals
(Memorandum
Only)

\$ 17,779,112
7,994,596
426,259
193,086
466,251
78,787
20,018
131,900

27,090,009

11,228,438
1,942,350
313,983

1,963,749
757,796
119,605
1,802,060
628,847
264,855
2,462,910
1,327,326
26,512
301,580
740,776
291,407

23,928
1,447

24,197,569

2,892,440

24,860
(24,860)

-

2,892,440

3,399,611

14,516

\$ 6,306,567

Nordonia Hills City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Taxes	\$ 17,261,107	\$ 17,261,107	\$ -
Intergovernmental	6,961,592	6,961,592	-
Interest	437,758	437,758	-
Tuition and fees	186,398	186,398	-
Extracurricular activities	249,612	249,612	-
Contributions and donations	33,115	33,115	-
Rentals	24,213	24,213	-
Miscellaneous	65,468	65,468	-
Total revenues	25,219,263	25,219,263	-
Expenditures:			
Current:			
Instruction:			
Regular	11,179,701	11,179,701	-
Special	1,973,411	1,973,411	-
Vocational	310,876	310,876	-
Support services:			
Pupils	1,809,063	1,809,063	-
Instructional staff	686,251	686,251	-
Board of education	116,398	116,398	-
Administration	1,877,612	1,877,612	-
Fiscal	641,495	641,495	-
Business	283,760	283,760	-
Operation and maintenance of plant	2,744,664	2,744,664	-
Pupil transportation	1,555,432	1,555,432	-
Central	26,512	26,512	-
Operation of non-instructional services	-	-	-
Extracurricular activities	495,087	495,087	-
Capital outlay	48,960	48,960	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	23,749,222	23,749,222	-
Excess of revenues over (under) expenditures	1,470,041	1,470,041	-
Other financing sources (uses):			
Advances in	7,163	7,163	-
Advances out	(1,957)	(1,957)	-
Operating transfers in	-	-	-
Operating transfers out	(24,860)	(24,860)	-
Total other financing sources (uses)	(19,654)	(19,654)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,450,387	1,450,387	-
Fund balances at beginning of year	4,014,175	4,014,175	-
Prior year encumbrances appropriated	777,059	777,059	-
Fund balances at end of year	\$ 6,241,621	\$ 6,241,621	\$ -

See accompanying notes to the general purpose financial statements

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 11,696	\$ 11,696	\$ -
974,405	974,405	-	-	-	-
4,801	4,801	-	-	-	-
433	433	-	-	-	-
214,133	214,133	-	-	-	-
51,877	51,877	-	-	-	-
-	-	-	-	-	-
46,869	46,869	-	-	-	-
<u>1,292,518</u>	<u>1,292,518</u>	<u>-</u>	<u>11,696</u>	<u>11,696</u>	<u>-</u>
102,911	102,911	-	-	-	-
82,916	82,916	-	-	-	-
-	-	-	-	-	-
143,343	143,343	-	-	-	-
85,209	85,209	-	-	-	-
-	-	-	-	-	-
500	500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
350,438	350,438	-	-	-	-
262,570	262,570	-	-	-	-
-	-	-	-	-	-
-	-	-	11,651	11,651	-
-	-	-	45	45	-
<u>1,027,887</u>	<u>1,027,887</u>	<u>-</u>	<u>11,696</u>	<u>11,696</u>	<u>-</u>
<u>264,631</u>	<u>264,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,957	1,957	-	-	-	-
(7,163)	(7,163)	-	-	-	-
24,860	24,860	-	-	-	-
-	-	-	-	-	-
<u>19,654</u>	<u>19,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
284,285	284,285	-	-	-	-
185,498	185,498	-	-	-	-
49,425	49,425	-	-	-	-
<u>\$ 519,208</u>	<u>\$ 519,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Nordonia Hills City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 1999 - (Continued)

	Governmental Fund Types		
	Revised Budget	Capital Projects Funds	
		Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 509,875	\$ 509,875	\$ -
Intergovernmental	52,196	52,196	-
Interest	-	-	-
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Contributions and donations	-	-	-
Rentals	-	-	-
Miscellaneous	4,405	4,405	-
Total revenues	<u>566,476</u>	<u>566,476</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	94,957	94,957	-
Special	-	-	-
Vocational	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	-	-	-
Board of education	-	-	-
Administration	-	-	-
Fiscal	9,263	9,263	-
Business	-	-	-
Operation and maintenance of plant	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	469,174	469,174	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>573,394</u>	<u>573,394</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(6,918)</u>	<u>(6,918)</u>	<u>-</u>
<u>Other financing sources (uses):</u>			
Advances in	-	-	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(6,918)</u>	<u>(6,918)</u>	<u>-</u>
Fund balances at beginning of year	145,711	145,711	-
Prior year encumbrances appropriated	186,857	186,857	-
Fund balances at end of year	<u>\$ 325,650</u>	<u>\$ 325,650</u>	<u>\$ -</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 17,782,678	\$ 17,782,678	\$ -
7,988,193	7,988,193	-
442,559	442,559	-
186,831	186,831	-
463,745	463,745	-
84,992	84,992	-
24,213	24,213	-
116,742	116,742	-
<u>27,089,953</u>	<u>27,089,953</u>	<u>-</u>
11,377,569	11,377,569	-
2,056,327	2,056,327	-
310,876	310,876	-
1,952,406	1,952,406	-
771,460	771,460	-
116,398	116,398	-
1,877,612	1,877,612	-
651,258	651,258	-
283,760	283,760	-
2,744,664	2,744,664	-
1,555,432	1,555,432	-
26,512	26,512	-
350,438	350,438	-
757,657	757,657	-
518,134	518,134	-
11,651	11,651	-
45	45	-
<u>25,362,199</u>	<u>25,362,199</u>	<u>-</u>
<u>1,727,754</u>	<u>1,727,754</u>	<u>-</u>
9,120	9,120	-
(9,120)	(9,120)	-
24,860	24,860	-
(24,860)	(24,860)	-
-	-	-
1,727,754	1,727,754	-
4,345,384	4,345,384	-
1,013,341	1,013,341	-
<u>\$ 7,086,479</u>	<u>\$ 7,086,479</u>	<u>\$ -</u>

**Nordonia Hills City School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999**

	<u>Enterprise</u>
<u>Operating revenues:</u>	
Tuition	\$ 8,380
Sales	704,643
Total operating revenue	<u>713,023</u>
<u>Operating expenses:</u>	
Salaries	289,017
Fringe benefits	127,712
Purchased services	22,696
Materials and supplies	53,283
Cost of sales	399,227
Depreciation	6,743
Other operating expenses	2,283
Total operating expenses	<u>900,961</u>
Operating loss	<u>(187,938)</u>
<u>Non-operating revenues:</u>	
Federal donated commodities	34,840
Operating grants	109,784
Interest	9,656
Total non-operating revenues	<u>154,280</u>
Net loss	(33,658)
Retained earnings at beginning of year	210,618
Retained earnings at end of year	176,960
Contributed capital at beginning and end of year	1,195
Total fund equity at end of year	<u>\$ 178,155</u>

See accompanying notes to the general purpose financial statements

Nordonia Hills City School District
Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Enterprise Funds Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition	\$ 8,380	\$ 8,380	\$ -
Sales	723,449	723,449	-
Interest	9,656	9,656	-
Operating grants	109,468	109,468	-
Total revenues	850,953	850,953	-
Expenses:			
Salaries	309,970	309,970	-
Fringe benefits	96,779	96,779	-
Purchased services	25,006	25,006	-
Materials and supplies	415,171	415,171	-
Capital outlay	15,733	15,733	-
Other	2,283	2,283	-
Total expenses	864,942	864,942	-
Excess of revenues under expenses	(13,989)	(13,989)	-
Fund equity at beginning of year	147,393	147,393	-
Prior year encumbrances appropriated	21,121	21,121	-
Fund equity at end of year	\$ 154,525	\$ 154,525	\$ -

See accompanying notes to the general purpose financial statements

**Nordonia Hills City School District
 Combined Statement of Cash Flows
 Proprietary Fund Type
 For the Fiscal Year Ended June 30, 1999**

	<u>Enterprise</u>
<u>Cash flows from operating activities:</u>	
Cash received from customers	\$ 704,695
Cash received from tuition payments	8,381
Cash payments to suppliers for goods and services	(434,414)
Cash payments to employees for services	(309,970)
Cash payments for employee benefits	(96,779)
Cash payments for other operating expenses	(2,283)
Net cash used for operating activities	<u>(130,370)</u>
<u>Cash flows from noncapital financing activities:</u>	
Operating grants	<u>109,468</u>
<u>Cash flows from capital financing activities:</u>	
Acquisition of capital assets	<u>(13,658)</u>
<u>Cash flows from investing activities:</u>	
Interest on investments	<u>9,656</u>
Net decrease in cash and cash equivalents	(24,904)
Cash and cash equivalents at beginning of year	<u>187,607</u>
Cash and cash equivalents at end of year	<u>\$ 162,703</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>	
Operating loss	<u>\$ (187,938)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	6,743
Federal donated commodities	34,840
Change in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	52
Materials and supplies inventory	(1,040)
Inventory held for resale	5,885
Increase (decrease) in liabilities:	
Accounts payable	(3,599)
Accrued wages and benefits	10,025
Compensated absences payable	1,859
Intergovernmental payable	1,480
Deferred revenue	1,323
Total adjustments	<u>57,568</u>
Net cash used for operating activities	<u>\$ (130,370)</u>

See accompanying notes to the general purpose financial statements

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government. Each member is elected to a four year term. The School District provides educational services as mandated by State and/or Federal agencies. This Board of Education controls the School District's six instructional/support facilities staffed by 167 non-certificated employees, 252 certificated full-time teaching personnel and 14 administrative employees to provide services to 3,659 students and other community members.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations and one insurance purchasing pool. These organizations include the Cuyahoga Valley Vocational School, The Northeast Ohio Network for Educational Technology (NEONET), and the Health Benefits Program of Stark County Schools Council of Governments. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

Enterprise Funds The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Board of Education is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the Board of Education has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Type Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The School District's fiduciary funds include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

***B. Measurement Focus
and Basis of
Accounting***

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

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

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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

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

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year.

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

Appropriations Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

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

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
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D. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. During fiscal year 1999, investments were limited to repurchase agreements which are nonparticipating investment contracts and are reported at cost.

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 1999 amounted to \$421,458, which includes \$78,641 assigned from other School District funds.

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

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

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with a maturity of three months or less, at the time they are purchased by the School District, are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of food, purchased food, and school supplies held for resale and are expensed when used.

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 21 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

G. Fixed Assets and Depreciation

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

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

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

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

Entitlements

General Fund

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

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B Flow-Thru
Title VI IASA - Title VI
Safe, Drug Free Schools and Communities Act Grant
Education Management Information System Subsidy
Auxiliary Services
Schools on the Move
E-Rate Grant

Capital Projects Funds

SchoolNet Plus

Reimbursable Grants

General Fund

Driver Education

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately 29 percent of the School District's governmental fund operating revenue during the 1999 fiscal year.

**I. Interfund
Assets/Liabilities**

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

J. Compensated Absences

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

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

Under Ohio law, a debt service retirement fund may be created and used for the payment of tax anticipation notes. Generally accepted accounting principles require the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the activity of the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

L. Interfund Transactions

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

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

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
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M. 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, inventories of supplies and materials, property taxes, budget stabilization, textbook purchases, capital acquisition and school bus purchases.

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 required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

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

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

Note 3 – Fund Deficit

At June 30, 1999, the Management Information Systems Special Revenue Fund had a deficit fund balance of \$177, which is due to adjustments for accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 4 – Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as a note disclosure in the proprietary fund type (GAAP basis).
4. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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

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

	<i>Enterprise</i>
<i>GAAP Basis</i>	\$ (33,658)
<i>Net adjustment for revenue accruals</i>	(16,686)
<i>Net adjustment for expense accruals</i>	50,775
<i>Unrecorded cash</i>	336
<i>Depreciation expense</i>	6,743
<i>Capital outlay</i>	(13,658)
<i>Encumbrances</i>	(7,841)
<i>Budget Basis</i>	\$ (13,989)

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ 2,267,311	\$ 362,102	\$ -	\$ 263,027
<i>Net adjustment for revenue accruals</i>	(8,633)	(32,983)	-	1,622
<i>Net adjustment for expenditure accruals</i>	9,126	6,639	-	(83,169)
<i>Revenue for debt payments</i>	-	-	11,695	(11,695)
<i>Advances in</i>	7,163	1,957	-	-
<i>Unrecorded cash</i>	9,561	30,376	-	-
<i>Advances out</i>	(1,957)	(7,163)	-	-
<i>Principal retirement</i>	-	-	(11,651)	-
<i>Interest and fiscal charges</i>	-	-	(44)	44
<i>Encumbrances</i>	(832,184)	(76,643)	-	(176,747)
<i>Budget Basis</i>	<u>\$ 1,450,387</u>	<u>\$ 284,285</u>	<u>\$ -</u>	<u>\$ (6,918)</u>

Note 5 - Deposits and Investments

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

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

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

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

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

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

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

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.

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

Cash on hand - At fiscal year end, the School District had \$40,318 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement 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 \$6,887,349 and the bank balance was \$7,094,274. \$194,274 of the bank balance was covered by federal depository insurance. \$6,900,000 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments The School District's investments are required to be categorized to give an indication of level of custodial credit risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the 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 counter-party, or by its trust department or agent but not in the School District's name.

	<u>Category 3</u>	<u>Carrying Value</u>	<u>Fair Value</u>
<i>Repurchase Agreement</i>	<u>\$ 1,530,000</u>	<u>\$ 1,530,000</u>	<u>\$ 1,530,000</u>

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

Nordonia Hills City School District
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	<u>Cash and cash equivalents</u>	<u>Investments</u>
<i>GASB Statement 9</i>	\$ 8,457,667	\$ -
<i>Cash on hand</i>	(40,318)	-
<i>Investments which are part of a cash management pool:</i>		
<i>Repurchase Agreement</i>	<u>(1,530,000)</u>	<u>1,530,000</u>
	<u>\$ 6,887,349</u>	<u>\$ 1,530,000</u>

Note 6 – 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 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value listed as of January 1 1999, 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. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

Nordonia Hills City School District
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The assessed values upon which fiscal year 1999 taxes were collected are:

	<i>1998 Second Half Collections</i>		<i>1999 First Half Collections</i>	
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>
<i>Agriculture/Residential and Other Real Estate</i>	\$ 494,613,350	83.33%	\$ 529,728,520	83.86%
<i>Public Utility</i>	38,384,610	6.47%	38,414,560	6.08%
<i>Tangible Personal Property</i>	<u>60,547,965</u>	<u>10.20%</u>	<u>63,572,331</u>	<u>10.06%</u>
<i>Total Assessed Value</i>	<u>\$ 593,545,925</u>	<u>100.00%</u>	<u>\$ 631,715,411</u>	<u>100.00%</u>
<i>Tax rate per \$1,000 of assessed valuation</i>	\$ 54.29		\$ 56.29	
<i>Effective rate per \$1,000 of assessed valuation</i>	\$ 26.59		\$ 28.24	

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

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

The School District receives property taxes from Summit County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Nordonia Hills City School District
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The County Treasurer collects property taxes on behalf of all taxing districts in the County, including Nordonia Hills City School District. The County Auditor periodically remits to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which become measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available to the School District as an advance at June 30, 1999, was \$605,120 and is recognized as revenue. \$586,602 was available to the general fund and \$18,518 was available to the permanent improvements capital projects fund.

Note 7 - Receivables

Receivables at June 30, 1999, consisted of taxes, accounts (rent and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
General Fund	
<i>Tuition reimbursement</i>	\$ 6,455
Enterprise Fund	
<i>Federal and State Lunch Programs</i>	<u>17,109</u>
<i>Total intergovernmental receivables</i>	<u>\$ 23,564</u>

Note 8 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

<i>Equipment</i>	\$ 201,720
<i>Less accumulated depreciation</i>	<u>(144,942)</u>
<i>Net fixed assets</i>	<u>\$ 56,778</u>

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
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A summary of the changes in general fixed assets during fiscal year 1999 follows:

<i>Asset Category</i>	<i>Balance at 7/1/98</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance at 6/30/99</i>
<i>Land and land improvements</i>	\$ 1,683,883	\$ -	\$ -	\$ 1,683,883
<i>Buildings</i>	9,976,120	-	-	9,976,120
<i>Furniture, fixtures and equipment</i>	3,163,021	875,566	(164,415)	3,874,172
<i>Vehicles</i>	1,936,382	247,766	(330,790)	1,853,358
<i>Totals</i>	<u>\$ 16,759,406</u>	<u>\$ 1,123,332</u>	<u>\$ (495,205)</u>	<u>\$ 17,387,533</u>

Note 9 – 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 1999, the School District contracted with The Denmark Group for property and general liability insurance. There is a \$1,000 deductible with a one hundred percent blanket, all risk policy. The Denmark Group covers the boiler and machinery with a \$1,000 deductible and a \$52,316,899 limit.

Professional liability is protected by Nationwide Wausau Insurance Company with a \$2,000,000 single occurrence limit and \$5,000,000 aggregate with no deductible. Vehicles are also covered by Nationwide Wausau Insurance Company and hold a \$100 deductible for comprehensive and \$500 collision. Automobile liability 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 and there have been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

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

Note 10 - Other Employee Benefits

A. *Compensated Absences*

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers and administrators, who are not on a twelve month contract, do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to the number of annual work days per contract plus ninety. Upon retirement, payment is made for one-third of the total sick leave accumulation, up to a maximum of 141 days.

B. *Retirement Incentive Bonus*

Effective October 19, 1998, the School District Board of Education approved a Retirement Incentive Bonus Program. Participation is open to certified employees who have completed a minimum of 10 years of service, qualified for retirement under STRS and submitted a letter of resignation by February 15th of the school year of retirement. Retirement incentive bonus payments will be paid in equal installments of \$15,000 per retiree on January 1, 2000 and 2001. The liability for the Retirement Incentive Bonus at June 30, 1999 was \$540,000.

C. *Insurance Benefits*

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

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

Note 11 - Defined Benefit Pension Plans

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

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

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 1999, 7.7 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1998, 9.02 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, 1999, 1998, and 1997 were \$494,838, \$473,558 and \$456,992, respectively; 49 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$280,486 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

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

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer 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.

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Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

For the fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. 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, 1999, 1998, and 1997 were \$1,664,744, \$1,565,466 and \$1,268,844, respectively; 82.38 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$293,396 represents the unpaid contribution for fiscal year 1999 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, four members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

Note 12 - 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-certified 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 Systems based on authority granted by State statute. Both systems are 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 the 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, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$416,186 for fiscal year 1999.

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. 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 1999, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 1999 fiscal year equaled \$280,624.

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 125 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 – Capitalized Leases - Lease Disclosure

In prior years, the School District entered into capitalized leases for the acquisition of copiers. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as function expenditures on a budgetary basis.

Nordonia Hills City School District
 Notes to the General Purpose Financial Statements
 For the Fiscal Year Ended June 30, 1999

Fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$185,654. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 1999 totaled \$23,928 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 1999.

<u>Year</u>	<u>Amount</u>
2000	\$ 3,260
2001	3,260
2002	3,260
2003	<u>2,445</u>
<i>Total minimum lease payments</i>	12,225
<i>Less: Amount representing interest</i>	<u>(1,695)</u>
<i>Present value of minimum lease payments</i>	<u>\$ 10,530</u>

Note 14 – Notes Payable

The School District's note activity, including amounts outstanding and interest rates, follows:

	<u>Outstanding 7/1/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 6/30/99</u>
<i>1997 Energy Conservation 4.58%</i>	<u>\$ 11,651</u>	<u>\$ -</u>	<u>\$ (11,651)</u>	<u>\$ -</u>

Note 15 - Long-term Obligations

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	<i>Principal Outstanding 7/1/98</i>	<i>Additions</i>	<i>Deductions</i>	<i>Principal Outstanding 6/30/99</i>
<i>Capital leases</i>	\$ 34,458	\$ -	\$ (23,928)	\$ 10,530
<i>Pension obligations</i>	214,020	223,308	(214,020)	223,308
<i>Retirement incentive bonus</i>	-	540,000	-	540,000
<i>Compensated absences</i>	<u>1,777,266</u>	<u>28,446</u>	<u>-</u>	<u>1,805,712</u>
<i>Total general long-term obligations</i>	<u>\$ 2,025,744</u>	<u>\$ 791,754</u>	<u>\$ (237,948)</u>	<u>\$ 2,579,550</u>

Capital lease payments were made from the general and a capital projects fund. Compensated absences, the pension obligation, and the retirement incentive bonus will be paid from the fund from which the person is paid.

The School District's overall debt margin was \$56,854,387 with an unvoted debt margin of \$631,715 at June 30, 1999.

Note 16 - Segment Information for Enterprise Funds

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, adult education and bookstore sales. The table below reflects the more significant financial data relating to the enterprise funds of the Nordonia Hills City School District as of and for the fiscal year ended June 30, 1999.

	<i>Food Service</i>	<i>Uniform School Supplies</i>	<i>Adult Education</i>	<i>Bookstore Sales</i>	<i>Totals</i>
<i>Operating revenues</i>	\$ 683,509	\$ 697	\$ 8,380	\$ 20,437	\$ 713,023
<i>Depreciation expense</i>	6,743	-	-	-	6,743
<i>Operating loss</i>	(160,997)	(16,513)	(8,622)	(1,806)	(187,938)
<i>Donated commodities</i>	34,840	-	-	-	34,840
<i>Operating grants</i>	109,784	-	-	-	109,784
<i>Net loss</i>	(6,717)	(16,513)	(8,622)	(1,806)	(33,658)
<i>Fixed asset additions</i>	13,658	-	-	-	13,658
<i>Net working capital</i>	115,841	-	16,579	5,112	137,532
<i>Total assets</i>	239,639	-	17,412	5,324	262,375
<i>Total equity</i>	156,464	-	16,579	5,112	178,155
<i>Encumbrances outstanding at June 30, 1999</i>	7,090	-	-	751	7,841

Note 17 – Interfund Transactions

Interfund balances at June 30, 1999, consist of the following interfund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 14,275	\$ -
Special Revenue Funds:		
<i>Other Local Grants</i>	-	10,419
<i>Title VI</i>	-	1,717
<i>Drug Free School</i>	-	2,139
Total	<u>\$ 14,275</u>	<u>\$ 14,275</u>

Note 18 – Jointly Governed Organizations

**A. Cuyahoga Valley
Vocational School**

The Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The Board of Education is comprised of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. Nordonia Hills City School District students may attend the vocational school. Each school district's control is limited to its representation on the board. During fiscal year 1999, no monies were paid by Nordonia Hills City School District to the Cuyahoga Valley Vocational School.

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

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

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

Note 19 – Insurance Purchasing Pool

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

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

Note 20 – State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$4,834,752 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

Note 21 – Set Aside Requirements

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

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

	<i>Textbooks</i>	<i>Capital Improvements</i>	<i>Budget Reserve</i>	<i>School Buses</i>
<i>Set-aside cash balance as of June 30, 1998</i>	\$ -	\$ -	\$ 129,967	\$ 56,150
<i>Current year set-aside requirement</i>	384,353	384,353	192,176	-
<i>Qualifying disbursements</i>	<u>(384,353)</u>	<u>(384,353)</u>	-	-
<i>Cash balance carried forward to fiscal year 2000</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,143</u>	<u>\$ 56,150</u>

Amounts of offsets and qualifying disbursements presented in the table were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying disbursements during the year, these extra amounts may not be used to reduce the set-aside requirements of future years, and are therefore not presented.

Note 22 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

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

Note 23 - Year 2000 Issue

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the School District's operations.

The School District has inventoried computer systems and other equipment necessary to conducting School District operations and has identified the systems noted below. Communications equipment hardware and software have already been assessed by the Anderson Group and necessary changes have been recommended. In October 1999 the hardware vendor completed its assessment of internal systems on the District's PC's and have tested and validated these systems. The District has completed its assessment of software used on PC's and the network.

The District uses the Northwest Ohio Computer Association State Software Development team, an external service organization, for its financial reporting and payroll services. The Northwest Ohio Computer Association State Software Development Team has indicated that:

"The payroll processing software supported with OCEN State Software is compliant with the Year 2000."

"The accounting software supported with the OCEN State Software is compliant with the Year 2000."

"The equipment inventory and vehicle inventory system software supported with the OCEN State Software will be compliant with the Year 2000, beginning with the March 1999 release of SAAS V2.1."

"The education management information system software supported with OCEN State Software is compliant with the Year 2000."

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for remediating these systems.

Summit County collects property taxes for distribution to the School District. Summit County is responsible for remediating its tax collection system.

Nordonia Hills City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

To the best of management's knowledge and belief, as of January 12, 2000, the School District experienced no interruption of operations or services related to the Year 2000 issue. However, because of the unprecedented nature of the Year 2000 issue, matters may yet arise, and parties with whom the School District does business may also experience Year 2000 readiness issues that are as yet, unknown.

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

GENERAL FUND

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

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 17,261,107	\$ 17,261,107	\$ -
Intergovernmental	6,961,592	6,961,592	-
Interest	437,758	437,758	-
Tuition and fees	186,398	186,398	-
Extracurricular activities	249,612	249,612	-
Contributions and donations	33,115	33,115	-
Rentals	24,213	24,213	-
Miscellaneous	65,468	65,468	-
Total revenues	25,219,263	25,219,263	-
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	7,902,508	7,902,508	-
Fringe benefits	1,830,721	1,830,721	-
Purchased services	168,586	168,586	-
Materials and supplies	406,281	406,281	-
Capital outlay - new	836,043	836,043	-
Capital outlay - replacement	35,562	35,562	-
Total regular	11,179,701	11,179,701	-
Special:			
Salaries and wages	1,380,219	1,380,219	-
Fringe benefits	324,778	324,778	-
Purchased services	248,235	248,235	-
Materials and supplies	17,700	17,700	-
Capital outlay - new	1,980	1,980	-
Capital outlay - replacement	499	499	-
Total special	1,973,411	1,973,411	-
Vocational:			
Salaries and wages	252,454	252,454	-
Fringe benefits	56,579	56,579	-
Purchased services	590	590	-
Materials and supplies	1,253	1,253	-
Total vocational	310,876	310,876	-
Support services:			
Pupils:			
Salaries and wages	1,369,883	1,369,883	-
Fringe benefits	342,041	342,041	-
Purchased services	73,281	73,281	-
Materials and supplies	19,317	19,317	-
Capital outlay - replacement	4,361	4,361	-
Other	180	180	-
Total pupils	1,809,063	1,809,063	-

(Continued)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional staff:			
Salaries and wages	425,745	425,745	-
Fringe benefits	100,123	100,123	-
Purchased services	38,154	38,154	-
Materials and supplies	110,512	110,512	-
Capital outlay - new	5,256	5,256	-
Capital outlay - replacement	6,461	6,461	-
Total instructional staff	686,251	686,251	-
Board of education:			
Salaries and wages	16,240	16,240	-
Fringe benefits	2,240	2,240	-
Purchased services	3,338	3,338	-
Materials and supplies	17,440	17,440	-
Other	77,140	77,140	-
Total board of education	116,398	116,398	-
Administration:			
Salaries and wages	1,144,852	1,144,852	-
Fringe benefits	268,501	268,501	-
Purchased services	381,895	381,895	-
Materials and supplies	42,700	42,700	-
Capital outlay - new	29,803	29,803	-
Capital outlay - replacement	6,657	6,657	-
Other	3,204	3,204	-
Total administration	1,877,612	1,877,612	-
Fiscal:			
Salaries and wages	211,915	211,915	-
Fringe benefits	54,241	54,241	-
Purchased services	36,870	36,870	-
Materials and supplies	17,220	17,220	-
Capital outlay - new	2,400	2,400	-
Capital outlay - replacement	400	400	-
Other	318,449	318,449	-
Total fiscal	641,495	641,495	-
Business:			
Salaries and wages	143,195	143,195	-
Fringe benefits	31,960	31,960	-
Purchased services	82,650	82,650	-
Materials and supplies	20,695	20,695	-
Capital outlay - new	1,515	1,515	-
Capital outlay - replacement	1,014	1,014	-
Other	2,731	2,731	-
Total business	283,760	283,760	-

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and maintenance of plant:			
Salaries and wages	998,986	998,986	-
Fringe benefits	241,743	241,743	-
Purchased services	1,138,126	1,138,126	-
Materials and supplies	301,895	301,895	-
Capital outlay - new	10,859	10,859	-
Capital outlay - replacement	53,055	53,055	-
Total operation and maintenance of plant	<u>2,744,664</u>	<u>2,744,664</u>	-
Pupil transportation:			
Salaries and wages	757,567	757,567	-
Fringe benefits	199,061	199,061	-
Purchased services	82,792	82,792	-
Materials and supplies	153,959	153,959	-
Capital outlay - new	3,893	3,893	-
Capital outlay - replacement	358,160	358,160	-
Total pupil transportation	<u>1,555,432</u>	<u>1,555,432</u>	-
Central:			
Purchased services	26,512	26,512	-
Total central	<u>26,512</u>	<u>26,512</u>	-
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	377,631	377,631	-
Fringe benefits	56,740	56,740	-
Purchased services	53,457	53,457	-
Materials and supplies	2,309	2,309	-
Capital outlay - replacement	4,950	4,950	-
Total extracurricular activities	<u>495,087</u>	<u>495,087</u>	-
Capital outlay:			
Facilities acquisition and construction services:			
Site acquisition services:			
Capital outlay - new	48,960	48,960	-
Total capital outlay	<u>48,960</u>	<u>48,960</u>	-
Total expenditures	<u>23,749,222</u>	<u>23,749,222</u>	-
Excess of revenues over expenditures	<u>1,470,041</u>	<u>1,470,041</u>	-

(Continued)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other financing sources(uses):</u>			
Advances in	7,163	7,163	-
Advances out	(1,957)	(1,957)	-
Operating transfers out	(24,860)	(24,860)	-
Total other financing sources (uses)	(19,654)	(19,654)	-
Excess of revenues and other financing sources over expenditures and other financing uses	1,450,387	1,450,387	-
Fund balance at beginning of year	4,014,175	4,014,175	-
Prior year encumbrances appropriated	777,059	777,059	-
Fund balance at end of year	<u>\$ 6,241,621</u>	<u>\$ 6,241,621</u>	<u>\$ -</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Education Rate: To account for discounts and/or rebates received from local telecommunication companies. The Universal Service Fund, under the direction of the FCC, provided financial assistance to the local telecommunication companies to defray the cost of providing discounted rates to qualifying schools. The assistance was then passed through to the School District.

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

Nordonia Hills City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999

	<u>Scholarship</u>	<u>Public School Support</u>	<u>Other Local Grants</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>
Assets:						
Equity in pooled cash and cash equivalents	\$ 22,993	\$ 45,441	\$ 28,835	\$ 37,016	\$ 52,785	\$ 10,257
Cash and cash equivalents in segregated accounts	-	-	-	759	-	-
Accounts receivable	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ 24,493	\$ 45,441	\$ 28,835	\$ 37,775	\$ 52,785	\$ 10,257
Liabilities and fund equity:						
Liabilities:						
Accounts payable	\$ -	\$ 3,652	\$ 700	\$ 3,484	\$ 22,905	\$ -
Accrued wages	-	-	-	1,950	-	1,008
Interfund payable	-	-	10,419	-	-	-
Intergovernmental payable	-	-	4	52	-	65
Total liabilities	-	3,652	11,123	5,486	22,905	1,073
Fund equity:						
Fund balance:						
Reserved for encumbrances	-	3,284	3,352	7,765	31,168	-
Unreserved:						
Undesignated	<u>24,493</u>	<u>38,505</u>	<u>14,360</u>	<u>24,524</u>	<u>(1,288)</u>	<u>9,184</u>
Total fund equity	24,493	41,789	17,712	32,289	29,880	9,184
Total liabilities and fund equity	\$ 24,493	\$ 45,441	\$ 28,835	\$ 37,775	\$ 52,785	\$ 10,257

(Continued)

Nordonia Hills City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 1999

	<u>Management Information Systems</u>	<u>SchoolNet Development</u>	<u>Textbook Subsidy</u>	<u>Title II/ Eisenhower</u>	<u>Title VI-B</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ -	\$ 16,572	\$ -	\$ 7,012	\$ 35,109
Cash and cash equivalents in segregated accounts	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 16,572</u>	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ 35,109</u>
<u>Liabilities and fund equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ 555	\$ -	\$ -	\$ -
Accrued wages	-	2,520	-	-	20,327
Interfund payable	-	-	-	-	-
Intergovernmental payable	177	59	-	-	4,631
Total liabilities	<u>177</u>	<u>3,134</u>	<u>-</u>	<u>-</u>	<u>24,958</u>
<u>Fund equity:</u>					
Fund balance:					
Reserved for encumbrances	-	-	-	-	-
Unreserved:					
Undesignated	(177)	13,438	-	7,012	10,151
Total fund equity	<u>(177)</u>	<u>13,438</u>	<u>-</u>	<u>7,012</u>	<u>10,151</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 16,572</u>	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ 35,109</u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School</u>	<u>Preschool Handicapped</u>	<u>Education Rate</u>	<u>Miscellaneous Federal Grant</u>	<u>Total All Funds</u>
\$ 14,975	\$ 2,282	\$ 5,491	\$ 8,752	\$ 18,769	\$ 319,940	\$ 626,229
-	-	-	-	-	-	759
-	-	-	-	-	-	1,500
<u>\$ 14,975</u>	<u>\$ 2,282</u>	<u>\$ 5,491</u>	<u>\$ 8,752</u>	<u>\$ 18,769</u>	<u>\$ 319,940</u>	<u>628,488</u>
\$ 107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,403
8,100	-	2,893	1,372	-	-	38,170
-	1,717	2,139	-	-	-	14,275
1,894	-	120	315	-	64	7,381
<u>10,101</u>	<u>1,717</u>	<u>5,152</u>	<u>1,687</u>	<u>-</u>	<u>64</u>	<u>91,229</u>
323	-	-	-	-	3,170	49,062
<u>4,551</u>	<u>565</u>	<u>339</u>	<u>7,065</u>	<u>18,769</u>	<u>316,706</u>	<u>488,197</u>
<u>4,874</u>	<u>565</u>	<u>339</u>	<u>7,065</u>	<u>18,769</u>	<u>319,876</u>	<u>537,259</u>
<u>\$ 14,975</u>	<u>\$ 2,282</u>	<u>\$ 5,491</u>	<u>\$ 8,752</u>	<u>\$ 18,769</u>	<u>\$ 319,940</u>	<u>\$ 628,488</u>

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	<u>Scholarship</u>	<u>Public School Support</u>	<u>Other Local Grants</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 252,236
Interest	-	-	-	-	4,801
Tuition and fees	-	-	-	433	-
Extracurricular activities	-	59,907	-	156,732	-
Contributions and donations	17,825	26,722	751	374	-
Miscellaneous	-	7,716	37,056	-	-
Total revenues	\$ 17,825	\$ 94,345	\$ 37,807	\$ 157,539	\$ 257,037
Expenditures:					
Current:					
Instruction:					
Regular	\$ -	\$ -	\$ 33,231	\$ -	\$ -
Special	-	-	-	-	-
Support services:					
Pupils	-	246	-	-	-
Instructional staff	-	139	3,950	-	-
Fiscal	-	-	-	-	-
Operation of non-instructional services	16,050	2,731	2,500	-	273,844
Extracurricular activities	-	84,713	-	161,262	-
Total expenditures	16,050	87,829	39,681	161,262	273,844
Excess of revenues over (under) expenditures	1,775	6,516	(1,874)	(3,723)	(16,807)
Other financing sources:					
Operating transfers in	-	-	-	24,860	-
Excess of revenues and other financing sources over (under) expenditures	1,775	6,516	(1,874)	21,137	(16,807)
Fund balances (deficit) at beginning of year	22,718	35,273	19,586	11,152	46,687
Fund balances (deficit) at end of year	\$ 24,493	\$ 41,789	\$ 17,712	\$ 32,289	\$ 29,880

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>SchoolNet Development</u>	<u>Textbook Subsidy</u>	<u>Title II/ Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
\$ 17,027	\$ 10,037	\$ 7,246	\$ 48,183	\$ 9,243	\$ 177,665	\$ 75,936	\$ 15,029
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 17,027</u>	<u>\$ 10,037</u>	<u>\$ 7,246</u>	<u>\$ 48,183</u>	<u>\$ 9,243</u>	<u>\$ 177,665</u>	<u>\$ 75,936</u>	<u>\$ 15,029</u>
\$ 38	\$ -	\$ 11,225	\$ 48,183	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	31,405	50,977	-
-	12,399	-	-	-	97,886	-	-
7,330	-	-	-	2,231	45,295	5,312	14,771
-	-	-	-	-	-	500	-
1,648	-	-	-	-	-	4,807	-
-	-	-	-	-	-	-	-
<u>9,016</u>	<u>12,399</u>	<u>11,225</u>	<u>48,183</u>	<u>2,231</u>	<u>174,586</u>	<u>61,596</u>	<u>14,771</u>
<u>8,011</u>	<u>(2,362)</u>	<u>(3,979)</u>	<u>-</u>	<u>7,012</u>	<u>3,079</u>	<u>14,340</u>	<u>258</u>
-	-	-	-	-	-	-	-
8,011	(2,362)	(3,979)	-	7,012	3,079	14,340	258
1,173	2,185	17,417	-	-	7,072	(9,466)	307
<u>\$ 9,184</u>	<u>\$ (177)</u>	<u>\$ 13,438</u>	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ 10,151</u>	<u>\$ 4,874</u>	<u>\$ 565</u>

(Continued)

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 1999

	Drug Free School	Preschool Handicapped	Education Rate	Miscellaneous Federal Grant	Total All Funds
Revenues:					
Intergovernmental	\$ 16,629	\$ 19,773	\$ 18,769	\$ 313,035	\$ 980,808
Interest	-	-	-	-	4,801
Tuition and fees	-	-	-	-	433
Extracurricular activities	-	-	-	-	216,639
Contributions and donations	-	-	-	-	45,672
Miscellaneous	-	-	-	2,000	46,772
Total revenues	\$ 16,629	\$ 19,773	\$ 18,769	\$ 315,035	\$ 1,295,125
Expenditures:					
Current:					
Instruction:					
Regular	\$ -	\$ -	\$ -	\$ 4,355	\$ 97,032
Special	-	-	-	-	82,382
Support services:					
Pupils	14,094	20,145	-	-	144,770
Instructional staff	-	-	-	6,616	85,644
Fiscal	-	-	-	-	500
Operation of non-instructional services	-	-	-	-	301,580
Extracurricular activities	-	-	-	-	245,975
Total expenditures	14,094	20,145	-	10,971	957,883
Excess of revenues over (under) expenditures	2,535	(372)	18,769	304,064	337,242
Other financing sources:					
Operating transfers in	-	-	-	-	24,860
Excess of revenues and other financing sources over (under) expenditures	2,535	(372)	18,769	304,064	362,102
Fund balances (deficit) at beginning of year	(2,196)	7,437	-	15,812	175,157
Fund balances (deficit) at end of year	\$ 339	\$ 7,065	\$ 18,769	\$ 319,876	\$ 537,259

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Scholarship Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Contributions and donations	\$ 23,825	\$ 23,825	\$ -
<u>Expenditures:</u>			
Operation of non-instructional services:			
Community services:			
Other	16,550	16,550	-
Excess of revenues over expenditures	7,275	7,275	-
Fund balance at beginning of year	15,718	15,718	-
Fund balance at end of year	\$ 22,993	\$ 22,993	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Public School Support Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 59,886	\$ 59,886	\$ -
Contributions and donations	26,722	26,722	-
Miscellaneous	7,813	7,813	-
Total revenues	94,421	94,421	-
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Other	246	246	-
Instructional staff:			
Other	139	139	-
Operation of non-instructional services:			
Community services:			
Other	2,732	2,732	-
Extracurricular activities:			
Academic and subject oriented activities:			
Other	81,824	81,824	-
School and public service co-curricular activities:			
Other	8,347	8,347	-
Total extracurricular activities	90,171	90,171	-
Total expenditures	93,288	93,288	-
Excess of revenues over expenditures	1,133	1,133	-
Fund balance at beginning of year	28,800	28,800	-
Prior year encumbrances appropriated	8,636	8,636	-
Fund balance at end of year	\$ 38,569	\$ 38,569	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Other Local Grants Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Contributions and donations	\$ 751	\$ 751	\$ -
Miscellaneous	37,056	37,056	-
Total revenues	37,807	37,807	-
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	2,535	2,535	-
Purchased services	1,087	1,087	-
Materials and supplies	32,294	32,294	-
Other	4,424	4,424	-
Total regular	40,340	40,340	-
Support services:			
Instructional staff:			
Salaries and wages	3,950	3,950	-
Operation of non-instructional services:			
Community services:			
Other	2,500	2,500	-
Total expenditures	46,790	46,790	-
Excess of revenues under expenditures	(8,983)	(8,983)	-
Fund balance at beginning of year	23,178	23,178	-
Prior year encumbrances appropriated	10,587	10,587	-
Fund balance at end of year	\$ 24,782	\$ 24,782	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Athletics and Music Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition and fees	\$ 433	\$ 433	\$ -
Extracurricular activities	154,247	154,247	-
Contributions and donations	579	579	-
Total revenues	155,259	155,259	-
Expenditures:			
Current:			
Extracurricular activities:			
Academic and subject oriented activities:			
Other	30,523	30,523	-
Sports oriented activities:			
Salaries and wages	2,185	2,185	-
Purchased services	67,754	67,754	-
Other	71,937	71,937	-
Total sports oriented activities	141,876	141,876	-
Total expenditures	172,399	172,399	-
Excess of revenues under expenditures	(17,140)	(17,140)	-
Other financing sources:			
Operating transfers in	24,860	24,860	-
Excess of revenues and other financing sources over expenditures	7,720	7,720	-
Fund balance at beginning of year	10,496	10,496	-
Prior year encumbrances appropriated	7,515	7,515	-
Fund balance at end of year	\$ 25,731	\$ 25,731	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Auxiliary Services Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 252,236	\$ 252,236	\$ -
Interest	4,801	4,801	-
Total revenues	257,037	257,037	-
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Community services:			
Purchased services	185,435	185,435	-
Materials and supplies	126,831	126,831	-
Other	10,138	10,138	-
Total expenditures	322,404	322,404	-
Excess of revenues under expenditures	(65,367)	(65,367)	-
Fund balance at beginning of year	46,745	46,745	-
Prior year encumbrances appropriated	18,622	18,622	-
Fund balance at end of year	\$ -	\$ -	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Teacher Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 17,027	\$ 17,027	\$ -
<u>Expenditures:</u>			
Current:			
Instructional staff:			
Salaries and wages	5,893	5,893	-
Fringe benefits	38	38	-
Other	391	391	-
Total instructional staff	<u>6,322</u>	<u>6,322</u>	<u>-</u>
Operation of non-instructional services:			
Community services:			
Purchased services	1,648	1,648	-
Total expenditures	<u>7,970</u>	<u>7,970</u>	<u>-</u>
Excess of revenues over expenditures	9,057	9,057	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,200	1,200	-
Fund balance at end of year	<u>\$ 10,257</u>	<u>\$ 10,257</u>	<u>\$ -</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Management Information Systems Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,037	\$ 10,037	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Salaries and wages	12,455	12,455	-
Excess of revenues under expenditures	(2,418)	(2,418)	-
Fund balance at beginning of year	2,418	2,418	-
Fund balance at end of year	\$ -	\$ -	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - SchoolNet Development Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 19,198	\$ 19,198	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	3,660	3,660	-
Capital outlay - new	5,612	5,612	-
Total expenditures	9,272	9,272	-
Excess of revenues over expenditures	9,926	9,926	-
Fund balance at beginning of year	4,193	4,193	-
Fund balance at end of year	\$ 14,119	\$ 14,119	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Textbook Subsidy Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 48,183	\$ 48,183	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	48,183	48,183	-
Excess of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Title II/Eisenhower Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 9,243	\$ 9,243	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	2,225	2,225	-
Materials and supplies	6	6	-
Total expenditures	2,231	2,231	-
Excess of revenues over expenditures	7,012	7,012	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 7,012	\$ 7,012	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Title VI-B Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 157,183	\$ 157,183	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Purchased services	31,404	31,404	-
Support services:			
Pupils:			
Salaries and wages	75,823	75,823	-
Fringe benefits	18,964	18,964	-
Total pupils	94,787	94,787	-
Instructional staff:			
Salaries and wages	35,552	35,552	-
Fringe benefits	6,557	6,557	-
Total instructional staff	42,109	42,109	-
Total expenditures	168,300	168,300	-
Excess of revenues under expenditures	(11,117)	(11,117)	-
Fund balance at beginning of year	25,745	25,745	-
Fund balance at end of year	\$ 14,628	\$ 14,628	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Title I Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 83,554	\$ 83,554	\$ -
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	43,283	43,283	-
Fringe benefits	7,496	7,496	-
Purchased services	339	339	-
Materials and supplies	394	394	-
Total special	51,512	51,512	-
Support services:			
Instructional staff:			
Salaries and wages	4,586	4,586	-
Fringe benefits	681	681	-
Total instructional staff	5,267	5,267	-
Fiscal:			
Salaries and wages	500	500	-
Operation of non-instructional services:			
Community services:			
Salaries and wages	3,923	3,923	-
Fringe benefits	681	681	-
Total community services	4,604	4,604	-
Total expenditures	61,883	61,883	-
Excess of revenues over expenditures	21,671	21,671	-
Other financing uses:			
Advances out	(7,163)	(7,163)	-
Excess of revenues over expenditures and other financing uses	14,508	14,508	-
Fund balance at beginning of year	37	37	-
Fund balance at end of year	\$ 14,545	\$ 14,545	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Title VI Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 15,029	\$ 15,029	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	12,724	12,724	-
Materials and supplies	2,047	2,047	-
Total expenditures	14,771	14,771	-
Excess of revenues over expenditures	258	258	-
Fund balance at beginning of year	946	946	-
Prior year encumbrances appropriated	1,078	1,078	-
Fund balance at end of year	<u>\$ 2,282</u>	<u>\$ 2,282</u>	<u>\$ -</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Drug Free School Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 11,138	\$ 11,138	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Salaries and wages	15,519	15,519	-
Excess of revenues under expenditures	(4,381)	(4,381)	-
<u>Other financing sources:</u>			
Advances in	1,957	1,957	-
Excess of revenues and other financing sources under expenditures	(2,424)	(2,424)	-
Fund balance at beginning of year	2,424	2,424	-
Fund balance at end of year	\$ -	\$ -	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Preschool Handicapped Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 19,773	\$ 19,773	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Salaries and wages	11,454	11,454	-
Fringe benefits	2,151	2,151	-
Purchased services	6,731	6,731	-
Total expenditures	20,336	20,336	-
Excess of revenues under expenditures	(563)	(563)	-
Fund balance at beginning of year	9,314	9,314	-
Fund balance at end of year	\$ 8,751	\$ 8,751	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Education Rate Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 18,769	\$ 18,769	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	18,769	18,769	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 18,769</u>	<u>\$ 18,769</u>	<u>\$ -</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Miscellaneous Federal Grant Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 313,035	\$ 313,035	\$ -
Miscellaneous	2,000	2,000	-
Total revenues	315,035	315,035	-
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	2,790	2,790	-
Materials and supplies	427	427	-
Capital outlay - new	765	765	-
Other	1,134	1,134	-
Total regular	5,116	5,116	-
Support services:			
Instructional staff:			
Purchased services	8,034	8,034	-
Materials and supplies	1,044	1,044	-
Other	1,342	1,342	-
Total instructional staff	10,420	10,420	-
Total expenditures	15,536	15,536	-
Excess of revenues over expenditures	299,499	299,499	-
Fund balance at beginning of year	15,484	15,484	-
Prior year encumbrances appropriated	1,787	1,787	-
Fund balance at end of year	\$ 316,770	\$ 316,770	\$ -

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

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

SchoolNet: To account for the installation of wiring to all classrooms and to provide a computer workstation and related technology for every classroom.

**Nordonia Hills City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 1999**

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Total All Funds</u>
<u>Assets and other debits:</u>			
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 502,397	\$ -	\$ 502,397
Taxes receivable	563,943	-	563,943
Total assets	<u>\$ 1,066,340</u>	<u>\$ -</u>	<u>\$ 1,066,340</u>
 <u>Liabilities and fund equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 28,060	\$ -	\$ 28,060
Deferred revenue	545,425	-	545,425
Total liabilities	<u>573,485</u>	<u>-</u>	<u>573,485</u>
 <u>Fund equity:</u>			
<u>Fund balance:</u>			
Reserved for encumbrances	148,688	-	148,688
Reserved for property taxes	18,518	-	18,518
<u>Unreserved:</u>			
Undesignated	325,649	-	325,649
Total fund equity	<u>492,855</u>	<u>-</u>	<u>492,855</u>
Total liabilities and fund equity	<u>\$ 1,066,340</u>	<u>\$ -</u>	<u>\$ 1,066,340</u>

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 1999

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Total All Funds</u>
<u>Revenues:</u>			
Taxes	\$ 520,498	\$ -	\$ 520,498
Intergovernmental	52,196	-	52,196
Miscellaneous	3,855	-	3,855
Total revenues	<u>576,549</u>	<u>-</u>	<u>576,549</u>
<u>Expenditures:</u>			
Capital outlay	196,450	94,957	291,407
Debt service:			
Principal retirement	21,612	-	21,612
Interest and fiscal charges	503	-	503
Total expenditures	<u>218,565</u>	<u>94,957</u>	<u>313,522</u>
Excess of revenues over (under) expenditures	357,984	(94,957)	263,027
Fund balances at beginning of year	<u>134,871</u>	<u>94,957</u>	<u>229,828</u>
Fund balances at end of year	<u>\$ 492,855</u>	<u>\$ -</u>	<u>\$ 492,855</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Permanent Improvement Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 509,875	\$ 509,875	\$ -
Intergovernmental	52,196	52,196	-
Miscellaneous	4,405	4,405	-
Total revenues	566,476	566,476	-
Expenditures:			
Current:			
Support services:			
Fiscal:			
Other	9,263	9,263	-
Capital outlay:			
Site improvement services:			
Capital outlay - replacement	469,174	469,174	-
Total expenditures	478,437	478,437	-
Excess of revenues over expenditures	88,039	88,039	-
Fund balance at beginning of year	50,754	50,754	-
Prior year encumbrances appropriated	186,857	186,857	-
Fund balance at end of year	\$ 325,650	\$ 325,650	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - SchoolNet Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	94,957	94,957	-
Excess of revenues under expenditures	(94,957)	(94,957)	-
Fund balance at beginning of year	94,957	94,957	-
Fund balance at end of year	\$ -	\$ -	\$ -

ENTERPRISE FUNDS

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

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

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

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

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

Nordonia Hills City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>High School Bookstore Sales</u>	<u>Total All Funds</u>
<u>Assets:</u>					
<u>Current assets:</u>					
Equity in pooled cash and cash equivalents	\$ 139,967	\$ -	\$ 17,412	\$ 5,324	\$ 162,703
Intergovernmental receivable	17,109	-	-	-	17,109
Inventory held for resale	19,574	-	-	-	19,574
Materials and supplies inventory	6,211	-	-	-	6,211
Total current assets	182,861	-	17,412	5,324	205,597
<u>Non-current assets:</u>					
Fixed assets (net of accumulated depreciation)	56,778	-	-	-	56,778
Total assets	\$ 239,639	\$ -	\$ 17,412	\$ 5,324	\$ 262,375
<u>Liabilities and fund equity:</u>					
<u>Current liabilities:</u>					
Accounts payable	\$ 1,679	\$ -	\$ -	\$ 212	\$ 1,891
Accrued wages	30,688	-	670	-	31,358
Intergovernmental payable	30,899	-	163	-	31,062
Deferred revenue	3,754	-	-	-	3,754
Total current liabilities	67,020	-	833	212	68,065
<u>Long-term liabilities:</u>					
Compensated absences payable	16,155	-	-	-	16,155
Total liabilities	83,175	-	833	212	84,220
<u>Fund equity:</u>					
Contributed capital:					
Capital contributed from:					
Governmental funds	1,195	-	-	-	1,195
Retained earnings:					
Unreserved	155,269	-	16,579	5,112	176,960
Total fund equity	156,464	-	16,579	5,112	178,155
Total liabilities and fund equity	\$ 239,639	\$ -	\$ 17,412	\$ 5,324	\$ 262,375

Nordonia Hills City School District
Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>High School Bookstore Sales</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>					
Tuition	\$ -	\$ -	\$ 8,380	\$ -	\$ 8,380
Sales	683,509	697	-	20,437	704,643
Total operating revenue	<u>683,509</u>	<u>697</u>	<u>8,380</u>	<u>20,437</u>	<u>713,023</u>
<u>Operating expenses:</u>					
Salaries	281,653	-	7,364	-	289,017
Fringe benefits	126,554	-	1,158	-	127,712
Purchased services	16,223	-	6,473	-	22,696
Materials and supplies	11,823	17,210	2,007	22,243	53,283
Cost of sales	399,227	-	-	-	399,227
Depreciation	6,743	-	-	-	6,743
Other operating expenses	2,283	-	-	-	2,283
Total operating expenses	<u>844,506</u>	<u>17,210</u>	<u>17,002</u>	<u>22,243</u>	<u>900,961</u>
Operating loss	<u>(160,997)</u>	<u>(16,513)</u>	<u>(8,622)</u>	<u>(1,806)</u>	<u>(187,938)</u>
<u>Non-operating revenues:</u>					
Federal donated commodities	34,840	-	-	-	34,840
Operating grants	109,784	-	-	-	109,784
Interest	9,656	-	-	-	9,656
Total non-operating revenues	<u>154,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,280</u>
Net loss	(6,717)	(16,513)	(8,622)	(1,806)	(33,658)
Retained earnings at beginning of year	161,986	16,513	25,201	6,918	210,618
Retained earnings at end of year	155,269	-	16,579	5,112	176,960
Contributed capital at beginning and end of year	1,195	-	-	-	1,195
Total fund equity at end of year	<u>\$ 156,464</u>	<u>\$ -</u>	<u>\$ 16,579</u>	<u>\$ 5,112</u>	<u>\$ 178,155</u>

Nordonia Hills City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Food Service Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 702,315	\$ 702,315	\$ -
Interest	9,656	9,656	-
Operating grants	109,468	109,468	-
Total revenues	821,439	821,439	-
<u>Expenses:</u>			
<u>Salaries:</u>			
Food service operations	302,026	302,026	-
<u>Fringe benefits:</u>			
Food service operations	95,654	95,654	-
<u>Purchased services:</u>			
Food service operations	18,533	18,533	-
<u>Materials and supplies:</u>			
Food service operations	371,068	371,068	-
<u>Capital outlay:</u>			
<u> Capital outlay - new:</u>			
Food service operations	15,733	15,733	-
<u>Other:</u>			
Food service operations	2,283	2,283	-
Total expenses	805,297	805,297	-
Excess of revenues over expenses	16,142	16,142	-
Fund equity at beginning of year	101,179	101,179	-
Prior year encumbrances appropriated	15,221	15,221	-
Fund equity at end of year	\$ 132,542	\$ 132,542	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 1999

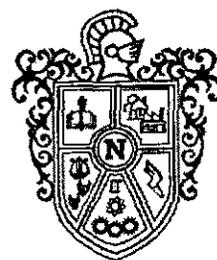
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 697	\$ 697	\$ -
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	19,947	19,947	-
Excess of revenues under expenses	(19,250)	(19,250)	-
Fund equity at beginning of year	13,885	13,885	-
Prior year encumbrances appropriated	5,365	5,365	-
Fund equity at end of year	\$ -	\$ -	\$ -

Nordonia Hills City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Adult Education Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 8,380	\$ 8,380	\$ -
<u>Expenses:</u>			
Salaries:			
Regular instruction	7,944	7,944	-
Fringe benefits:			
Regular instruction	1,125	1,125	-
Purchased services:			
Regular instruction	6,473	6,473	-
Materials and supplies:			
Regular instruction	1,375	1,375	-
Total expenses	16,917	16,917	-
Excess of revenues under expenses	(8,537)	(8,537)	-
Fund equity at beginning of year	25,897	25,897	-
Prior year encumbrances appropriated	50	50	-
Fund equity at end of year	<u>\$ 17,410</u>	<u>\$ 17,410</u>	<u>\$ -</u>

Nordonia Hills City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - High School Bookstore Sales Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 20,437	\$ 20,437	\$ -
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	22,782	22,782	-
Excess of revenues under expenses	(2,345)	(2,345)	-
Fund equity at beginning of year	6,433	6,433	-
Prior year encumbrances appropriated	485	485	-
Fund equity at end of year	\$ 4,573	\$ 4,573	\$ -



Nordonia Hills City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	Food Service	Uniform School Supplies	Adult Education
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 683,561	\$ 697	\$ -
Cash received from tuition payments	-	-	8,381
Cash payments to suppliers for goods and services	(384,587)	(19,948)	(7,848)
Cash payments to employees for services	(302,026)	-	(7,944)
Cash payments for employee benefits	(95,654)	-	(1,125)
Cash payments for other operating expenses	(2,283)	-	-
Net cash used for operating activities	<u>(100,989)</u>	<u>(19,251)</u>	<u>(8,536)</u>
<u>Cash flows from noncapital financing activities:</u>			
Operating grants	<u>109,468</u>	-	-
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	<u>(13,658)</u>	-	-
<u>Cash flows from investing activities:</u>			
Interest on investments	<u>9,656</u>	-	-
Net increase (decrease) in cash and cash equivalents	4,477	(19,251)	(8,536)
Cash and cash equivalents at beginning of year	135,490	19,251	25,948
Cash and cash equivalents at end of year	<u>\$ 139,967</u>	<u>\$ -</u>	<u>\$ 17,412</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>			
Operating loss	<u>\$ (160,997)</u>	<u>\$ (16,513)</u>	<u>\$ (8,622)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	6,743	-	-
Federal donated commodities	34,840	-	-
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	52	-	-
Materials and supplies inventory	(1,040)	-	-
Inventory held for resale	5,885	-	-
Increase (decrease) in liabilities:			
Accounts payable	(1,023)	(2,738)	(50)
Accrued wages and benefits	10,041	-	(16)
Compensated absences payable	1,859	-	-
Intergovernmental payable	1,328	-	152
Deferred revenue	1,323	-	-
Total adjustments	<u>60,008</u>	<u>(2,738)</u>	<u>86</u>
Net cash used for operating activities	<u>\$ (100,989)</u>	<u>\$ (19,251)</u>	<u>\$ (8,536)</u>

High School Bookstore Sales	Total All Funds
\$ 20,437	\$ 704,695
-	8,381
(22,031)	(434,414)
-	(309,970)
-	(96,779)
-	(2,283)
<u>(1,594)</u>	<u>(130,370)</u>
-	109,468
-	(13,658)
-	9,656
(1,594)	(24,904)
6,918	187,607
<u>\$ 5,324</u>	<u>\$ 162,703</u>
<u>\$ (1,806)</u>	<u>\$ (187,938)</u>
-	6,743
-	34,840
-	52
-	(1,040)
-	5,885
212	(3,599)
-	10,025
-	1,859
-	1,480
-	1,323
<u>212</u>	<u>57,568</u>
<u>\$ (1,594)</u>	<u>\$ (130,370)</u>

AGENCY FUNDS

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

District Agency: To account for those assets held by a school district as an agent for individual, private organizations, other governmental units, and/or other funds.

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

**Nordonia Hills City School District
Combining Balance Sheet
All Agency Funds
June 30, 1999**

	<u>District Agency Fund</u>	<u>Student Managed Activity Fund</u>	<u>Totals</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	<u>\$ 5,827</u>	<u>\$ 60,411</u>	<u>\$ 66,238</u>
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 3,345	\$ 3,345
Due to students	<u>5,827</u>	<u>57,066</u>	<u>62,893</u>
Total liabilities	<u>\$ 5,827</u>	<u>\$ 60,411</u>	<u>\$ 66,238</u>

Nordonia Hills City School District
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 1999

	Beginning Balance July 1, 1998	Additions	Deductions	Ending Balance June 30, 1999
<u>District Agency</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 4,601	\$ 1,320	\$ 94	\$ 5,827
Total assets	<u>\$ 4,601</u>	<u>\$ 1,320</u>	<u>\$ 94</u>	<u>\$ 5,827</u>
<u>Liabilities:</u>				
Due to students	\$ 4,601	\$ 5,827	\$ 4,601	\$ 5,827
Total liabilities	<u>\$ 4,601</u>	<u>\$ 5,827</u>	<u>\$ 4,601</u>	<u>\$ 5,827</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 65,973	\$ 45	\$ 5,607	\$ 60,411
Total assets	<u>\$ 65,973</u>	<u>\$ 45</u>	<u>\$ 5,607</u>	<u>\$ 60,411</u>
<u>Liabilities:</u>				
Accounts payable	\$ 8,925	\$ 3,345	\$ 8,925	\$ 3,345
Due to students	57,048	146,050	146,032	57,066
Total liabilities	<u>\$ 65,973</u>	<u>\$ 149,395</u>	<u>\$ 154,957</u>	<u>\$ 60,411</u>
<u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 70,574	\$ 1,365	\$ 5,701	\$ 66,238
Total assets	<u>\$ 70,574</u>	<u>\$ 1,365</u>	<u>\$ 5,701</u>	<u>\$ 66,238</u>
<u>Liabilities:</u>				
Accounts payable	\$ 8,925	\$ 3,345	\$ 8,925	\$ 3,345
Due to students	61,649	151,877	150,633	62,893
Total liabilities	<u>\$ 70,574</u>	<u>\$ 155,222</u>	<u>\$ 159,558</u>	<u>\$ 66,238</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

Nordonia Hills City School District
Schedule of General Fixed Assets by Source
As of June 30, 1999

General Fixed Assets:

Land and Land Improvements	\$ 1,683,883
Buildings	9,976,120
Furniture, Fixtures and Equipment	3,874,172
Vehicles	<u>1,853,358</u>
Total General Fixed Assets	<u>\$ 17,387,533</u>

Investment in General Fixed Assets
by Source:

General Fund	\$ 5,654,389
Capital Project Fund	<u>11,733,144</u>
Total General Fixed Assets	<u>\$ 17,387,533</u>

Nordonia Hills City School District
Schedule of General Fixed Assets by Function and Activity
As of June 30, 1999

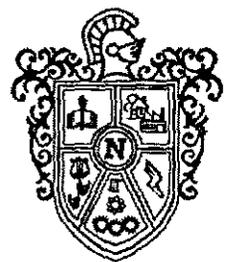
<u>Function</u>	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Furniture, Fixtures, and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Instruction:					
Regular	\$ -	\$ -	\$ 3,299,768	\$ -	\$ 3,299,768
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Support services:					
Pupils	-	-	13,920	-	13,920
Instructional staff	-	-	26,450	-	26,450
Administration	-	-	52,972	-	52,972
Fiscal	-	-	13,608	-	13,608
Business	-	-	253,052	-	253,052
Operation of maintenance of plant	-	-	89,358	-	89,358
Pupil transportation	-	-	9,680	-	9,680
Central	-	-	-	-	-
Operation of non-instructional services	-	-	80,264	-	80,264
Extracurricular activities	-	-	35,100	-	35,100
Capital outlay	<u>1,683,883</u>	<u>9,976,120</u>	<u>-</u>	<u>1,853,358</u>	<u>13,513,361</u>
Total General Fixed Assets	<u>\$ 1,683,883</u>	<u>\$ 9,976,120</u>	<u>\$ 3,874,172</u>	<u>\$ 1,853,358</u>	<u>\$ 17,387,533</u>

Nordonia Hills City School District
Schedule of Changes in General Fixed Assets by Function
For the Fiscal Year Ended June 30, 1999

Function	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Instruction:				
Regular	\$ 2,660,534	\$ 800,891	\$ 161,657	\$ 3,299,768
Special	-	-	-	-
Vocational	-	-	-	-
Support services:				
Pupils	12,040	1,880	-	13,920
Instructional staff	21,351	5,099	-	26,450
Administration	45,201	8,836	1,065	52,972
Fiscal	13,301	2,000	1,693	13,608
Business	252,138	914	-	253,052
Operation of maintenance of plant	74,183	15,175	-	89,358
Pupil transportation	6,505	3,175	-	9,680
Central	-	-	-	-
Operation of non-instructional services	45,019	35,245	-	80,264
Extracurricular activities	32,749	2,351	-	35,100
Capital outlay	13,596,385	247,766	330,790	13,513,361
Total General Fixed Assets	\$ 16,759,406	\$ 1,123,332	\$ 495,205	\$ 17,387,533

Beliefs

- ▶ **We believe that children are the most precious resource in our community.**
- ▶ **We believe that students, parents, staff and community members are partners sharing responsibility for the educational process.**
- ▶ **We believe that successful relationships are based on mutual trust, honesty and open communication.**
- ▶ **We believe we can create an environment where all students feel safe, secure and successful.**
- ▶ **We believe our community is enriched when individuals are valued and diversity is respected.**
- ▶ **We believe that schools must be organized around the work of learners.**
- ▶ **We believe that all people have the ability to learn at high levels, but in different ways and at different times.**
- ▶ **We believe that learning is a life long process of fundamental importance and the school is a central community resource to facilitate that process.**



Nordonia Hills City School District
General Governmental Revenues by Source and Expenditures by Function
Last Ten Fiscal Years (1)

	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996
Revenues:				
Taxes	\$ 17,779,112	\$ 17,005,369	\$ 15,354,959	\$ 13,565,269
Intergovernmental	7,994,596	7,281,193	6,752,893	6,711,098
Interest	426,259	400,241	212,951	292,390
Tuition and fees	193,086	406,117	229,625	172,861
Extracurricular activities	466,251	239,257	219,883	225,542
Contributions and donations	78,787	101,831	93,472	32,710
Rentals	20,018	20,441	5,821	6,342
Miscellaneous	131,900	189,595	164,486	44,324
Total revenues	\$ 27,090,009	\$ 25,644,044	\$ 23,034,090	\$ 21,050,536
Expenditures:				
Current:				
Instruction:				
Regular	\$ 11,228,438	\$ 10,688,701	\$ 10,234,691	\$ 9,985,104
Special	1,942,350	1,822,878	1,777,526	1,690,787
Vocational	313,983	301,529	265,105	250,654
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	1,963,749	1,780,347	1,623,064	1,577,412
Instructional staff	757,796	714,039	616,575	566,258
Board of education	119,605	107,750	127,662	126,434
Administration	1,802,060	1,944,860	1,696,578	1,629,227
Fiscal	628,847	586,684	583,489	515,337
Business	264,855	307,346	253,093	286,024
Operation and maintenance of plant	2,462,910	2,521,715	2,568,601	2,421,665
Pupil transportation	1,327,326	1,148,630	1,404,430	1,069,103
Central	26,512	26,180	25,882	26,465
Operation of non-instructional services				
	301,580	235,312	245,858	224,532
Extracurricular activities	740,776	707,776	676,186	589,976
Capital outlay	291,407	558,021	896,806	267,098
Debt service				
Principal retirement	23,928	57,238	138,565	28,550
Interest and fiscal charges	1,447	15,105	37,542	21,829
Total expenditures	\$ 24,197,569	\$ 23,524,111	\$ 23,171,653	\$ 21,276,455

Source: 1999 School District financial records, 1990-1998 School District Audit Reports

Note: General Governmental includes all governmental fund types.

(1) 1990 reported on a cash basis, remaining years on a GAAP basis.

Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994	Fiscal Year Ended June 30, 1993	Fiscal Year Ended June 30, 1992	Fiscal Year Ended June 30, 1991	Fiscal Year Ended June 30, 1990
\$ 13,100,439	\$ 11,668,215	\$ 10,259,523	\$ 10,102,719	\$ 9,239,139	\$ 8,922,580
6,088,429	5,924,686	5,568,512	5,550,879	5,856,128	5,696,084
273,127	121,317	139,208	215,740	327,344	269,603
91,052	48,960	74,613	51,832	50,235	35,717
196,200	176,836	91,978	84,674	98,269	91,793
50,005	55,872	-	-	-	-
17,105	29,156	30,107	-	-	-
28,240	12,132	133,409	196,097	197,078	159,798
<u>\$ 19,844,597</u>	<u>\$ 18,037,174</u>	<u>\$ 16,297,350</u>	<u>\$ 16,201,941</u>	<u>\$ 15,768,193</u>	<u>\$ 15,175,575</u>
\$ 9,118,484	\$ 8,281,961	\$ 8,157,481	\$ 7,492,572	\$ 6,392,228	\$ 5,957,503
1,312,112	1,262,708	1,158,257	992,721	839,227	735,660
251,244	242,340	246,695	245,710	230,241	224,071
38,579	-	-	-	-	-
-	-	-	51,830	78,309	75,094
1,378,649	1,325,128	1,152,092	1,094,367	1,043,713	976,105
432,121	538,020	542,593	520,209	549,819	487,468
111,512	94,124	103,582	89,856	58,406	114,324
1,562,143	1,403,695	1,287,799	1,166,404	1,104,700	1,068,300
478,142	485,842	435,682	440,061	348,724	380,323
255,290	236,112	231,159	205,325	201,373	181,639
2,134,289	2,272,162	2,210,728	2,032,546	1,821,605	1,765,122
1,065,008	1,005,190	992,316	1,046,760	1,138,407	830,472
30,834	8,409	1,066	10,649	32,667	-
15,817	15,650	11,248	174,228	179,141	151,151
545,859	496,641	445,323	460,239	424,513	388,300
690,991	403,936	260,217	487,178	249,017	335,641
28,152	262,710	158,604	101,575	95,075	166,306
28,495	28,329	24,089	-	-	-
<u>\$ 19,477,721</u>	<u>\$ 18,362,957</u>	<u>\$ 17,418,931</u>	<u>\$ 16,612,230</u>	<u>\$ 14,787,165</u>	<u>\$ 13,837,479</u>

Nordonia Hills City School District

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	Delinquent Taxes Receivable
1998	\$ 18,908,812	\$ 886,807	\$ 19,795,619	\$ 18,359,417	97.09%	\$ 593,978	\$ 18,953,395	95.75%	\$ 842,224
1997	18,084,246	867,137	18,951,383	17,688,834	97.81%	483,720	18,172,554	95.89%	778,829
1996	15,987,265	1,132,391	17,119,656	15,633,462	97.79%	564,904	16,198,366	94.62%	921,290
1995	14,618,315	1,230,780	15,849,095	14,216,897	97.25%	482,551	14,699,448	92.75%	1,149,647
1994	14,013,906	1,389,051	15,402,957	13,609,993	97.12%	500,028	14,110,021	91.61%	1,292,936
1993	11,165,809	1,957,593	13,123,402	10,721,402	96.02%	432,039	11,153,441	84.99%	1,969,961
1992	11,092,475	2,089,253	13,181,728	10,616,423	95.71%	500,181	11,116,604	84.33%	2,065,124
1991	10,726,273	1,943,026	12,669,299	10,298,311	96.01%	555,205	10,853,516	85.67%	1,815,783
1990	10,075,859	1,635,723	11,711,582	9,772,049	96.98%	388,677	10,160,726	86.76%	1,550,856
1989	9,685,608	1,791,439	11,477,047	9,395,655	97.01%	452,794	9,848,449	85.81%	1,628,598

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

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

(2) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.

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

Nordonia Hills City School District

Assessed Valuation and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1999	\$ 529,700,520	\$ 1,513,430,057	\$ 38,414,560	\$ 43,652,909	\$ 63,572,331	\$ 254,289,324	\$ 631,687,411	\$ 1,811,372,290
1998	494,613,330	1,413,180,943	38,384,610	43,618,875	63,572,331	254,289,324	596,570,271	1,711,089,142
1997	465,900,050	1,331,143,000	38,584,360	43,845,864	60,547,761	242,191,044	565,032,171	1,617,179,908
1996	364,387,130	1,041,106,086	39,484,300	44,868,523	44,013,800	176,055,200	447,885,230	1,262,029,808
1995	345,079,510	985,941,457	33,058,480	37,566,455	34,830,816	139,323,264	412,968,806	1,162,831,176
1994	329,003,600	940,010,286	31,944,390	36,300,443	30,655,828	122,623,312	391,603,818	1,098,934,041
1993	291,685,460	833,387,029	31,794,980	36,130,659	29,762,779	119,051,116	353,243,219	988,568,804
1992	284,624,040	813,211,543	28,938,110	32,884,216	34,079,236	136,316,944	347,641,386	982,412,703
1991	275,012,780	785,750,800	28,572,310	32,468,534	34,281,909	137,127,636	337,866,999	955,346,970
1990	231,680,550	661,944,429	27,827,160	27,827,160	26,800,595	107,202,380	286,308,305	796,973,969

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

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

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

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

Nordonia Hills City School District
Property Tax Rates - Direct and Overlapping Governments
Last Ten Calendar Years

Collection Year		School Levy	County Levy	City/Village Township	Cuyahoga Valley Career Center	North Hills Water District	Akron/Summit Library	Total
1999	Boston Heights Village	54.29	12.27	8.10	2.00	-	1.79	78.45
	Macedonia City	54.29	12.27	8.70	2.00	-	1.79	79.05
	Northfield Center Township	54.29	12.27	13.64	2.00	0.40	1.79	84.39
	Northfield Village	54.29	12.27	5.98	2.00	-	1.79	76.33
	Sagamore Hills Township	54.29	12.27	16.18	2.00	-	1.79	86.53
	Boston Heights Village	54.29	12.27	8.10	2.00	0.40	1.79	78.85
	Sagamore Hills Township	54.29	12.27	16.18	2.00	0.40	1.79	86.93
	Twinsburg Township	54.29	11.42	13.61	2.00	-	1.79	83.11
	Northfield Center Township	54.29	12.27	13.64	2.00	-	1.79	83.99
	Northfield Village	54.29	12.27	5.98	2.00	0.40	1.79	76.73
Macedonia City	54.29	12.27	8.70	2.00	0.40	1.79	79.45	
1998	Boston Heights Village	54.29	11.65	8.10	2.00	-	1.87	77.91
	Macedonia City	54.29	11.65	8.70	2.00	-	1.87	78.51
	Northfield Center Township	54.29	11.65	13.64	2.00	1.40	1.87	84.85
	Northfield Village	54.29	11.65	5.98	2.00	-	1.87	75.79
	Sagamore Hills Township	54.29	11.65	15.18	2.00	-	1.87	84.99
	Boston Heights Village	54.29	11.65	8.10	2.00	1.40	1.87	79.31
	Sagamore Hills Township	54.29	11.65	15.18	2.00	1.40	1.87	86.39
	Twinsburg Township	54.29	10.80	13.61	2.00	-	1.87	82.57
	Northfield Center Township	54.29	11.65	13.64	2.00	-	1.87	83.45
Northfield Village	54.29	11.65	5.98	2.00	1.40	1.87	77.19	
1997	Boston Heights Village	54.29	11.39	8.10	2.00	-	0.89	76.67
	Macedonia City	54.29	11.39	8.70	2.00	-	0.89	77.27
	Northfield Center Township	54.29	11.39	13.64	2.00	3.75	0.89	85.96
	Northfield Village	54.29	11.39	4.98	2.00	-	0.89	73.55
	Sagamore Hills Township	54.29	11.39	15.18	2.00	-	0.89	83.75
	Boston Heights Village	54.29	11.39	8.10	2.00	3.75	0.89	80.42
	Sagamore Hills Township	54.29	11.39	15.18	2.00	3.75	0.89	87.50
	Twinsburg Township	54.29	10.54	13.61	2.00	-	0.89	81.33
	Northfield Center Township	54.29	11.39	13.64	2.00	-	0.89	82.21
Northfield Village	54.29	11.39	4.98	2.00	3.75	0.89	77.30	
1996	Boston Heights Village	54.29	13.99	8.10	2.00	-	0.89	79.27
	Macedonia City	54.29	13.99	9.10	2.00	-	0.89	80.27
	Northfield Center Township	54.29	13.99	13.64	2.00	3.75	0.89	88.56
	Northfield Village	54.29	13.99	4.98	2.00	-	0.89	76.15
	Sagamore Hills Township	54.29	13.99	15.18	2.00	-	0.89	86.35
	Boston Heights Village	54.29	13.99	8.10	2.00	3.75	0.89	83.02
	Sagamore Hills Township	54.29	13.99	15.18	2.00	3.75	0.89	90.10
	Twinsburg Township	54.29	13.14	13.61	2.00	-	0.89	83.93
	Northfield Center Township	54.29	13.99	13.64	2.00	-	0.89	84.81
Northfield Village	54.29	13.99	4.98	2.00	3.75	0.89	79.90	
1995	Boston Heights Village	54.29	14.16	8.10	2.00	-	0.89	79.44
	Macedonia City	54.29	14.16	9.10	2.00	-	0.89	80.44
	Northfield Center Township	54.29	14.16	13.64	2.00	3.75	0.89	88.73
	Northfield Village	54.29	14.16	4.98	2.00	-	0.89	76.32
	Sagamore Hills Township	54.29	14.16	15.18	2.00	-	0.89	86.52
	Boston Heights Village	54.29	14.16	8.10	2.00	3.75	0.89	83.19
	Sagamore Hills Township	54.29	14.16	15.18	2.00	3.75	0.89	90.27
	Twinsburg Township	54.29	13.31	13.61	2.00	-	0.89	84.10
	Northfield Center Township	54.29	14.16	13.64	2.00	-	0.89	84.98
Northfield Village	54.29	14.16	4.98	2.00	3.75	0.89	80.07	

Nordonia Hills City School District
Property Tax Rates - Direct and Overlapping Governments
Last Ten Calendar Years

Collection Year		School Levy	County Levy	City/Village Township	Cuyahoga Valley Career Center	North Hills Water District	Akron/Summit Library	Total
1994	Boston Heights Village	54.29	12.31	5.60	2.00	-	0.89	75.09
	Macedonia City	54.29	12.31	9.30	2.00	-	0.89	78.79
	Northfield Center Township	54.29	12.31	12.14	2.00	3.75	0.89	85.38
	Northfield Village	54.29	12.31	4.98	2.00	-	0.89	74.47
	Sagamore Hills Township	54.29	12.31	15.18	2.00	-	0.89	84.67
	Sagamore Hills Township	54.29	12.31	15.18	2.00	3.75	0.89	88.42
	Twinsburg Township	54.29	11.56	13.61	2.00	-	0.89	82.35
	Northfield Center Township	54.29	12.31	12.14	2.00	-	0.89	81.63
	Northfield Village	54.29	12.31	4.98	2.00	3.75	0.89	78.22
1993	Boston Heights Village	47.29	12.59	5.60	2.00	-	0.89	68.37
	Macedonia City	47.29	12.59	9.42	2.00	-	0.89	72.19
	Northfield Center Township	47.29	12.59	12.14	2.00	4.15	0.89	79.06
	Northfield Village	47.29	12.59	4.98	2.00	-	0.89	67.75
	Sagamore Hills Township	47.29	12.59	15.18	2.00	-	0.89	77.95
	Sagamore Hills Township	47.29	12.59	15.18	2.00	4.15	0.89	82.10
	Twinsburg Township	47.29	11.84	12.47	2.00	-	0.89	74.49
	Northfield Center Township	47.29	12.59	12.14	2.00	-	0.89	74.91
	Northfield Village	47.29	12.59	4.98	2.00	4.15	0.89	71.90
1992	Boston Heights Village	47.39	12.59	5.60	2.00	-	0.89	68.47
	Macedonia City	47.39	12.59	9.42	2.00	-	0.89	72.29
	Northfield Center Township	47.39	12.59	12.14	2.00	3.40	0.89	78.41
	Northfield Village	47.39	12.59	4.98	2.00	-	0.89	67.85
	Sagamore Hills Township	47.39	12.59	13.18	2.00	-	0.89	76.05
	Sagamore Hills Township	47.39	12.59	13.18	2.00	3.40	0.89	79.45
	Twinsburg Township	47.39	11.84	9.58	2.00	-	0.89	71.70
	Northfield Center Township	47.39	12.59	12.14	2.00	-	0.89	75.01
	Northfield Village	47.39	12.59	4.98	2.00	3.40	0.89	71.25
1991	Boston Heights Village	47.40	12.59	5.60	2.00	-	0.89	68.48
	Macedonia City	47.40	12.59	9.62	2.00	-	0.89	72.50
	Northfield Center Township	47.40	12.59	12.14	2.00	4.74	0.89	79.76
	Northfield Village	47.40	12.59	4.98	2.00	-	0.89	67.86
	Sagamore Hills Township	47.40	12.59	13.18	2.00	-	0.89	76.06
	Sagamore Hills Township	47.40	12.59	13.18	2.00	4.74	0.89	80.80
	Twinsburg Township	47.40	11.84	9.21	2.00	-	0.89	71.34
	Northfield Center Township	47.40	12.59	12.14	2.00	-	0.89	75.02
	Northfield Village	47.40	12.59	4.98	2.00	4.74	0.89	72.60
1990	Boston Heights Village	47.44	12.34	5.60	2.10	-	0.89	68.37
	Macedonia City	47.44	12.34	9.82	2.10	-	0.89	72.59
	Northfield Center Township	47.44	12.34	10.25	2.10	5.10	0.89	78.12
	Northfield Village	47.44	12.34	4.98	2.10	-	0.89	67.75
	Sagamore Hills Township	47.44	12.34	11.68	2.10	-	0.89	74.45
	Sagamore Hills Township	47.44	12.34	11.68	2.10	5.10	0.89	79.55
	Twinsburg Township	47.44	11.84	9.21	2.10	-	0.89	71.48
	Northfield Center Township	47.44	12.34	10.25	2.10	-	0.89	73.02
	Northfield Village	47.44	12.34	4.98	2.10	5.10	0.89	72.85

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

Nordonia Hills City School District
Computation of Legal Debt Margin
June 30, 1999

Assessed Valuation (1999)	<u>\$ 631,687,411</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>56,851,867</u>
Total outstanding debt	<u>-</u>
Voted Debt Margin	<u>\$ 56,851,867</u>
Bonded Debt Limit - .10% of Assessed Value (1)	<u>\$ 631,687</u>
Total outstanding debt	<u>-</u>
Unvoted Debt Margin	<u>\$ 631,687</u>

Source: Summit County Auditor and School District financial records.

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

Nordonia Hills City School District
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$ -	\$ 631,687,411	23,623	0.00%	\$0.00
1998	-	596,570,271	23,623	0.00%	0.00
1997	-	565,032,171	23,623	0.00%	0.00
1996	-	447,885,230	23,623	0.00%	0.00
1995	-	412,968,806	23,623	0.00%	0.00
1994	-	391,603,818	23,623	0.00%	0.00
1993	85,000	353,243,219	23,623	0.02%	3.60
1992	170,000	347,641,386	23,623	0.05%	7.20
1991	255,000	337,866,999	23,623	0.08%	10.79
1990	340,000	286,308,305	23,623	0.12%	14.39

Source: Summit County Auditor, School District records, and School District Audit Reports

(1) No debt is applicable to enterprise funds.

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
1999	\$ -	\$ -	\$ -	\$ 24,197,569	0.00%
1998	-	-	-	23,524,111	0.00%
1997	-	-	-	23,171,653	0.00%
1996	-	-	-	21,276,455	0.00%
1995	-	-	-	19,477,721	0.00%
1994	85,000	2,762	87,762	18,362,957	0.48%
1993	85,000	8,287	93,287	17,418,931	0.54%
1992	85,000	13,812	98,812	16,612,230	0.59%
1991	85,000	19,337	104,337	14,787,165	0.71%
1990	85,000	24,862	109,862	13,837,479	0.79%

Source: School District records and Audit Reports

Nordonia Hills City School District
Demographic Statistics

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

Source: U.S. Bureau of the Census

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

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits</u>	<u>Value of New Construction</u>
1998	\$ 596,570,271	\$ 5,749,282,000	\$ 24,733,900
1997	565,032,171	5,153,519,000	28,695,860
1996	447,885,230	4,342,660,000	32,057,250
1995	412,968,806	4,267,009,000	16,493,870
1994	391,603,818	4,199,905,000	11,822,270
1993	353,243,219	3,792,255,000	8,179,270
1992	347,641,386	3,737,694,000	8,376,330
1991	337,866,999	3,610,033,000	7,008,360
1990	286,308,305	3,468,298,000	5,203,150
1989	274,640,491	3,390,944,000	5,106,996

Sources:

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

Nordonia Hills City School District

Principal Taxpayers

Top Taxpayers	Assessed Valuations			Percent of Total	Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility		Total	Real Property	Tangible Personal	Public Utility
Ohio Edison Co.	\$ -	\$ -	\$ 22,451,410	3.55%	\$ -	\$ -	\$ 89,805,640	\$ 89,805,640
Cajon Co.	-	6,129,070	-	0.97%	-	6,964,852	-	6,964,852
Western Reserve Telephone	-	-	5,766,440	0.91%	-	-	23,065,760	23,065,760
Dorts LLC	4,820,113	-	-	0.76%	13,771,751	-	-	13,771,751
Associated Estates	4,420,850	-	4,420,850	0.70%	12,631,000	-	-	12,631,000
Specialty Chemical Resources	-	4,297,540	-	0.68%	-	4,883,568	-	4,883,568
East Ohio Gas	-	-	4,292,270	0.68%	-	-	17,169,080	17,169,080
LTV Steel Co.	-	4,248,270	-	0.67%	-	4,827,580	-	4,827,580
Cleveland Elec. Illuminating	-	-	3,759,940	0.60%	-	-	15,039,760	15,039,760
Cleveland Steel Warehouse	3,656,450	-	-	0.58%	10,447,000	-	-	10,447,000
Total Top Ten Taxpayers	\$ 12,897,413	\$ 14,674,880	\$ 36,270,060	10.11%	\$ 36,849,751	\$ 16,676,000	\$ 145,080,240	\$ 198,605,991

Total All Assessed Valuations 529,700,520 63,572,331 38,414,560 631,687,411 100.00%

Sources: Summit County Auditor

Nordonia Hills City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 1999

	<u>Assessed Valuation</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Nordonia Hills City School District</u>
Nordonia Hills City School District	\$ 631,687,411	\$ -	100.00%	\$ -
City of Macedonia	297,643,976	14,528,405	98.30%	14,281,747
Sagamore Hills Township	181,714,098	152,714	99.66%	152,192
Northfield Village	51,509,105	201,500	100.00%	201,500
Akron Summit Library	6,302,885,193	40,489,269	10.02%	4,057,913
Metro Transit Authority	9,359,780,140	2,435,000	6.75%	164,337
Summit County	9,359,780,140	<u>103,413,317</u>	6.75%	<u>6,979,319</u>
		<u>\$ 161,220,205</u>		<u>\$ 25,837,008</u>

Sources: Summit County Auditor

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

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

Nordonia Hills City School District

Transportation Statistics

June 30, 1999

Number of Assigned School Buses in Fleet:	34
Average Age of School Buses in Fleet: (Oldest: 14 years Most Recent: 4 months)	6.0 years
Number of Bus Drivers: (25 residents of Nordonia Hills City School District (9% male; 91% female))	33
Average Number of Years Experience: (Most Service: 25 years Least Service: 1 month)	11
Number of Miles Driven Annually:	259,560
Annual Gallons of Fuel Consumed: Diesel	50,000 (approx.)
Gasoline	4,500 (approx.)
Number of Students Eligible for Transportation:	
Public School Students	3,659
Non-Public School Students (13 private schools)	780
Special Needs Students (7 out of district schools)	15
Preschool (1 out of district school)	<u>7</u>
Total:	4,461

Source: School District records

Nordonia Hills City School District
Miscellaneous Statistics
Last Ten Fiscal Years (1)

	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>
Fall Enrollment	3,443	3,400	3,264	3,163
Average Teacher Salary	\$ 42,868	41,829	40,923	37,880
Percent of Teachers With No Degree	0.00%	0.00	1.05	1.09
Percent of Teachers With Bachelor Degree	17.69%	18.12	18.98	22.81
Percent of Teachers With Masters Degree	38.74%	39.04	39.87	38.66
Average Teacher Experience (yrs.)	15.50	15.50	15.70	14.90
Pupil Attendance Rate	95.69%	95.94	95.71	95.80
Graduation Rate	88.89%	87.89	80.66	97.50
Percent of College Preparatory Graduates	71.37%	65.78	64.71	55.56

Source: Ohio Department of Education and School District records

(1) Information not available for 1999

<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>	<u>Fiscal Year Ended June 30, 1991</u>	<u>Fiscal Year Ended June 30, 1990</u>	<u>Fiscal Year Ended June 30, 1989</u>
3,102	3,013	3,005	2,852	2,917	2,968
37,172	36,969	35,059	34,229	33,407	32,097
1.10	0.69	0.45	0.00	0.00	0.00
18.60	41.39	18.28	19.22	21.74	21.12
39.79	27.46	41.04	43.14	41.72	41.98
15.60	15.30	14.70	15.70	15.80	15.20
95.82	95.64	95.99	95.70	95.52	94.87
90.52	93.44	90.76	85.19	85.03	82.76
75.71	55.37	59.29	61.84	63.20	47.57

Nordonia Hills City School District
Directory of School Facilities
June 30, 1999

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

Source: Nordonia Hills City School District records



STATE OF OHIO
OFFICE OF THE AUDITOR

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NORDONIA HILLS CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 10, 2000**